

Extraordinary Overview and Scrutiny Management Board Agenda



Date: Monday, 13 March 2017

Time: 5.00 pm

Venue: The Writing Room - City Hall, College Green,
Bristol, BS1 5TR

Distribution:

Councillors: Geoff Gollop (Chair), Charlie Bolton, Nicola Bowden-Jones, Tom Brook, Jude English, Gill Kirk, Brenda Massey, Olly Mead, Graham Morris, Anthony Negus and Steve Pearce

Copies to: Anna Klonowski (Chief Executive), John Readman (Strategic Director - People), Alison Comley (Strategic Director - Neighbourhoods), Barra Mac Ruairi (Strategic Director - Place), Shahzia Daya (Service Director - Legal and Democratic Services), Annabel Scholes (Interim Service Director Finance), Cathy Mullins (Interim Service Director Policy, Strategy and Communications), Patricia Greer, Andrea Dell (Service Manager Democratic Engagement), Lucy Fleming (Scrutiny Co-ordinator), Allison Taylor (Democratic Services Officer) and Pauline Cowley (DA to Shahzia Daya)

Issued by: Allison Taylor, Democratic Services

City Hall, PO Box 3167, Bristol, BS3 9FS

Tel: 0117 92 22237

E-mail: democratic.services@bristol.gov.uk

Date: Friday, 3 March 2017



Agenda

1. Welcome, Introductions and Safety Information

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Minutes and Action Sheets of the previous meeting.

To agree as a correct record minutes of:

(Pages 5 - 27)

8 December 2016;
12 January 2017;
19 January 2017;
9 February 2017 – to follow

And note the Actions Sheets for the above meetings.

5. Chair's Business

To note any announcements from the Chair



6. Public Forum

Up to 30 minutes is allowed for this item

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on **Tuesday 7 March**.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on **Friday 10 March**.

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| 7. P8 and P9 Finance Updates | 5.10 pm
(Page 28) |
| a) P8 Financial Monitor | (Pages 29 - 59) |
| b) P9 Financial Monitor | (Pages 60 - 122) |
| 9. Process for Dealing with Exempt Materials | 5.50 pm
(Pages 123 - 125) |
| 10. Mayor's Forward Plan - standing item | 6.00 pm
(Pages 126 - 136) |
| 11. Scrutiny Work Programme | 6.10 pm
(Pages 137 - 149) |
| 12. Decision Pathway | 6.15 pm
(Pages 150 - 154) |
| 13. Scrutiny Structure and New Ways of Working - Hothouse Proposal. | 6.25 pm

(Pages 155 - 157) |
| 14. Independent Review of Bristol 2015 - European Green Capital Year | 6.45 pm |



(Pages 158 - 163)

15. Independent Review of Bristol City Council's Financial Deficit in 2016/17 **7.05 pm**

(Pages 164 - 173)



Bristol City Council

Minutes of the Extraordinary Overview and Scrutiny Management Board



8 December 2016 at 13.30pm

DISCLAIMER

The attached Minutes are DRAFT. Whilst every effort has been made to ensure the accuracy of the information and statements and decisions recorded in them, their status will remain that of a draft until such time as they are confirmed as a correct record at the subsequent meeting

Members Present:-

Councillors: Charlie Bolton, Nicola Bowden-Jones, Tom Brook, Jude English, Geoff Gollop, Gill Kirk, Brenda Massey, Olly Mead, Gary Hopkins (for Anthony Negus) and Steve Pearce

Officers in Attendance:-

Stephen Hughes, Interim Chief Executive, Anna Klonowski, Interim Strategic Director - Business Change, Denise Murray, Section 151 Officer, Nancy Rollason, Service Manager Legal, Andrea Dell, Service Manager, Policy, Research and Scrutiny, Lucy Fleming Scrutiny Co-ordinator, Allison Taylor, Democratic Services

1. Welcome, Introductions and Safety Information

The Chair welcomed all members to the meeting and explained the evacuation procedure in the event of an emergency.

2. Apologies for absence.

No apologies received.

3. Declarations of Interest

There were no declarations of interest.

At this point, the Chair, with the agreement of the Board, amended the order of the agenda. He also took the opportunity to welcome the recently appointed Section 151 Officer, Denise Murray.



4. Urgent Business.

The Board considered the following three reports in advance of their consideration at Full Council on 13 December 2016. The following comments were made and were conveyed to Full Council.

Approval of Council Tax Base 2017/18.

This year the Council Tax Base is set at £124,083 which is a significant increase from last year. The unprecedented increase is due to growth in the city but also the reduction in the Council Tax Support Scheme. This is a sound figure based on a number of assumptions detailed in the report. The factual figure was provided by the Valuation Office in October. Estimating the number of students was difficult as they were 100% discounted. Lots of additional student housing was being provided as there's been an influx of students into the City Centre and Bristol generally, which was significant.

The following points arose from discussion:-

1. A Councillor observed that the Council used to get compensation for students but if that had disappeared it would have quite an effect on the Council budget;
2. The surplus and deficit calculations had not been calculated yet as they were not due until early 2017 ;
3. The issue of students was particularly relevant as a large development of student accommodation had been approved at Temple Meads, which meant less revenue going through. It was important to know the impact of this. He asked that additional information be provided in relation to student Council Tax exemptions and for information comparing previous council tax base forecasts against actuals;
4. A Councillor who represented the ward with the largest number of students stated that the cost of students was effectively a loss to the Council. Three storey houses in his ward would become HMOs and displace people paying resident rates; The Chair observed that the issue of affordable housing for those who most needed it was a cross- departmental scrutiny issue which should be considered by the Cabinet;
5. The Interim Chief Executive stated that the figure of £9m could not be considered a loss to the Council. Any change to student discounts would require an amendment to government legislation;
6. The Chair referred to the reduction in benefit claimants and asked whether there was a presumption that there would be a permanent reduction in claimants and if so how was it possible to protect against financial challenges. There was a real contingent risk that if benefit claimants increased one year the Council could find it had a deficit when it had budgeted for a surplus. The Section 151 Officer acknowledged that this area was always volatile. Assumptions were trend informed and a range of scenarios had been modelled to arrive at prudent and robust assumptions.



Capital Receipts Flexibility.

This was a Cabinet referral to Full Council detailing the recent change in legislation that allowed Capital Receipts to fund revenue transformational change. This strategy would enable the release of up to £5.3m from revenue reserves that could be used to partly mitigate the 2016/17 budget pressures.

The following points arose from discussion:-

1. This was a one-off payment to bolster revenue. The MTFP had earmarked reserves so this would not impact on revenue. The funding was mitigated as it was anticipated to be a one off;
2. This could not be used for the combined authority as it was not yet in existence.

Review of Minimum Revenue Provision (MRP) Policy.

This was a referral from Cabinet to Full Council detailing the re-profiling of debt to better reflect the life of assets and which would provide significant savings to the Council's revenue fund. This would allow the debt to be repaid in 50 years.

The following points arose from discussion:-

1. The debt was still managed separately, the MRP impacted on the revenue account. This was an accounting adjustment by aligning the amount of money set aside to the lifecycle of the asset;
2. The Chair expressed concern that this was effectively depreciation and future adults would have to pay. The Section 151 Officer replied this was prudent accounting as with current arrangements the Council would never repay that debt.

RESOLVED –

- 1. that the reports be noted;**
- 2. that the additional information requested in relation to the Approval of the Council Tax Base report be provided in advance of Full Council.**

4. Minutes of Meeting held on 3 November 2016

These were approved as a correct record.

RESOLVED – that the minutes be agreed as a correct record and signed by the Chair.

5. Action Sheet of 3 November 2016

Actions carried out were noted.



6. Chair's Business.

None.

7. Public Forum.

None.

8. Increasing Business Efficiency.

The Interim Strategic Director – Business Change introduced the report detailing the efficiency savings that are proposed as part of the budget setting process for 2017 – 2022. The information was complimentary to the Draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22.

The following points arose from discussion:-

1. The Interim Chief Executive stated that the freeze on spending was an unprecedented action and was a consequence of the extreme financial pressure the Council was faced with. Savings had been made with one off contributions but there was a need to protect reserves as departmental spending had not decreased. The Council was now at a point where the 'easy things' had been done and members would need to make difficult choices in the context of the legislative framework. Officers would be able to provide a range of options for balancing the budget but members may not be happy with the decisions they had to make. The budget would be balanced through continued savings and through protecting reserves. Spending was not frozen for matters of health and safety and where Managers could demonstrate a pragmatic need to spend;
2. The Interim Strategic Director – Business Change stated that the Leadership Team had been open and transparent to members regarding the challenges faced and the Transformation Programme proposed, and whilst the programme had not yet been fully documented, all measures taken would satisfy the Council's external auditors;
3. A Councillor expressed great concern at the level of savings expected to come from the People budget. He asked that the surplus from parking revenues be kept in the transport field and not redistributed. He noted the proposal to remove the 30 minutes free parking rule and believed this would damage the ongoing process of RPZ as this concession had made the current schemes palatable for a lot of people. He believed the £675,000 proposed savings was based on spaces being occupied all of the time and a parking attendant being there and was not therefore a viable figure. With respect to Housing Services, he suggested that the only way the service could be turned around was to move it into the Private Sector where efficiencies could be achieved. He noted in particular that other, smaller Councils with retained stock had made those efficiencies. The analysis had not made in-roads into landlord Services. In response, he was informed that it was a legal obligation to spend income generated from parking services on transport matters. The Mayor had made a statement on the 30 minute parking rule and this was read out to the Board.



- The Interim Chief Executive agreed that more work was needed on Housing Services' efficiencies, particularly the management of facilities. A revamped business plan was proposed for next year;
4. A Councillor observed that the freezing of wellbeing budgets for Neighbourhood Partnerships would have a huge knock-on effect for small organisations reliant upon grants;
 5. A Councillor was very concerned regarding the freeze and could not see how it would save a huge amount of money. He expressed particular concern regarding the CIL money raised for parks from affordable housing. It was unfair to freeze this and also bad for business. It was better to allow CIL money to be spent and give the parks staff useful work to carry out. In response, the Interim Chief Executive advised this point would be taken into account as part of the Parks Management consultation process and would be evaluated before recommendations were produced. Parks staff were clear that incidental spending to keep them occupied would continue. Advice was currently being sought regarding the use of CIL but it was a non-ringfenced grant and therefore was capable of being spent on a variety of things. The Section 151 Officer added that books would be balanced 'in year'. There was an imperative to have a sustainable budget going forward and the freeze on spending was a temporary one in order to gain a clear view. An exception could be made if it could clearly be demonstrated that the spend was grant funded;
 6. A Councillor expressed her surprise that the spending freeze had not come sooner to encourage staff to be more prudent. She was concerned with the manner with which the spending freeze had been communicated and would have preferred an e-mail providing greater detail. The Interim Chief Executive agreed that delivery of the information could have been handled more effectively and apologised for the oversight;
 7. A Councillor observed that NPs (Neighbourhood Partnerships) were partly through a cycle regarding their wellbeing spends and asked whether there was any flexibility for these grants to be honoured. The Interim Chief Executive confirmed that the purpose of the freeze was to reduce spending not to defer it as that would not produce the savings required. The future of the funding would be a political decision. The Chair expressed concern as a spending 'freeze' suggested a deferral. There was real engagement with wellbeing grants and this was being removed without consultation. It was noted that individually the grants were small but in total they were significant as they amounted to £700,000; The Interim Chief Executive noted the concerns and agreed to discuss the matter with the Mayor and Cabinet;
 8. Members were asked for their ideas to make additional savings.
 9. The Interim Chief Executive stated that no firm decisions had been made about which savings would go forward into the budget proposals and consultation findings would inform the outcome. It was agreed that the first cut of consultation responses would be circulated to members. The responses would then be summarised by themes and be publically available;
 10. The Chair, in summary, noted that it would be prudent to hold another Extraordinary OSMB after Cabinet dispatch of papers for its January meeting but before Budget Full Council. It was agreed to circulate the consultation papers for Cabinet on 24 January to all Members. He thanked staff for the huge amount of work undertaken in putting the information together.

RESOLVED – that the Board notes the contents of the report.



9. Democratic Engagement Select Committee – Terms of Reference.

The report set out the draft Terms of Reference and the legal and resource implications of the proposed Select Committee.

The following points arose:-

1. A Councillor suggested that the Council could put 'How to' videos on its website regarding ways to engage ie. Public Forum at Regulatory Committees;
2. Engagement could be daunting for the public and this would make the process easier;
3. Best practice from other democratic organisations should be considered;
4. The frequency of meetings should be considered.

RESOLVED –

- 1. That the draft Terms of Reference be amended following the comments from Members;**
- 2. That updates from the Select Committee will be provided to OSMB**

10. Scrutiny Resolution and Full Council Motion Tracker.

It was agreed that the tracker be updated to track outcomes on Inquiry Days and Select Committees.

RESOLVED – that the report be noted.

11. Mayor's Forward Plan.

RESOLVED – That the Forward Plan be noted.

12. Scrutiny Work Programme – 2016/17.

It was noted that a Scrutiny Chair's meeting had recently concluded that scrutiny was not working as effectively as it had previously. It was agreed that policy development was far more constructive and of greater interest to the public than pre decision Scrutiny. And that a paper of options would be brought to the OSM meeting on 9th February 2017.

It was also agreed to establish whether the Neighbourhoods Scrutiny Commission had given consideration to the Local Housing Company Business Plan.



RESOLVED – that the current Work Programme be noted.

14. Date of Next Meeting.

5 January 2017 at 2pm.

The Meeting ended at 4.35 pm.

CHAIR _____



Bristol City Council
Minutes of the Extraordinary Overview and Scrutiny
Management Board



12 January 2017 at 13.30pm

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Members Present:-

Councillors: Charlie Bolton (as PGL), Nicola Bowden-Jones, Tom Brook, Jude English, Martin Fodor (substitute for Charlie Bolton), Geoff Gollop, Gill Kirk, Brenda Massey, Olly Mead, Anthony Negus, Gary Hopkins (as PGL) Steve Pearce.

Officers in Attendance:-

Stephen Hughes, Interim Chief Executive, Anna Klonowski, Interim Strategic Director - Business Change, Netta Meadows, Service Director – Commissioning, Shahzia Daya, Service Director – Legal and Democratic Services, Andrea Dell, Service Manager, Democratic Engagement, Lucy Fleming, Scrutiny Co-ordinator, Allison Taylor, Democratic Services

1. Welcome, Introductions and Safety Information

The Chair welcomed all members to the meeting and explained the evacuation procedure in the event of an emergency.

2. Apologies for absence.

No apologies received.

The Chair noted that Councillor Fodor was in attendance as a substitute member for Councillor Bolton who was in attendance as Party Group Leader. Councillor Hopkins was in attendance as Party Group Leader.



3. Declarations of Interest.

There were none.

4. Public Forum.

The response to a Question submitted by Councillor Donald Alexander was circulated to the Board. The Chair reiterated his written response that the question be put directly to the Mayor at the next Mayoral Question Time preceding OSMB on 9 February 2017.

5. Business Planning Update on Companies which the Council wholly own – 2017.

The Chair confirmed with the Board that all confidentiality agreements had been signed.

6. Exclusion of the Public.

RESOLVED – that under s100A (4) of the Local Government Act 1972, the public were excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

7. Date of Next Meeting.

19 January 2017at 5pm.

The Meeting ended at 6 pm.

CHAIR _____



Bristol City Council

Minutes of the Overview and Scrutiny Management Board



19 January 2017 at 5.00 pm

Members Present:-

Councillors: Geoff Gollop (Chair), Charlie Bolton, Nicola Bowden-Jones, Gary Hopkins, Gill Kirk, Brenda Massey, Olly Mead, Anthony Negus, Steve Pearce, Mike Davies, John Goulandris and Clive Stevens

Cabinet Members Present:-

Councillors: Craig Cheney, Estella Tincknell, Mark Bradshaw, Helen Holland, Paul Smith, Asha Craig, Claire Hiscott, Claire Champion-Smith

Officers in Attendance:-

Anna Klonowski (Interim Strategic Director - Resources), John Readman (Strategic Director - People), Alison Comley (Strategic Director - Neighbourhoods), Barra Mac Ruairi (Strategic Director - Place), Shahzia Daya (Service Director - Legal and Democratic Services), Andrea Dell (Service Manager – Democratic Engagement), Lucy Fleming (Scrutiny Co-ordinator) and Denise Murray (Service Director - Finance)

1. Welcome, Introductions and Safety Information

The Chair welcomed all members to the meeting.

2. Apologies for absence.

Apologies were received from Cllr Brook. Councillor Stevens substituted for Councillor English.

3. Declarations of Interest

There were no declarations of interest.

4. Chair's Business

The Chair advised that the meeting would be filmed and available on the internet from 20 January. He went onto refer the Board to the Directorate submissions which had been circulated in response to Members' advance questions, a copy of which is appended to these minutes.

5. Public Forum



Two public forum submissions were received and noted in respect of the Corporate Strategy 2017-2022 and the Savings Proposals. *(Copies of the statements are held on public record by the Democratic Services team).*

The Chair advised the Board that an Extraordinary Cabinet meeting had been scheduled for 30 January, 6pm, to consider the budget (postponed from 24th January). Public forum statements noted by the Board would be transferred to the Cabinet for their consideration and the new timescale presented an opportunity for further statements to be made.

6. Bristol City Council Corporate Strategy 2017 – 2022

The Board considered the report on the draft five-year Corporate Strategy and Medium Term Financial Plan, along with a draft one-year 2017/18 Business Plan. Appended to the report was a revised Corporate Strategy, produced following the consultation period, which contained details of the City Council's direction of travel for the next five years.

The Service Director for Strategy and Policy provided an overview of the consultation strategy process and feedback received; and confirmed that as a result of the consultation £7.2m of proposals had been withdrawn and that the knowledge gleaned would inform the shape of future plans and proposals.

The Service Director referred Board members to a presentation which summarised the strategy for future revenue spend to deliver increased commissioned, contracted or shared services; as well as the future capital spend where the Council will invest to grow its economy, maintain assets or generate income.

7. Bristol City Council Savings Proposals

In consideration of the Savings and Investment Proposals report, the Board received an introduction to the directorate savings proposals from Cabinet Members and the Strategic Directors for Neighbourhoods, People, Place and Resources. Each Directorate referred to the written Directorate and Corporate responses that had been submitted and circulated in response to the Board's questions in advance of the meeting and summarised key points as follows:

Neighbourhoods

- a. Delivery of discretionary services would be very challenging and require a different relationship with citizens .
- b. Business efficiencies were being pursued with Bristol Waste Company to reduce costs through savings in the waste contract.
- c. A proposal to make parks cost neutral to the Council had been included
- d. A new approach to Neighbourhood Partnerships was needed as the current costs of maintaining them were significant.
- e. Increased income through expansion of licensing schemes and cemeteries and crematoriums were being considered.
- f. The highest risks surrounded Neighbourhood Partnerships, parks and crisis and prevention funds



- g. Housing Delivery would be a growth area for the Council and crossed a number of directorates.. There had been three successful bids for homelessness projects which had achieved match government funding and voluntary sector funding.

People

- a. Demographic pressures and Government policy (including the national living wage for home care workers and Deprivation of Liberty assessments) were noted as some of the reasons for increased pressure on the People Directorate Budget. A further £17m had been put into the budget through the social care precept.
- b. There were efforts to preserve early intervention services and prevent reductions in discretionary spend that could tip people into statutory services.
- c. Full cost recovery would be pursued where appropriate and there was a need to develop a good framework to bid for work to take advantage of any government grants that came through.
- d. The Learning City partnership was a driver for partnership working. The West of England devolution skills work stream deal would increase active work with neighbouring authorities.
- e. The Council would continue to pursue income through maximising trading with schools.
- f. Members were referred to specific targeted investments and savings targets at Appendices 5 and 6 to the report, to meet the rising demand of a changing population.

Place

- a. Ambitions to increase temporary use of empty shops and encourage pop up entrepreneurs
- b. A review of on street parking and resident parking income was proposed.
- c. Some proposed savings would not be progressed due to the high impact on people with disabilities.
- d. There was a need to sustain renowned arts and culture organisations in the city and any cuts to funding needed to be tapered. Museums were continuing to pursue income generation opportunities.

Resources

- a. As the organisation changes there is a need to maintain a strong back office function of HR/IT/Finance. Savings proposals are achievable and include reasonable income generation assumptions.

The Chair thanked Cabinet and the Strategic Leadership Team for a comprehensive and helpful presentation.

Overview of the Cumulative Impact Assessment

- a. The Service Director for Strategy and Policy provided an overview of the Council's Equalities Duty and the process and approach used during decision making to identify, qualify, minimise and mitigate against the potential impacts of budget proposals on equalities communities. As proposals have changed, the equalities impact assessments have been updated accordingly.
- b. Wider measures that can be taken as a Council have been sought to minimise the direct impacts on equalities groups; such as a focus on increasing the Council's ability to raise income, a proposed increase in Council Tax and, where possible, focusing reductions away from those most vulnerable.



Comments from the Chairs of Scrutiny

The Board received comments for the Chair of Neighbourhoods Scrutiny who outlined two key strands of concern:

- (i) A loss of parks, libraries and Neighbourhood Partnerships were areas of concern which could cause cumulative impacts on local communities.
- (ii) The Housing Revenue Account represented a major part of the Council's overall resources but opportunities to maximise opportunities had not been fully explored.

Pre-submitted questions feedback and supplementary questions

The Chair referred members to the 2017/18 Budget Setting Summary by Division, the Directorate and Corporate responses that had been circulated to the Board.

A question and answer session followed:

- a. Members sought clarification on the certainty of proposals for restructures and it was advised that full details for 17/18 had been provided and an outline was in place for subsequent years.
- b. Members commented that there had been positive discussions /plans around income generation. It was confirmed that commercialisation and income generation in future years would be really key to filling the £42m funding gap.
- c. Members asked whether it was appropriate for funding for the Combined Authority (of £2m) to be included in the proposals when it had not yet been established. It was confirmed that this was one of a number of budgets ring-fenced to transition into the Mayoral Combined Authority but that opportunities for collaborative working across all relevant local authorities would be explored once it was set up.
- d. Members asked if taking £2m out of the £30m annual funding would mean less money available in the first year to invest and develop. It was confirmed that this was the case and that the MCA would need to ensure that the funding was fully utilised. It was clarified that if the MCA was set up at 1st February, funding would be earmarked for the period ending 31st march and any sums received would need to be spent in first financial year so not to be recovered.
- e. Members asked whether Capital Programme proposals consulted upon as part of the Corporate Strategy would be modified and made available. It was advised that the refreshed Capital Programme incorporated all the schemes that can be funded within the next Medium Term Financial Plan and outlined £200m per year of capital investment going forward.
- f. Members asked whether more clarity could be given to separate discretionary income streams from other budget lines such as grants, business rates or Council Tax revenue to develop a greater understanding of services that were paid for. It was agreed that the analysis would be carried out and sent to all Members.

Action: Officers

- g. Members to be provided with an update regarding Jubilee Pool. **Action: Officers**



- h. Members expressed concern that it would be difficult to address the need to increase home building if the number of planning officers was reduced. It was confirmed that planning staff were funded through a £226k net revenue generated through fees and sometimes capacity was scaled up through agency staff.
- i. Members expressed concern about proposed reductions to funding for Destination Bristol due to the economic contribution tourism made to the city. It was confirmed that funding reductions for Destination Bristol were being tapered over a 5 year period to enable the organisation with some flexibility to grow its income generation, so the reductions should be manageable. The Board noted that a 'bed tax' for hotels was not being considered at the current time as it resulted in competitive advantage to other cities.
- j. Members questioned whether future income could be used to redress the negative impact of cuts on the most vulnerable in the city. It was confirmed that services should be working at all times to mitigate impacts. Members were reminded that the medium term financial plan had not yet closed the funding gap and any new income would first be needed to address this.
- k. Members sought assurance that each budget proposal would have a full Equalities Impact Assessment and it was confirmed that these would be carried out where necessary and would become living documents that developed over time. Members raised concern regarding the treatment and analysis of gender in the Equalities Impact Assessments which did not appear to note for example the impact on men as lone parents or as potential victims of domestic violence. Officers confirmed the comments would be addressed.

Comments to cabinet

The Board agreed that the following comments would be referred to Cabinet;

Comments to Cabinet Regarding Council's Revenue Budget for 2017/18.

At the Overview and Scrutiny Management Board meeting on 19th January 17, Members considered Bristol City Council's Corporate Strategy 2017-2022 as well as the Savings and Investment Proposals, which form the basis of the Council's Revenue Budget for 2017/18 and Capital Programme for 2017 – 2022.

Members noted that the Mayor and Cabinet would be considering the Revenue Budget for 2017/18 at the Cabinet meeting on 30th January 17 (postponed from 24th January) and asked that the following comments be provided for consideration at the meeting;

This submission reflects the discussion had by members at OSMB and is not a reflection of unanimous support for all the recommendations.

1. Budget Process

- a. Members commented on the process to date for setting the budget, acknowledging that it had been a very complex task for all parties to gather the relevant information, particularly due to the levels of savings that needed to be identified.
- b. The Board suggested that scrutiny could be a useful forum for developing any proposals that require more work for this budget.



- c. Concern was expressed about the timescales and rapidly changing nature of proposals and it was suggested that lessons could be learnt from this process for the future.
- d. The Board agreed that scrutiny would like to play more of an active role in setting future budgets and hoped they could work with the Mayor, Cabinet and senior officers to improve the level of engagement and information flow in subsequent years particularly with communities and external partners.

2. Impact of Proposals specifically the Equalities Impact Assessments

- a. The Board considered the Cumulative Equalities Impacts Assessment (EqIAs) that had been prepared to accompany the budget proposals. There was strong consensus that the impact of service changes on equalities groups needed to be carefully assessed if the Council were to continue to serve and protect those most in need of services.
- b. It was felt that in future a breakdown of equalities impact by directorate (not just by individual proposal) would be useful but that this must feed into a robust overall picture. In addition the impact of proposals taken forward should also be tracked cross council to create a 'whole council' view of the impact. There was concern that proposals may have been developed in directorates and impacts in other directorates not fully considered.
- c. Members agreed that EqIAs were an essential part of any review of spending and suggested that they needed to be prepared earlier in the process, during the early design stage, so they could shape emerging ideas, rather than assessing the impact of a decision once it was close to the point of being made.
- d. Concerns were raised about the quality of the impact assessments available. It was acknowledged that these were being updated and this was a reflection of the tight timescales being worked to by officers.
- e. Members also highlighted concern about the process for engaging other service providers and partners during the design of the proposals. It was felt this should be strengthened in future and brought in during the early design phase.

3. Prioritising spend across the council

- a. Consideration was given to the scale of proposed reductions to the People directorate budget, which included Children's Services and Adult Social Care. Members noted, with reluctance and unhappiness, that there would be significant cutbacks in some areas, which would inevitably affect service provision for some residents. There was particular concern about the proposed reductions in funding for early intervention schemes, such as Children's Centres and housing for the vulnerable, since stopping spending on preventative measures often resulted in additional spend later down the line.
- b. Members accepted that the savings required in the current financial year meant that reductions were necessary across all directorates. However, they were concerned that overtime the Council could find itself channelling the vast majority of its budget into supporting the People directorate at the expense of many other important elements of the Council's work, for example infrastructure provision, community amenities and so on.



- c. The Board suggested that a debate should take place to agree the longer term strategy around spending priorities that explores the balance between investment in the economy, provision of statutory services and early intervention. It was highlighted that a cross directorate approach should be taken and consider both the short, medium and long term implications. Certain areas, if protected from savings, could have a longer term benefits that could be transferred to supporting other services. It was raised that once certain facilities or amenities are lost they will not be regained and consideration should be given to the longer term implications of this.

4. Specific savings proposals - Council tax, Neighbourhood Partnerships, Libraries & Parks

These points were highlighted specifically by a number of members of OSMB. This is however not a reflection of unanimous support for all the remaining proposals.

- a. The Board considered the proposals in relation to increasing Council Tax by 5%. Members were concerned that the rise could affect the most vulnerable residents but reluctantly acknowledged that it was a necessary in order to produce a balanced budget.
- b. There was strong opposition to the plans in relation to changes to Neighbourhood Partnerships (NPs). Members were firstly concerned about the suggestion that NPs be replaced with other mechanisms for community engagement as some had been very effective at facilitating the relationship between the Council and local residents. Secondly, Members were disappointed to see that the NPs appeared to be winding down before any formal decision had been made, and they expressed concern about timing and communication around the proposed changes to enable communities to adjust as required.
- c. Members were also disappointed to see the plans in relation to libraries. The Board agreed that the current network of libraries provided vital community assets across the city and once they had been scaled back they would never be replaced. Members expressed regret that the plans to develop libraries into community hubs that offered shared services from a number of providers had not fully materialised and saw this as a missed opportunity.
- d. Members were also concerned about the extent of the savings proposed for the Parks service and questioned the deliverability of this level of savings and self-financing options.

5. Income generation and commercialisation

- a. The Board went on to consider the role that income generation and commercialisation should play in future plans for the Council. There was universal agreement that whilst income generation inevitably required some investment it was essential for the Council to develop other sources of income if it was to become more self-sufficient. Members suggested that Scrutiny would be the ideal vehicle for exploring new opportunities for generating income and hoped the Executive would embrace joint working in this area.

6. Thanks

- a. Members expressed thanks to all those involved in the budget process, particularly the Section 151 officer and her team, who had worked tirelessly to ensure the relevant information was available on time.



- b. Members of the People Scrutiny specifically welcomed the number of briefings run by officers this year on the people budget proposals.

8. Date of Next Meeting.

9th February 2017

Meeting ended at 8.55pm

CHAIR _____





Agenda Item	Title of Report/ Description	Action and Deadline	Responsible officer	Action taken
Page 22	Urgent Business - <i>Approval of Council Tax Base 2017-18</i> <i>Capital Receipts Flexibility</i> <i>Review of Minimum Revenue Provision Policy</i>	Full Council report for 13 th December to be amended to include information relating to student Council Tax exemptions, and comparisons of the tax base forecast and actuals for the last three years. To produce a summary note re OSMB's comments on Urgent Business for Full Council on 13 Dec	Tony Whitlock Lucy Fleming	Complete Complete - note cleared by Chair 9 Dec and sent to Full Council
	7	Efficiency Savings	To clarify whether grants will be honoured on monies already spent on Neighbourhood Partnership Wellbeing Fund schemes.	Stephen Hughes to confirm with Gemma Dando

		<p>To circulate to OSMB members first cut of consultation responses on efficiency savings</p> <p>To fix additional Extraordinary OSMB so that can consider Cabinet report on 24 Jan</p> <p>Circulate budget consultation papers on mod.gov to all Council members</p>	<p>Stephen Hughes</p> <p>A Taylor</p> <p>Dem Services</p>	<p>Complete – e-mailed 19 Dec.</p> <p>Complete - fixed for 19 Jan</p>
9	Scrutiny Resolution and FC Motion Tracker	Provide an additional tracker detailing the outcome of recommendations from Inquiry Days from 2014 and onwards	Lucy Fleming	Complete - the additional tracker will be provided for the February 17 meeting.
11	Work Programme	Establish whether the Neighbourhoods Scrutiny Commission had given consideration to the Local Housing Company Business Plan.	Lucy Fleming	The item is programmed for February 17



Agenda Item	Title of Report/ Description	Action and Deadline	Responsible officer	Action taken
5	Business Planning Update on Companies which are wholly owned by the Council - 2017	The comments from OSMB on each of the Companies be summarised in a note to Cabinet on 13 January.	L Fleming	The Chair of OSMB presented the comments to Cabinet.



Agenda Item	Title of Report/ Description	Action and Deadline	Responsible officer	Action taken
7	Bristol City Council Savings Proposals.	Analysis of the Council's discretionary income streams to be carried out and sent to Members.	L Fleming	Complete – sent to Members 27 th January 17
Page 25 7	Bristol City Council Savings Proposals.	OSMB comments regarding Council's Revenue Budget for 2017/18 to be provided to Cabinet for their meeting on 30 th January 17.	L Fleming	Complete
7	Bristol City Council Savings Proposals.	Members to be provided with an update regarding Jubilee Pool	L Fleming	Complete – sent to Members 27 th January 17



Agenda Item	Title of Report/ Description	Action and Deadline	Responsible officer	Action taken
4.	Minutes and Action Sheets	All minutes and action sheets to be carried over to the 13 th March agenda	Allison Taylor	Complete
5.	Chair's Business	Independent Review of the City Council's Financial Deficit in 16/17 to be added to the agenda for the 13 th March OSM meeting. Item to be chaired by Councillor Pearce, as Vice Chair. If available, the Terms of Reference for the subsequent review, which will be conducted by the LGA, are also to be provided.	Lucy Fleming	Complete
7	Scrutiny Structures and New Ways of Working	Hothouse and workshops to be arranged between 13/3 & 6/4 on the future structure of scrutiny and ways of working in order to agree a changes to be made for the start of the 17/18 municipal year. A statement is to be submitted to DCLG's Overview and Scrutiny in Local Government Select Committee to advise that Bristol's Scrutiny structure and ways	Andrea Dell/Lucy Fleming Lucy Fleming	In progress In progress

		of working are being revised.		
8	Feedback Regarding the Budget Process	Scrutiny to be provided with a budget setting timetable for 17/18	Lucy Fleming/Denise Murray	Will be circulated once it's available – expected spring 17
9	Elimination of the Gender and Race Pay Gap	An update to be added to the Work Programme summer 17	Lucy Fleming	Complete
10	Work Programme	Invite Place Scrutiny Members to attend the item on Green Capital that's scheduled for the 13 th March OSM meeting, and the Housing items that would be considered by Neighbourhoods Scrutiny in February 17.	Lucy Fleming	Complete
11	Mayor's Forward Plan	Members to be briefing on the new Decision Pathway	Andrea Dell	Added to 13 th March OSM agenda

Overview and Scrutiny Management Board 13th March 2017



Report of: Shahzia Daya, Service Director, Legal and Democratic Services

Title: P8 and P9 Finance Updates

Ward: City Wide

Officer Presenting Report: Andrea Dell, Service Manager, Democratic Engagement

Contact Telephone Number: 0117 9222483

Recommendation

That Members consider and comment on the P8 and P9 finance updates that have been prepared for the Mayor and Cabinet.

Context

The Overview and Scrutiny Management Board have responsibility for monitoring financial information and will receive regular reports that provide an update on the Council's overall financial performance.

Appendices

Appendix 1 – P8 Finance Report
Appendix 2 – P9 Finance Report

EXECUTIVE SUMMARY

Report title: Period 8 (end of November) Finance Report

Wards affected: All

Strategic Director: Anna Klonowski

Report Author: Denise Murray: Service Director: Finance & s.151 Officer

RECOMMENDATIONS for the Mayor' to note:

That the Mayor:

1. Notes the contents of the Report and in particular the continuing seriousness of the General Fund financial position of £12.9m forecast outturn deficit, as at the end of November 2016. This represents a net decrease to the deficit of £4.6m, being increases of £0.5m less decreases of £4.9m, from end of October forecast and is mainly the result of reductions in forecast expenditure within service areas, which are outlined in the remainder of the report;
2. Cabinet where appropriate, continue to work with Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Service Director: Finance and Strategic Leadership Team set out at paragraph 11;
3. Notes the total net movement in the Capital Programme from £222.8m to £222.9m, as outlined in paragraph 25.

Key background / detail:

1. To provide a progress report on the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016. The report focuses on significant variances to meeting the budget in 2016/17 in order to take timely actions to deliver a balanced position at year end.

Key details:

2. Key messages from the Period 8 Budget Monitoring:

The Council is in a serious financial position forecasting a General Fund revenue position of £12.9m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £4.4m, being increases of £0.5m less decreases of £4.9m, from end of October forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.

The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.

It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant

budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.

In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spend and the impact of the freeze in reducing the council's actual and forecasted 2016/17 expenditure will be monitored and reflected in future reports.

Capital spending in year is forecast to be £220.8m compared to the current budget of £222.9m, resulting in a forecast underspend of £2.1m. Movements in the capital programme have been identified, being slippage from 2016/17 into 2017/18, resulting in a current budget as at Period 7 of £222.8m. Further adjustments of £1.6m were reported to Cabinet in December 2016, and are now reflected in the Capital Programme.

BRISTOL CITY COUNCIL

REPORT TITLE: Period 8 (end of November) Finance Report

Ward(s) affected by this report: All

Strategic Director: Anna Klonowski

Report Author: Denise Murray, Service Director: Finance & s.151 Officer

Contact telephone no. & e-mail address: 0117 9222419
Denise.Murray@bristol.gov.uk

Purpose of the report:

To provide a progress report on the Council's overall financial performance, including against the approved revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016.

RECOMMENDATION for the Mayor to note:

It is recommended that the Mayor:

1. Notes the contents of the Report and in particular the continuing seriousness of the General Fund financial position of £12.9m forecast outturn deficit, as at the end of November 2016. This represents a net decrease to the deficit of £4.6m, being increases of £0.5m less decreases of £4.9m, from end of October forecast and is mainly the result of reductions in forecast expenditure within service areas, which are outlined in the remainder of the report;
2. Cabinet where appropriate, continue to work with Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Service Director: Finance and Strategic Leadership Team set out at paragraph 11;
3. Notes the total net movement in the Capital Programme from £222.8m to £222.9m, as outlined in paragraph 25.

Background

1. The Report provides information and analysis on the Council's financial performance and use of resources to the end of Period 8 of 2016/17. Council set its budget for the 2016/17 on 16th February 2016. The report focuses on forecast variances to meeting the budget for 2016/17, in order to take timely actions to deliver a balanced position at year end.
2. The Council is in a serious financial position forecasting a General Fund revenue position of £12.9m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £4.4m, being

increases of £0.5m less decreases of £4.9m, from end of October forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.

3. The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.
4. It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.
5. In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spend . and the impact of the freeze in reducing the council's actual and forecasted 2016/17 expenditure will be monitored and will be reflected in future reports.
6. This action is required not only to mitigate the forecast outturn deficit in this financial year, but also to ensure a balanced budget for next financial year, as many of the actions taken to date to manage the position in this financial year are one-off rather than recurring solutions.
7. Future reports will include recommendations on mitigating actions, where required.

A - Revenue Expenditure

8. The Council's overall annual revenue spend is managed across a number of areas:
 - a. The General Fund with a net budget of £345.4m, providing revenue funding for the majority of the Council's services;
 - b. The Dedicated Schools Grant (DSG) (£175m in 2016/17), which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the People Directorate;
 - c. Public Health, a ring-fenced grant of £36.2m in 2016/17, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Neighbourhoods;
 - d. The Housing Revenue Account (HRA) of £152.7m gross spend in 2016/17, is reported separately to the general fund, and is managed within Neighbourhoods.
9. Each area represents a significant element of the Council's overall revenue expenditure. Further details of the current spend position against budget is provided in the remainder of this section.

General Fund

10. Table 1 provides a summary of how each directorate is performing against the general fund revenue budget for the 2016/17 financial year. Actions are in progress and further actions are being identified to manage and mitigate the identified budget pressures and risks. The Strategic and Service Directors are actively identifying proposals to minimise the gap, with all budget holders ensuring the forecasting is as accurate as possible.

11. As previously reported, officers have established a series of work streams designed to reduce the deficit. A summary of the actions taken and outcomes of the actions which we continue to monitor (with historic reference numbers) is summarised below:

Item	Action Taken	Potential Financial Impact
3. Technical Accounting Adjustments	<ul style="list-style-type: none"> • MRP Clawback – this is being reviewed as part of the review on the Council's MRP policy a further update will be provided as part of the 2017/18 budget. • A review of VAT has commenced, with initial data provided to external advisors to assess the opportunities, prior to commissioning a formal review. 	<ul style="list-style-type: none"> • The impact of this change will be in 2017/18 and beyond
5. Reduction in non-essential expenditure	As reported above, the Council continues its spending freeze on non-essential expenditure (see para 5 to 6). The financial impact of this will be reported in future reports.	<ul style="list-style-type: none"> • There has been a reduction in the forecasted outturn in a number of service areas • Marketing and advertising forecast spend by £0.5m; • Reduction of equipment spend of £150k
6. Review of Income	All Service Directors have been tasked with reviewing sources of income and reviewing inflation assumptions on fees and charges.	<ul style="list-style-type: none"> • Recommendations for increases to fees and charges are incorporated in propositions underpinning the 2017/18 budget
7. Agency spend	<ul style="list-style-type: none"> • Review of agency spend 	<ul style="list-style-type: none"> • The number of FTE agency staff has reduced from 205 in Sept to 170.5 in Nov. • Agency spend has reduced from £906k in Sept to £745k in Nov.

12. The following forecasts are based on actual expenditure to the end of October 2016 and Budget Managers' estimates of future spending for the rest of the financial year, as approved by each DLT. The net overall forecast outturn of £12.9m represents 3.7% of the General Fund net revenue budget.

13. The following table provides a summary of the general fund revenue position at directorate level. A more detailed analysis is provided at Appendix A. Budgets are

profiled equally across the year, but spending profiles may be different.

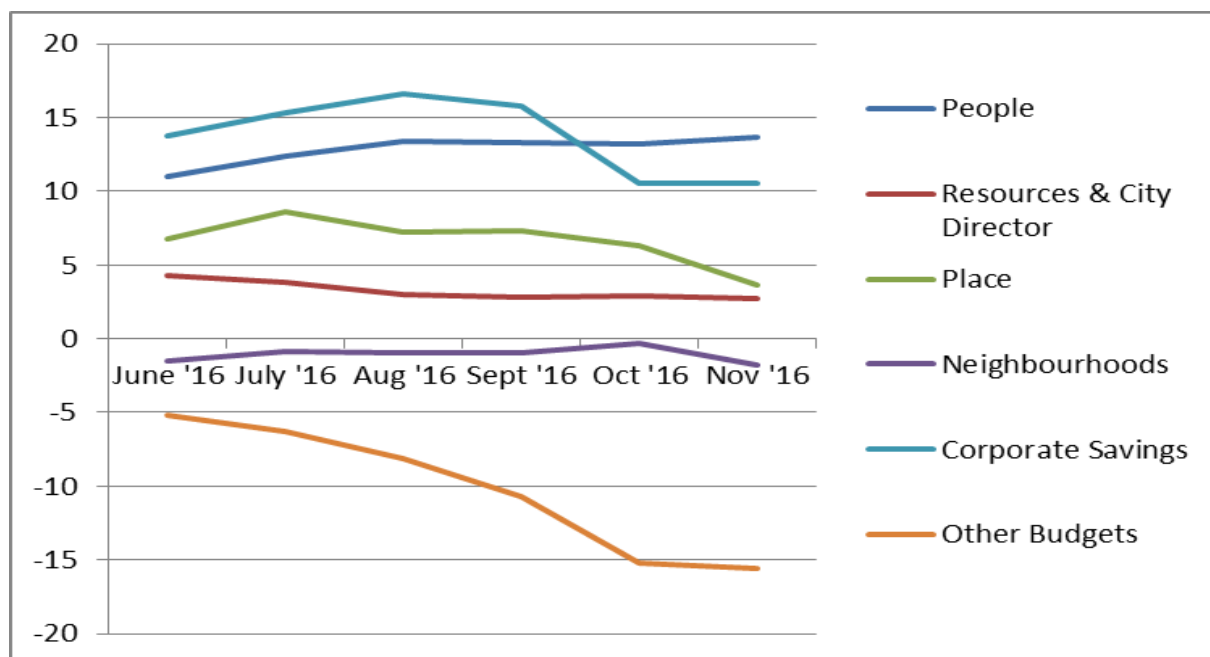
Table 1: General Fund Forecast Net Expenditure

General Fund Revenue Budgets - Period 8			Forecast Outturn Variance (Under)/Over Spend	Forecast Outturn Variance at Period 7	
Directorate	Net Budget £m	Forecast Outturn £m	£m	£m	
People	206.6	220.3	13.7	13.2	↑
Place	17.2	20.8	3.6	6.3	↓
Neighbourhoods	68.7	66.9	-1.8	-0.4	↓
Resources	25.7	28.8	3.1	3.2	↓
City Director	6.9	6.4	-0.4	-0.3	↓
Corporate Savings Programme (Net Budget)	-8.7	1.7	10.5	10.5	
SUB TOTAL – SPENDING ON SERVICES	316.2	344.9	28.7	32.7	↓
Other Budgets *	28.6	15.2	-13.4	-12.8	↓
Released from Reserves	0.0	-2.4	-2.4	-2.4	
TOTAL	344.8	357.7	12.9	17.5	↓

*Other Budgets includes capital financing & borrowing costs, un-apportioned central overheads and contingencies.

The following chart provides a trend analysis of the forecast outturn, by directorate, reported since quarter 1, end of June 2016.

Chart 1: Trend Analysis of Forecast Outturn



13.1 People Directorate - £13.2m Pressure

2016/17 Budget	Gross	Gross Income	Net	Revenue
----------------	-------	--------------	-----	---------

	Expenditure £m	£m	Budget £m
People Directorate	462.7	(255.6)	207.1

The major areas of identified pressures within the People Directorate are within Children's and Adults' Social Care. The reported position of £13.2m is after mitigating actions identified and there are further mitigating activities in development to achieve greater reductions this year. The most significant cause of pressures is both a mix of demographic pressures of both an increasing child population (15% in the last ten years) and an ageing population (21% adults living over 85 than 10 years previously). This is combined with a number of legislative changes that increase statutory responsibilities of local authorities without sufficient national financing.

Part of the pressure is due to areas of the Medium Term Financial Strategy of 2014-17 where delivery has not been achieved in full, and this impacting on 2016-17 position. They are as follows:

	Overall Target £m	Delivered £m	Remaining to Deliver £m
Home Care	3.5	0.6	2.9
Residential Care	4.0	1.3	2.7
Home to School Travel	1.3	0.9	0.4
Trading with Schools	1.6	0.8	0.8

Care & Support Adults - £5.4m Pressure

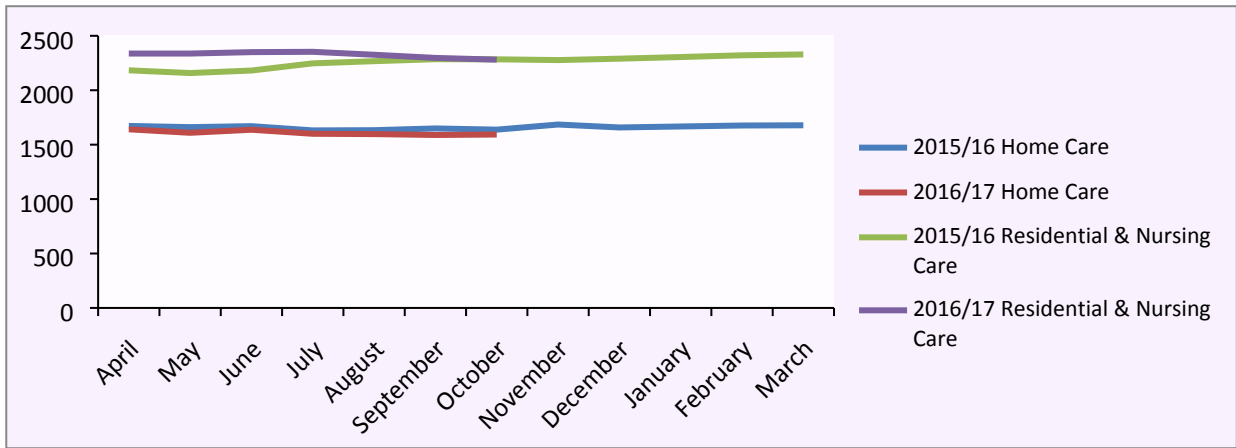
There are significant pressures in demand for services as set out above and specifically due to the increasing numbers of frail older people, people living longer with dementia and people living longer with lifelong conditions, which require significant input from health and social care services.

In addition, The Care Act has led to significant increase in demand. The Care Act placed a duty on councils to offer carers an assessment of their need. The council support 33% more carers in 15/16 than in 14/15.

The Council has just approved the four year strategic plan for Adult Social Care in December, which following detailed development with partner agencies sets out a longer term approach to managing social care.

In the current year the following tables set out the pattern of demand.

Chart 2: Trend in Monthly Residential and Home Care Activity



As mentioned in previous Finance Reports, pressures relating to the Supreme Court (DOLS) judgement in March 2014 and increases in the number of Mental Health Act assessments (assessments where people are in severe mental health crisis which poses an immediate threat to themselves or others) has led to a rise in cost of the long term packages of aftercare under Section 117 of the Mental Health Act. This represents a significant cost pressure to both the NHS and Council.

The new four year plan sets out our new approach to care around a 3 tier model for both assessment and support based on principle of:

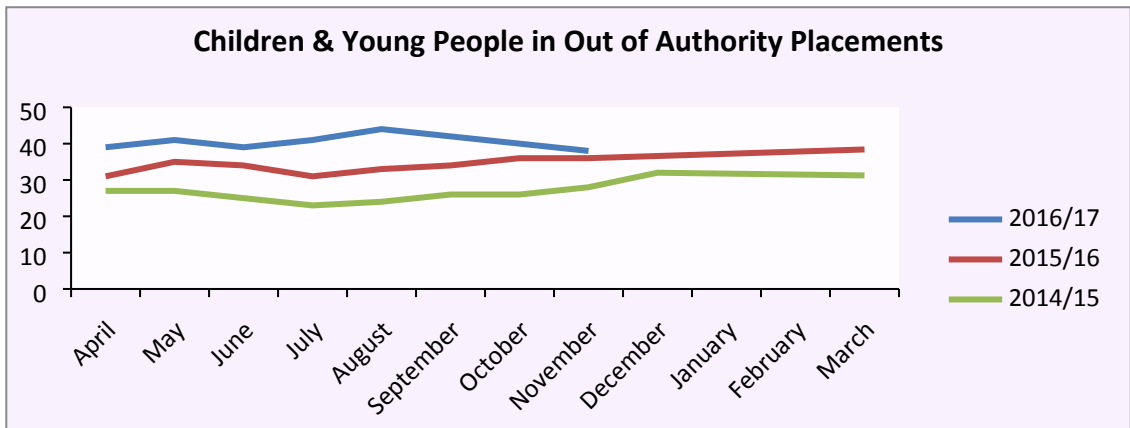
- Help to help yourself
- Help when you need it
- Help to live your life.

This model will drive both our closer integration with health services and help to manage future rising demand.

Care & Support Children and Families - £3.5m Pressure

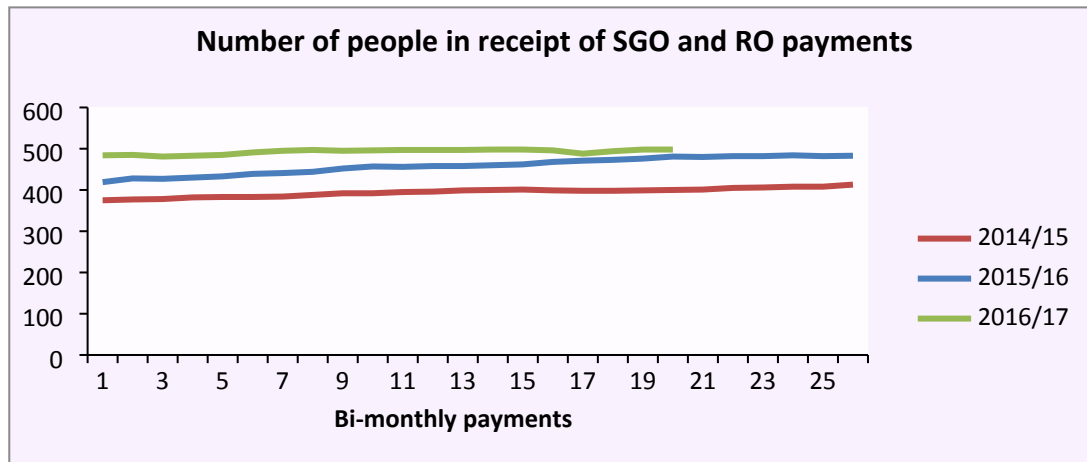
In the context of both a rising child population and increasing complexity of need in a number of cases, budget pressures are being faced in Children in Care. Whilst the numbers of Children in Care have remained around 700 over the last five years, against a rising child population, the average unit cost has increased due to an increase in the number of out of authority placements from an average of 26 during 2014/15 to currently 38, resulting in a budget pressure of £2.5m.

Chart 4: Children and Young People in Out of Authority Residential Placements



There also continues to be a significant pressure as a result of increases in special guardianship orders (SGOs) and residency orders (ROs). The number in receipt of SGO's and RO's has increased from 375 in 2014/15 to just fewer than 500 in 2016 resulting in a budget pressure of £1.8m. However this is balanced in part by some positive savings in numbers of children in independent fostering.

Chart 5: Increase in Numbers of SGO and RO Payments



Early Intervention & Targeted Support - £4.1m Pressure

The main areas of financial pressure within Early Intervention are in providing care for young people with Disabilities in the Preparing for Adulthood service. There is currently insufficient budget provision to meet new responsibilities under legislation of the Children and Families Act requiring Local Authorities to support young people up to 25 prior to adulthood.

Significant savings have been made in Home to School Travel costs however the current planned savings are no longer possible due to expected decrease in prices not occurring. In order to deliver these savings and in line with the three tier model approach, demand is being managed by promoting more independent means of travel such as bus passes rather than taxis.

Local Authorities have a duty to fund accommodation costs of Youth Offenders on remand. These are low frequency high cost placements which are currently creating significant strain on budgets. Local Authorities can access some funding for this but it is insufficient to meet the full cost of placements.

Where a family is homeless but not deemed eligible under the Housing Act, we have a responsibility to provide emergency accommodation for children of families under the Children and Families Act. Due to the increase in homelessness across Bristol this is a financial pressure of £0.6m in 2016/17.

Strategic Commissioning & Commercial Relations - £1.0m Surplus

The pressures outlined as above are in part mitigated by underspends.

There is a forecast £1.0m underspend in Strategic Commissioning, this primarily relates to a reduction in spend on Supporting People contracts due to lower activity than expected.

Summary

Stringent controls are being applied on expenditure balanced with delivering our basic LA Statutory responsibilities for care to achieve the best year end position.

13.2 Place Directorate - £3.6m Pressure

2016/17 Budget	Gross Expenditure £m	Revised £m	Gross Income £m	Revised	Net Budget £m	Revenue
Place Directorate	121.3		(104.1)		17.2	

The directorate is reporting a £3.6m variance to budget which consists of a £9.3m pressure within Property offset by surpluses or underspends of (£3.5m) in Transport, (£0.2m) in the Place ABS team, (£0.4m) in Planning and (£1.5m) in Energy while the Economy division is forecasting to be on budget. This represents a movement of (£2.7m) since Period 7.

Economy – on budget

There are forecast surpluses of: (£0.2m) from increased rental income at Filwood Green Business Park; (£0.1m) from trading at the Bottleyard and (£0.1m) from grant payments under Economic Development projects but these are offset by deficits of £0.2m in the Place Directors account and £0.1m relating to the Temple Quarter Enterprise Zone.

The forecast has been adjusted to take into account the agreed amendment to Museum Opening hours agreed by Cabinet on 6th September 2016. The remaining variance (£0.2m) relates to the part year effect of the museum operating pressure which will be fully mitigated in 17/18 by this Cabinet decision. The reported position for Period 8 has changed by (£0.1m) since Period 7 and expenditure on grants has been reduced in the current financial year to mitigate the spending pressures.

There are currently 1.6 FTE Agency staff working in the Economy division at a total monthly cost of £3k and this is not expected to change before year-end.

Energy – surplus (£1.5m)

The majority of the surplus comes from a decision within the service to reallocate the use of grant income from Capital to Revenue which will result in a one-off (£1.3m) gain to Revenue in current year. Therefore the Energy related capital projects currently funded from this income will be transferred to prudential borrowing at an estimated annual revenue cost of £81k p.a.

There is anticipated to be a shortfall in rechargeable income from the HRA and Trading for Schools in the Energy (utility purchase) budget. This is due to the Energy price reduction in recent years being captured as a corporate saving without any corresponding reduction in income target for the energy service. This presents a net pressure of £418k this year, which represents a (£220k) improvement since period 7

based on a revision of the forecast following a procurement exercise. It should be noted that this forecast is based on the assumption of a mild winter, and that a pressure of up to £800k may emerge should the winter weather become severe. There is an £66k income shortfall in District Energy / Biomass which is offset by prudential borrowing savings in Wind Energy (£77k). A one-off saving of (£482k) is now anticipated as a result of the Green Deal revenue contribution to offset these pressures in the current year. Lastly, there is a (£189k) surplus reported under Solar based on a previously un-forecast receipt from BEC for grid connection.

Place Admin and Business Support (ABS) Team surplus (£0.2m)

There are forecast savings against salary budgets in the Admin and Business Support (ABS) service of (£0.2m).

Planning surplus (£0.4m)

In the Planning division there is a forecast surplus of (£0.4m) which has increased by (£0.1m) since period 7 as a result of ceasing of non-essential activity following the management instruction from the Chief Executive. The majority of the remaining surplus is due to increased income from Development Management fees as well as from savings plans being implemented.

Property - pressure £9.3m

Since period 7 there has been a £0.4m increase in the reported deficit relating to Building practice/ Construction accounts which has been caused by the ceasing of Repairs and Maintenance activity following the management instruction from the Chief Executive: as this income comes from internal recharges it is expected that compensating surpluses should be being forecast in other divisions across the council. This should be reflected when any such surpluses are being captured as savings, to resolve this item.

The structural pressure in the Property service largely relates to a forecast £7.7m shortfall in the delivery of the MTFs savings target (relating to 2015/16 and 2016/17), which broadly assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

There is a £600k historic pressure (since before 2012) on Facilities Management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

There is a £125k forecast pressure regarding a potential shortfall on rechargeable income for equipment use and maintenance services provided by Fleet to waste management (in turn by the Bristol Waste Company). Fleet service is actively exploring options with Waste Management team and Bristol Waste to mitigate this pressure including reductions on borrowing charge by sale of not-in-use assets under the waste contract, and seeking agreement on TUPE maintenance staff to the Bristol Waste company. It is to fully resolve this current forecast pressure back to £0.

There is a £153k forecast overspend against the budget for National Non Domestic Rates (NNDR) due to the historic absence of budget allocated for M-shed and Junction 3 when these buildings were constructed in 2011/12 and when budgets were

centralised since financial year 2014/15. Savings achieved on NNDR for buildings that the Council no longer occupy have been separately given up under savings programmes.

There is a £125k forecast shortfall in income against the budget target for Markets as a result of an historic revenue target, which has not been met for the last 5 years. This pressure had been actively managed downwards over the last few years.

There are £137k costs due to increased workload in Security/ staff sickness/ vacancies and an urgent review is in hand to mitigate this.

There is a £100k shortfall in income at the Create Centre resulting from loss of external tenants due to reduced parking; a letting rationalisation is underway to mitigate this.

There is a £54k shortfall in conference services income from the Passenger Shed (old station building Temple Meads) due to its poor condition, but the position is expected to improve.

Transport surplus (£3.5m)

There is a net surplus position in the Transport division of (£3.5m) in total, which has increased by (£1.8m) since period 7 due to the effect of a capital financing adjustment relating to the Residents Parking schemes where accelerated loan payback is currently applied, and the payback period is now being extended such that the initial £6m capital loan will now be fully paid back in financial year 2019/20 (instead of 2017/18 as with the existing accelerated repayment plan). It should be noted that this will bring forward (£1.2m) of related savings under the Bristol Plan to 2016/17 with the remaining FYE realised in 2020/21 at (£690k): these savings will be used to address transport related cost pressures in the current year and going forward.

The remaining (£1.7m) surplus is mostly a result of (£0.8m) additional income in Parking Services; (£0.2m) savings from Supported bus services as well as (£0.3m) savings in controllable spend in Highways services and (£0.2m) increased income in Signals and Lighting, reduced by additional costs in Park and Ride services of £0.2m.

13.3 Neighbourhoods – surplus £(1.8)m

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Neighbourhoods	324.7	(255.6)	68.7

The Neighbourhoods directorate is reporting a significant movement in its forecast position for the end of Period 8, reporting a forecast surplus of £(1.8)m compared to a surplus of £(0.4)m forecast at the end of Period 7. The main reasons for this £(1.4)m movement are as follows:

- All expenditure on non-essential items has been curtailed, all external recruitment has ceased and in particular this has been reflected in the forecast to the value of just under £(1.0)m in the Neighbourhoods and Communities division, which includes Parks and Green spaces and Neighbourhood partnerships

- There have been savings of £0.3m forecast in Housing Services – General Fund
- There have been savings of £0.2m forecast in salaries costs under Housing Benefits administration
- There have been savings of £0.1m forecast in Public Health – GF, under Sports
- This is an additional pressure of £0.3m caused by the loss of Benefits Subsidy relating to additional temporary accommodation. Previously it was hoped that this could be covered by a reserve held in this area but this reserve is now fully utilised in other areas.

The £(1.8)m forecast surplus consists of a £(1.3)m surplus in Neighbourhoods and Communities; a £(0.7)m surplus in Waste; a £(0.3)m surplus in Public Health General Fund and a £(0.1)m surplus in Housing Services, offset by a pressure of £0.5m in Citizen Services

Housing Services: £(0.1)m surplus

Rising demand for emergency accommodation is contributing to a £0.5m forecast overspend against this budget line. This is offset by new income from service and accommodation recharges of £0.3m. Including additional one-off savings on salaries and payments, this gives an overall position which is close to breakeven (P7: £0.3m) for Housing Options. The position has improved since period 7 due to efforts made to increase the amount of housing benefits recovered (giving additional £120k income), plus some further salary savings.

Private Housing and Accessible Homes are forecasting a £(0.1)m underspend due to additional income and some salary savings, which has not changed since period 7

Citizen Services: £0.5m pressure

The overall pressure in Citizen Services stayed the same since Period 7 Monitoring but some of the reasons for variances have changed.

There is now a projected staff saving of £0.2m on the budget of £6m for staff salaries due to spending freeze in filling vacancies and being able to offset some additional staffing costs against one-off external grants that we have been awarded. There is also now projected to be a saving of £60k in the Hardship fund.

These additional savings are offset by the pressure previously reported relating to Temporary Accommodation Housing Benefits payments. Work has recently been undertaken in this service area to better acknowledge and quantify an issue which has been developing over the last year but has until now not been reflected in the forecast, namely the cost of Housing Benefits paid on temporary accommodation, which is only around 60% covered by subsidy received from the Department of Works and pensions.

Although in previous years there was sufficient budget for this growing pressure to be contained, we are currently forecasting an amount of £550k as a pressure in this service area. Unfortunately there is not sufficient reserve to offset all of this and only £270k can be covered, leaving a pressure of £280k.

The other reasons for variances in Citizen Services are:

Revenues

Within Revenues is a budget of £1.6m relating to court summons income. Our collection rates of council tax and business rates in cash terms have improved by over

£2m this year which has resulted in less court action for non-payment and hence a reduction in summons income from courts summons fines, which is projected at £123k for the year. In addition there has been £140k set aside for the cost of providing for bad debt, related specifically to court summons income not recovered bringing the total deficit on back office processing of local taxation to £250k.

Regulatory Services

The remaining £0.3m forecast pressure within Citizen Services relates to an error in setting of income targets within Regulatory Services, including Pest Control: £0.2m and Trading Standards: £0.1m. Measures are being made to address this have identified additional income of £150k to offset this. The remaining pressure relates to Licensing, where forecast income has reduced by £130k since period 6. Work is now being undertaken to analyse current expenditure against licensing income.

Waste: £(0.7)m surplus

Waste Disposal is forecasting a surplus of £0.7m, mainly due to one-off accrued expenditure from the previous year (£1.0m) which is no longer required.

Neighbourhoods & Communities: £(1.3)m surplus

There has been a £(1.0)m increase in the forecast surplus in Neighbourhoods and Communities since period 7 as a result of reductions in non-essential expenditure.

Neighbourhood management: The position has changed from a break-even budget to an underspend of £542k. This is based on restricting any further General Fund money from being spent by any of the Neighbourhood Partnerships due to the current spending freeze.

Parks and Green Spaces: The position has changed from a slight underspend to a large underspend of £652k, again due to reductions in planned expenditure as a result of the current spending freeze.

Libraries: The position is the same as last month in terms of predicted underspend. This is one-off for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

Public Health - General Fund: £(0.3)m surplus

Savings of £0.2m have been identified due to early repayment of prudential borrowing costs on some schemes for the Imperial Sports ground (£91k) and refurbishment of Easton and Kingsdown Leisure centres (£100k) as well as £0.1m savings in feasibility costs. This is partly offset by a £60k pressure on the Hengrove PFI scheme.

13.4 Resources - £3.1m Pressure

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Resources	40.0	(14.5)	25.5

The main variance within Resources is within the ICT Service, which has been offset

by savings in other areas. The overspend against budget for ICT relates to additional hardware and maintenance costs (£2.8m) and software development service increases (£1.3m) as a result of growth in additional demand for license costs. This is in part as a result of investment in new technology and digital developments. The current pressure of £3.6m is a £0.2m reduction from P7.

ICT – £3.6m Pressure

In Period 8, the ICT budget pressure decreased by £226K. This reduction mainly relates to a forecast reduction of £82k in the Information Security budget and a further reduction in forecast of employee costs. Adjustments have also been made to reflect the reduction of costs resulting from the early departure of the Interim Service Director amounting to £72K. Further reductions have been made by bringing agency arrangements to an end (£36K) and reduced forecasts for employee spend.

A full review of agency spend is underway, particularly targeting ICT Delivery. This is looking at overall use of contractors/agency and particularly focussing on those contractors/agency staff who have been in post longer than 13 weeks. These arrangements are being ceased and ICT Delivery will be transitioning to a service delivery model that does not incur contingent workforce fees where they are not absolutely required. Further any ongoing and future Agency spend will be directed through Guidant with remaining off-contract arrangements being ceased. This will relieve both in-year pressure and transfer through into 2017/18.

Risks identified

The following risks have been identified to the current budget position within ICT:

- Unexpected business demand, such as a result of an Ofsted, or other regulatory body, inspection. (For example requiring issue of laptops, tablets).
- Any remedial actions that may be required to achieve compliance with connection standards, e.g. Public service Network (PSN).
- Remedial actions in event of serious cyber or other event, (e.g. ransomware), resulting in loss of data/access to key BCC systems and data.
- Information Commissioners fine in case of Data Breach or Loss (may not be an ICT related loss, i.e. may be loss of case papers) and remedial actions in event of Data Breach or Loss;
- Remedial actions in event of major supplier commercial failure.

The high level detail is given here. It is important to note that, at this point in time, if these items were to occur they would result in expenditure being drawn down from reserves or contingencies.

Human Resources – £0.6m Surplus

Human Resources is reporting a forecast of £0.65m underspend which is an improvement of £81k since P7. During the period adjustments were made to the Annual Leave Top Up Scheme arising from recalculations following the Voluntary Severance scheme and benefits due to the HRA. This resulted in a loss of income of £124K. This was offset by budget adjustments relating to vacancies and the spending freeze amounting to £163K together and further one-off savings from Learning and Development.

Risks identified:

- Unfilled vacancies plus staff leaving through VS will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change.
- The income target through the Annual Leave Top Up scheme is dependent on staff take-up across the organisation and this may not be possible as staffing levels will be lower post-restructure. This may mean that the income target in 16/17 is not realised. Also, staff leaving on VS who are in the scheme will cause loss of income in the current year.

Legal Services – £0.1m Overspend

The underspend of £63k reported for Legal Services at Period 7 has now moved to a £96k overspend, which is a movement of £160k deficit on the previous forecast. Although there have been savings across the Division of c£100k relating to the spending freeze there have been further pressures that are highlighted below:

Electoral Services

As previously reported, there are cost pressures in year as a result of the cost of running elections and electoral registration (£1.3m). These pressures will be managed in this financial year through a drawdown in reserves and in future years through an offsetting arrangement, whereby budget is set aside in non-election years to fund election years.

Legal Place

The income forecast for local land charge income has been reduced by £213k as a lower volume of searches has been conducted.

Legal People

Court cases have increased substantially this year for litigation cases where the Council is being challenged in the High Court through claims and judicial review and therefore increasing the forecast by a further £75k.

Risks Identified (including Legal Services, Electoral Services, Mortuary & Coroner, & Register Office):

- demand led and cannot predict its spend – high cost/profile cases could happen at any time;
- there may be an increase in an area of work through e.g. court rulings or practice;
- income is more predictable over the short term as clients are known, but will fluctuate over the longer term with changes in external clients as work and projects come to an end and new work will need to be identified;
- there may be a parliamentary election in 2017 or other smaller elections and referenda, which are not currently included in the 4 year budget predictions and which would have budget implications;
- legislative changes, such as the introduction of medical examiners, could cause significant budget pressures;
- increases in the number of deaths due to widespread fatalities that could not be predicted;

- births and deaths registration are reactive services and cannot be completely estimated.
- **Electoral Services** - Currently the postage amount is estimated because printing is billed three months in arrears by Print and Mail Operations. The canvass printing for Oct and Nov for annual canvass printing is currently estimated.
- **Lord Mayor's Office** - Spending freeze - risk that no maintenance spend may reduce income generation potential. **Democratic Services** - Risk of impact of no longer supporting P&CP and also concerns that school appeals income is not covering reality of staffing costs - review required
- **Members Green** - Political Assistant is due to go on maternity cover in Feb 17, backfill process needs clarification in line with spending freeze
- **Member Development** - Limited Activity on member development, - risk of lack of training to members in chairing positions etc

Finance – On budget

Expenditure is being maintained within budget; a number of vacancies are evident within the service (full time equivalents FTE's at the beginning of the financial year was 110 and is at 97.5 through vacancies and VS); non-essential expenditure against non-staffing budgets as also ceased, reducing the forecast expenditure against travel & subsistence.

As previously reported, the Finance Transformation work must continue and where this cannot be contained in existing budgets it will be funded from reserves earmarked for this purpose.

Risks identified:

- Unfilled vacancies plus staff leaving through Voluntary Severance will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change.
- Under resourcing finance can lead to a risk of not meeting the requirements of the role of S151 officer.
- Income targets for future years are dependent on successful bidding and provision of an effective, value for money service offer. There is a risk associated with the income from Avon Fire & Rescue for future years as the contract is due for renewal at the end of 2017/18.

13.5 City Director - £0.4m Surplus

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Budget £m	Revenue
City Director	10.7	(3.9)	6.8	

The City Directorate forecast has improved by £0.1m since P7 and is now forecasting a surplus of £0.4m.

Policy, Strategy and Communications (PSC) - £0.4m Surplus

Policy & Planning is currently forecasting a £439k underspend as at P8. This

underspend has increased by £105k from P7. The main reason for the movement relates to additional forecast savings of £86k within the Performance & Infrastructure team and £19k within the Media & PR team relating to the freeze on expenditure and staff vacancies across the services. These vacancies will be reviewed as part of the forward planning of the service.

It was previously highlighted in P7 that a further additional pressure has been identified if SLT/Cabinet approve the requested increase in resourcing, which will be necessary to adequately manage our role in the Devolution work; this is currently forecast to be drawn down from reserves.

Bristol Futures - £0.2m Surplus

Bristol Futures is currently forecasting a £217k underspend as at P8. This underspend has increased by £15k from P7. Fixed term external funding is being used to reduce staff costs and further savings have been made across the budgets by reducing operational activity and commissioning. The updated forecast now includes an assumption to fund from revenue a forecast pressure of £120k relating to the Super Connected Cities capital project. For future Periods further reductions in costs will be seen from significantly reducing the management costs through removal of the Service Director post and one of the three Service Manager posts in addition to voluntary severance and vacancy management which has reduced staffing levels significantly. The reduction in staffing costs will be fully reflected in the 2017/18 budget setting process.

Management - £0.2m Pressure

The pressure in the Management cost centres has previously been reported and relates to employee costs partly offset by a small amount of income (£24k) for charges to other companies.

13.6 Corporate Savings Programme - £10.4m Pressure

There has been a reduction of £65k against the forecast pressure in the change programme expenditure since P7 due to the freeze on expenditure.

It is expected that the forecast position may fluctuate during the next few months as planned restructures are agreed and implemented.

At the beginning of the financial year, the Council had a savings target against the Change Programme of £34.7m, which comprised £15.2m undelivered savings from 2015/16 and £19.5m relating to 2016/17. For the purposes of this report, we have shown a net figure. The following table provides estimates of the forecast savings delivery as at end Period 8 (November 2016).

Table 3: Summary of Net Corporate Savings Programme Budget Position

	£m
2016/17 Change Programme Savings	19.5
2015/16 Undelivered change programme savings	15.2
TOTAL	34.7
Less:	

Savings Identified/Secured to address the gap	(14.1)
Release of Contingency	(6.3)
TOTAL TO BE IDENTIFIED	14.3
Overspend against change programme expenditure	1.4
Less: Use of forecast capital receipts to fund transformation activity	(5.3)
TOTAL CHANGE PROGRAMME	10.4

The Council has initiated a Council Wide programme of activities and work streams to specifically focus on delivering the savings needed in the current financial year. This has included:

- A review of all spend against corporate budget lines resulting in reduced budgets across areas such as staff expenses, conference and training budgets, printing etc.;
- A review of all vacancies to delete any vacant posts that are no longer required, resulting in budget reductions;
- All services and directorates developing and preparing savings proposals for delivery through the remainder of this financial year;
- A contingency was included in the original programme to mitigate against risks of non-delivery of savings or savings double counts. This has been released;
- A review is underway of all the Council's service directorate earmarked reserves;
- In period 8, a further assessment of the risk to delivery is being undertaken; the outcome will be reported in the Period 8 Report.

As savings are validated, budgets across services and directorates are being reduced to secure these savings. Within this budget line, there is investment required to facilitate the delivery of some of the savings. There is a current forecast overspend of £1.5 m against these items, which includes the delivery of IT solutions.

The reported pressure in this area mainly relates to savings yet to be identified.

13.7 Other / Corporate Budgets – (£13.4m) Underspend

The forecast underspend in Period 8 has increased to £13.4m. The main budget in this area is the capital financing budget of £19.3m. It is currently forecast that this budget will be underspent by £8.4m as a result of re-profiling of the capital programme and a further adjustment to the forecast further to the amendment to the MRP Policy (agreed at Full Council on 13th December 2016). This area also includes certain contingency budgets and other expenditure budgets of a corporate nature, including expenditure on levies.

The Council receives S31 grant each year to cover various business rate reliefs. The budget for this financial year was assumed to be £1.0m. The latest forecast indicates this is likely to be £3.3m in this financial year, which is £2.3m above the budgeted amount. This is reflected in the forecast for Other / Corporate Budgets.

Included within the forecast is income from the Port Dividend of £2m. We have

received confirmation that the actual income for 2016/17 will be c£2.6m and this is now reflected in the forecast for Other/Corporate Budgets.

The general contingency included in other budgets stands at £2.8m. This is held as a contingency to cover miscellaneous cost pressures across all service areas. As previously reported, to date £1.1m has been set aside to cover the forecast cost of workforce court ruling, support to the Children's Service as part of the Ofsted Improvement Plan and to support the Corporate ERP Project.

Therefore, the remaining contingency is reduced to £1.7m and it is assumed that this will be required by the end of the financial year.

Ring-fenced Accounts

Dedicated Schools' Grant (DSG) - £4.6m Forecast Deficit

14. In 2016/17, the Council will receive £175m Dedicated Schools' Grant, which is ring-fenced and passported through to fund schools, with an element retained centrally by the Council to provide a range of support to Schools. Schools that have transferred to academy status receive their funding directly from the Department of Education – this amounts to a further £137.9m.

15. There continues to be pressures against the high needs block, which is forecast to be c£5.0m in the financial year, which includes brought forward pressures from 2015/16 of £1.9m. A further £1.6m was requested from schools in the recent panels to meet the needs of children. The panels applied a thorough challenge process, including peer reviews, and managed to reduce this additional pressure by £600k.

16. The service is undertaking significant level of work in conjunction with the Schools Forum in order to manage this budget:

a) In April the top up rates were reviewed and reduced across mainstream schools which has been followed by a further reduction in September, generating a total annual saving of £2.1m

b) an inclusion panel has been created with the aim of reducing pupil exclusions – as a result there have only been five secondary exclusions in terms 1&2 compared to thirty five in the same period in the previous academic year;

c) special school and Pupil referral unit budgets have also been reviewed, top up and site specific rates have been cut by 5% which will generate an annual saving of £600k, further work is planned to continue review of special schools and also resource bases.

Any deficit on the DSG at the year-end would need to be mitigated by the DSG reserve or carried forward - thereby creating a further pressure for the DSG in future years.

Public Health

17. The ring-fenced Public Health service is currently forecasting an overspend of £1.6m. This is mainly due to the on-going impact of a government in year cut of the grant of 7.6% during 2015/16 and further 2% cut to the grant this financial year. Public Health

are managing this overspend through the Public Health reserves which currently has a balance of £4.8m. There is no impact on the general fund of this overspend in this financial year, however reserves are one-off and this is not a sustainable position. The service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope and reflects key priorities.

Housing Revenue Account (HRA)

18. The following is a summary of the HRA budget position as at the end of Period 7. Further detail is included as part of Appendix A to the report.

Table 5: Housing Revenue Account Budget Forecast

HOUSING REVENUE ACCOUNT - Period 8	Gross Exp £m	Gross Income £m	Revised Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	Period 7 Forecast Outturn Variance £m
Strategy, Planning & Governance	24.7	-131.3	-106.6	-108.0	-1.3	-0.8
Responsive Repairs	47.4	-17.4	30.0	30.6	0.5	0.5
Planned Programmes	18.0	-1.3	16.7	14.6	-2.1	-2.2
Estate Management	16.2	-2.1	14.2	14.0	-0.1	-0.2
HRA Financing & Funding	46.2	-0.5	45.7	45.7	0.0	0.0
HOUSING REVENUE ACCOUNT TOTAL	152.6	-152.6	0.0	-3.1	-3.1	-2.7

19. There is currently a forecast underspend within the HRA of £3.1m, which has increased by £0.4m since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets.
- Identification of a further £0.4m income from energy efficiency schemes
- There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce.
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget; Contractor issues has also led to some delays, resulting in £0.7m underspend. A housing procurement specialist is being recruited who when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

20. Any under or overspend at the year-end will be transferred to the HRA Reserve and therefore does not impact directly on the General Fund. However, the impact of the 1% rent reduction and other proposed government changes mean that the current HRA Business Plan is not sustainable in the long term. The Business Plan is being re-calibrated to reflect a very financially challenging future.

B - Managing Savings

21. To ensure that there is transparency and clarity in relation to the source of savings (from which department and service area from which the saving is to be delivered) and avoid any possible double counting etc, we are monitoring savings using a single savings tracker. This will be reported under each directorate and will be risk assessed for full delivery within the planned timescales.

C - Reserves

22. The balance on the general reserve will be reviewed annually in setting the budget and in the context of the MTFs and the risks to which the Council is exposed. The balance on the General Reserve is £20m and at present the Interim Chief Executive and Service Director: Finance (s.151 officer) are taking all appropriate actions to avoid any utilisation in 2016/17. This will be kept under constant review.
23. At the start of the financial year the Council had general fund earmarked reserves of £106m. the reserves are earmarked for specific purposes, with some expenditure anticipated in this financial year and others will be incurred in future years.
24. A review of all existing earmarked reserves is being progressed and where reserves are identified as no longer required for the purpose that they were earmarked, they will be released to the Operational Reserve and made available to mitigate the financial pressures in this financial year. A total of £2.4m has so far been identified that could be released from reserves and this has been included in the forecast reported in Table 2.

D - Capital Programme

25. The capital programme changes during the year as the phasing of schemes is reviewed and the notifications of additional schemes and resourcing are received (to the extent that these projects are fully funded). The Capital Board (an officer working group) oversees the coordination of the Capital Programme, ensuring that projects are delivered within their allocation of funding and planned timescales. As at the end of Period 8 there is a forecast underspend of £2.1m. Monitoring indicates that capital spending in 2016/17 will be £220.8m compared to the latest approved budget of £222.9m.

The following table sets out the forecast of spend by Directorate. Additional detail is provided at Appendix B.

Table 6: Capital Programme Forecast Expenditure & Financing

	Period 7 2016/17 Budget	Capital Budget Adjustments	Period 8 2016/17 Combined Budget	2016/17 Forecast Outturn	2016/17 Forecast Outturn Variance	2016/17 Actual Spend to Date
	£m	£m	£m	£m	£m	£m
People	40.8	(0.1)	40.7	40.9	0.2	16.3
Place	87.3		87.3	84.0	(3.3)	38.7
Neighbourhoods	9.8	0.1	9.9	8.4	(1.5)	3.9
Resources	18.7	(7.0)	11.7	12.2	0.5	7.8
City Director	0.0	7.0	7.0	7.0	0.0	0.6
Housing Revenue Account	56.0		56.0	56.7	0.7	34.4
Corporate	10.2	0.1	10.3	11.6	1.3	7.7
Totals	222.8	0.1	222.9	220.8	(2.1)	109.4
Finance By:						
Prudential Borrowing			83.7	84.3	0.6	
Capital Grants			69.3	65.9	(3.4)	
Capital Receipts *			0.0	0.0	0.0	
Revenue Contributions			13.9	13.9	0.0	
Housing Revenue Account (Self-Financing)			56.0	56.7	0.7	
TOTAL CAPITAL FINANCING			222.9	220.8	(2.1)	

* As reported in the P7 Cabinet Report -The amount included against capital receipts £5m have transferred to Prudential Borrowing, as the capital receipts will be used to fund transformation activity expenditure within the general revenue fund.

26. The actual capital spend to the end of Period 8 is £109.4m (49% of Combined Budget). Whilst historic trends indicate that capital spending increases towards the end of the financial year, the level of forecast spend to date (30th November 2016) is low compared to the current budget for the financial year. Projected spend to the year end, based on a pro-rata basis, would be £164.1m or 73% of the current budget.
27. During Period 8, there has been a movement of budget (£7m) from the Resources Directorate to the City Director. This reflects the movement of the Bristol Futures service between the directorates. In addition, there has been a minor variation to the budget agreed by the Capital Board of £100k, which is now reflected in the Neighbourhoods budget. This relates to the receipt of external funding to support the provision of additional play facilities. As a result, the combined budget for Period 8 has increased from £222.8m to £222.9m.
28. As at the end of November 2016, there is a forecast net underspend against the Capital Programme of £2.1m, against an overspend of £3.1m at the end of Period 7. The following is a summary of the significant areas where budget pressures have been identified:

28.1 Neighbourhoods – £1.5m Underspend

Bristol Operations Centre - breakeven

While spend over the life of the budget is forecast to budget, £0.7m of budget is waiting to be re-phased from 2016/17 into 2017/18, to match with forecast expenditure which has been re-phased into 2017/18 to reflect updated view of contract award

dates and subsequent activity.

Parks & Green Spaces – breakeven

Re-profiling of budgets and forecasts is required across all years in order to properly reflect an expected breakeven in expenditure on Parks capital.

Neighbourhoods & Communities – breakeven

While spend over the life of the budget is forecast to budget, £0.2m of budget is waiting to be re-phased from 2016/17 into future years, to match with forecast expenditure which has been re-phased into those years.

Housing Revenue Account – Forecast variance £0.7m overspend

There are projected overspends (£4.5m) in 'Investment in Blocks' projects due to works showing greater than expected costs and slippage from previous year. These have been offset by reducing expenditure and delaying projects in some areas, including on low rise cladding and roofs (£5.6m). Land enabling works also forecasting £1.9m overspend due to work delayed in 15/16. This is offset by savings from the recruitment freeze and schemes put on hold.

The overspend has decreased since P8 mainly due to delayed works on windows on certain blocks

The overspend in this area will be funded from the Housing Revenue Account.

Housing Services – Forecast variance £1.3m overspend

Aids & Adaptations. The provision of a disabled facilities grant (DFG) is a mandatory grant that assists older and disabled people to enable them to remain living independently in their own homes. There is a duty on Local Authorities to use the funding provided through the Better Care Fund, which will be £2.4m in 2016/17 and is likely to be similar in 2017/18, to assist people to pay for these adaptations. The grant is used to enable disabled people to:

- Being able to wash, eat, sleep and move safely around their homes, independently or with reduced care
- Improving access into and out of the home
- Reducing delays in hospital discharge
- Preventing falls and unexpected hospital admissions
- Reducing cost of care packages through the provision of adaptations
- Supporting carers to enable the disabled person to continue to remain living independently

The demand for DFG's is increasing each year, and a further £700k in 2016/17 and 2017/18 was agreed at Cabinet in March 2016 and Capital Programme Board on the 25th of October. The 2016/17 spend has since been re-phased to 2017/18. This allocation will be funded by Prudential Borrowing with the debt financing costs contained centrally. The approved funding has yet to be reflected in the budgets and so is currently showing as an overspend.

28.2 People Directorate Services - £0.2m

The main areas of spending pressure are related to the Education Capital Programme

and also the transformation programme in Care Management. Managers have been closely monitoring the actual and forecast expenditure against the revised budget, with further work ongoing to review budget profiles and project spend across the life of the projects.

28.3 Place Directorate Services – £3.3m Underspend

The directorate is reporting a (£2.1m) variance to budget which consists of forecast underspends of (£2.5m) in Energy and (£0.6m) in Transport offset by forecast overspends of £0.7m in Economy, £0.1m in Planning and £0.1m in Property. This represents a movement of (£2.6m) since Period 7.

Economy – Forecast variance £0.7m overspend

There is a £0.3m forecast overspend on Colston Hall phase 2 where external grant funding of £0.4m remains to be added to the project budget. In addition there is a £0.2m forecast overspend on Bristol arena and £0.2m in Housing Delivery enabling activities where spend forecast in future years does not yet match the phased budget.

Energy – Forecast variance (£2.5m) underspend

(£2.4m) of this relates to underspent Green Deal grant derived from DECC/BEIS funding which originally totalled £7.3m: this will either need to be paid back to funders or allocated to a loan fund scheme.

(£1.2m) of this relates to ELENA grant funding, where the project is now complete.

This is offset by a forecast overspend of £0.9m re: Carbon Trust where income from the revolving fund needs to be recognised and £0.2m re: the Wood fuel station where a review is underway to establish where funding has been allocated.

Planning – Forecast variance £0.1m overspend

There is a £0.1m forecast overspend on Bristol Legible city funding from Reserves has yet to be forecast

Property – Forecast variance £0.1m overspend

There is a £1.1m overspend in relation to the North Bristol Pool project, part of which is due to additional costs of achieving the standards required by LABC, Fire Certification and H&S (est £300k): the remainder is a prior year overspend which is being investigated. Offsetting this is: (£0.5m) which is an amount being retained in respect of the Westmoreland house project, pending discussions between the community and the developer; (£0.3m) underspend on works to refurbish Eastville depot; (£0.1m) underspend on renovation of lifts at BMAG; (£0.1m) underspend on refurbishment of the Coroners court/mortuary and (£0.1m) on Listed buildings/heritage assets where budget needs to be moved to future year.

Transport – Forecast variance (£0.6m) underspend

There is a £2.0m forecast overspend on the Go Ultra low city scheme where £2.0m of budget has yet to be added which is offset by a £2.0m underspend on Long Ashton park and ride land purchase where spend is not being forecast. In addition there is a forecast £0.4m reported against Local Sustainable Transport Fund West BCC local schemes where budget is required to be added, which is offset by a forecast (£0.2m) underspend on the Cycling Ambition fund where grant funding needs to be reflected; (£0.3m) on Better Bus Area Fund 2 where the forecast needs to be adjusted and (£0.4m) re: Local Enterprise Zone. Lastly, there is a (£1.0m) forecast underspend on the Ashton vale to Temple Meads BRT route and a £0.7m forecast overspend on

the South Bristol link BRT route, and forecasts need to be adjusted in both cases.

Capital Receipts

29. The assumed level of Capital Receipts to support the general fund element of the Capital Programme (excluding HRA) is £5m pa. The current disposal programme estimates general fund gross receipts of £5.3m for 2016/17. Please see the table below for the progress against the current in-scope assets under the capital disposal programme.

Current Progress against £5.3m gross capital receipts forecast in 16/17	Operational	Investment	Development	Totals
Preparatory	£0	£3,500,000	£1,900,000	£5,400,000
On market	£3,750,000	£0	£0	£3,750,000
Terms agreed	£2,850,000	£4,000,000	£0	£6,850,000
Contract Exchange	£525,000	£0	£2,000,000	£2,525,000
Completed	£863,270	£613,298	£269,138	£1,745,706
Total in-scope	£7,988,270	£8,113,298	£4,169,138	£20,270,706

Capital Financing

30. The capital financing assumptions are detailed in Table 6 above. As part of the overall review of the capital programme already referred to, the capital financing assumptions and the future revenue implications will be kept under review; and any contributions being made towards the 2016/17 forecast outturn variance should be assumed to be a one-off position.

31. The current capital financing assumptions include capital receipts of £5.3m. As outlined in paragraph 29 above, officers have reviewed the new flexibilities to use capital receipts to fund transformational activities. This will mean that these receipts will no longer be available in 2016/17 to finance this proportion of the Capital Programme.

32. Included in the General Revenue Fund is a capital financing budget of £19.3m, which is currently forecasting an underspend of £4.1m, due to previous re-profiling of the capital programme. As part of the capital financing calculation is a Minimum Revenue Provision (MRP), which is the minimum amount that the local authority should set aside to repay future debt. The Council's current MRP policy has been reviewed forecast costs of capital financing in 2016/17 have been updated to incorporate this change.

Corporate ERP Project

33. A project to deliver an integrated employee resource application to update the finance system and replace HR and Payroll systems, commenced in December 2014. To date we have upgraded the finance system, introduced new e-recruitment and performance management systems but have been unable to go live with the HR and Payroll system. We have commissioned a review to gain an independent perspective of the issues and challenges, the outcome of which will inform a wider transformation programme. .
34. A further upgrade of the finance system has been completed to avoid the risk of it becoming unsupported and we have extended the contract for the current HR and Payroll systems. This will incur additional expenditure above that which was originally forecast. The estimated cost of this is c£245k for the extension of licences on the legacy HR & Payroll system and will require funding through the corporate contingency, as previously reported.

E – Managing Income

35. Collection rates for both business rates and council tax are broadly on target. However, an increase has been noticed in the Council Tax Base and this will be reflected in the budget for 2017/18. A report on the Collection Fund will be presented to Cabinet on 10th January 2017 and to Full Council on 17th January 2017. The position on business rates can be significantly affected by successful appeals, as the Council could have to refund several years' backdated payments from a single year's income. Officers are closely monitoring business rates appeals applications. The Council has received applications from a number of health care trusts for mandatory charitable rates relief. In line with advice from the Local Government Association, all claims have been rejected and, to date, no counter applications have been made. The trusts are continuing to pay their business rates. The Council is also aware of an application from a telecommunications company to have their telecommunication network transferred from the local rating list to the central list, with a potential for a backdated refund. Officers are in contact with the Valuation Office but currently very little information is available to the Council as Billing Authority.
36. As well as Council Tax and Business Rates, the Council also raises and collects sundry income, which includes contributions for social care services. Table 8 provides a summary of the outstanding debt against sundry income, by directorate, with a more detailed analysis included as Appendix C.

The council currently has a total of £31.2m (£36.7m at Period 7) outstanding debts. Of the £31.2m outstanding debt included in Table 8, the top 20 customer debts, ranging from £13k to £2m, amounts to £9.96m of the debt or 32% (53% at Period 7) of the total outstanding debt. The reductions are due to the single large debts that had been raised in Period 7 having now been paid.

37. At the end of each financial year, the Council is required to calculate a bad debt provision based on its level of outstanding debt, The amount of provision required is dependent on the age of the debt, with all debt over 2 years, being 100% provided for. The current bad debt provision (as at 31st March 2016) is £11.8m. Based on the current level of debt in table 8, if no further action is taken, the required bad debt provision is estimated to be £15.5m. Single, large debts can have a disproportionate

impact on the provision required. However, action will continue to be taken between now and the end of the financial year to ensure that the value of outstanding debt is reduced.

Table 8 – Outstanding Debt Analysis by Directorate

Directorate	Outstanding Value £000's	Average Value £
People	19,777	2,052
Resources	330	599
Neighbourhoods	3,566	352
Place	3,832	1,197
City Director	166	9,738
Corporate & Other	3,564	356
TOTALS	31,234	931

F - Treasury Management

38. No borrowing has been undertaken to date during 2016/17. Net debt (borrowing less investment) has increased by £15m between the 31st October to 30th November from £284m to £299m due to expected changes in grant income.

39. The average level of funds available for investment purposes during the first eight months of the year was £163m. The return for period was 0.59% compared to the recognised benchmark of 0.24% (7 day Libid average for period).

40. The Treasury Management Strategy identified a medium term borrowing requirement of £150m to support the existing and future Capital Programme. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£115m at November 2016, £70m estimated for March 2017). The authority is planning on borrowing £20m during the year at a preferential rate from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena) scheme with the net financing costs contained within the existing capital financing budget. No further borrowing is anticipated in the current financial year unless rates are expected to rise significantly from their current position to enable the authority to reduce its exposure to interest rate risk.

41. The Council has complied with all treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.

G – Bristol City Council Owned Companies

42. During Period 8 2016/17, a further £2.893m investment has been made to Bristol Holding Company. The amount of loans / investments as at the 30th November 2016 is set out below:

- Bristol Holding Company - £12.4m
- Bristol is Open - £350k

Overall Risk Assessment

43. In the Budget Report presented to Full Council in February 2016, a number of significant risks were identified. The finance reports this year have identified that a significant number of these risks have come to fruition in the early part of the financial year, or remain relevant. The list below highlights the most significant of these risks:

- the scale of overall reductions to all directorate budgets (£35.4m identified and included in the approved budget) and the potential of non-delivery of these savings;
- the potential of overspends against budgeted net expenditure;
- Care placements & budgets, both in terms of activity as a result of demographic pressures and also unit costs;
- Potential delay in delivery of capital receipts;
- Increase in pension liabilities;
- Volatility in business rate income including the level of successful appeals, the result of the application for mandatory charitable relief made by a number of hospital trusts and the transfer of properties between rating lists. Once these changes are made the Council may have to refund several years back dated rates from a single years income.

As well as the risks highlighted above, the following additional risks have been identified:

- wholly owned company delivery of agreed business plans;
- Sustainability of Council owned and managed assets, including infrastructure previously identified, property, fleet and ICT.
- Schools PFI contracts;
- Living Wage Accreditation – this will require a full review of all external contracts and may result in additional contractual costs;
- inflationary pressure on contract and energy costs;
- increased capital costs of major projects, i.e. Metrobus, the delivery of the Arena and Bristol Temple Meads Easts (development area around the arena);
- Current lack of policy clarity on proposed changes to business rate retention;
- The effect of Brexit both on house building industry and general economic confidence;
- There will be other costs, such as the Mayoral Combined Authority, still to be fully quantified;

Any risk assessment requires constant review and will form part of the ongoing future monitoring.

Consultation and scrutiny input:

a. Internal consultation:

Strategic Directors, Service Directors and the finance team.

b. External consultation:

Not applicable

Other options considered:

No other options are considered at the present time.

Public sector equality duties:

There are no proposals in this report which require either a statement as to the relevance of public sector equality duties or an Equalities Impact Assessment.

Environmental checklist / eco impact assessment

Not applicable.

Resource and legal implications:

Finance

a. Financial (revenue) implications – Service Director - Finance:

Set out within the report...

b. Financial (capital) implications – Service Director – Finance:

Set out within the report.

c. Legal implications:

No significant legal issues are raised by the report. The recommendations are in accordance with the Council's constitution and financial regulations.

Advice given by Shahzia Daya: Service Director Legal Services

Date: 02 February 2017

d. Land / property implications:

Relevant property implications have been included within the body of the report.

Advice given by Robert Orrett – Service Director Property

Date: 02 February 2017

e. Human resources implications:

In line with the financial position and the mitigating actions set out in this paper (paragraph 13) a Section 188 notice was issued in August 2016. The s188 notice provided formal notification to Trade Unions that the scale of the potential workforce reduction is estimated to be up to 975 employees by 31 March 2017.

Full consultation with Trade Unions continues throughout the period of organisation change and restructure and we will seek to reach agreement with the recognised Trade Unions on how to mitigate the need to make further compulsory redundancies. Services are considering opportunities for voluntary severance during redesign to avoid compulsory redundancies, wherever possible. Where compulsory redundancy is unavoidable, employees will be given notice of dismissal in accordance with the Council's agreed policies.

Taking a holistic view of the current and forecast needs of residents, as well as unknown implications, such as Brexit and the living wage, the council will develop the organisations workforce strategy in line with the budget and seek to develop partnerships with external organisations, review the training and development of staff and undertake a review of recruitment procedures. Implications are being closely monitored to ensure that the council is able to take proactive steps to mitigate the impact of the financial position outlined in this report.

Advice given by Sandra Farquharson – Hd of Human Resources
Date: 1 February 2017

Agenda Item 8b

Period 9 Budget Monitoring - Summary

	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
People						
Strategic Commissioning & Commercial Relations	20,611	20,262	19,097	(1,165)	123	18,974
Care & Support - Adults	102,297	111,119	118,388	7,268	617	117,771
Care & Support – Children & Families	43,338	43,446	46,955	3,509	97	46,858
Education & Skills	7,509	6,408	7,135	727	(821)	7,957
Dedicated Schools Grant	0	95	95	0	(0)	95
Management - People	(26)	(25)	679	705	11	668
Early Intervention & Targeted Support	23,436	24,792	27,765	2,973	(108)	27,873
Capital - People	0	0	0	0	0	0
Total People	197,165	206,096	220,114	14,018	(81)	220,195
Resources						
ICT	8,384	8,865	12,539	3,675	(70)	12,609
Legal and Democratic Services	7,362	6,490	6,585	95	140	6,444
Finance	6,341	4,188	4,137	(50)	(42)	4,179
HR & Workplace	6,728	6,100	5,189	(911)	(341)	5,530
Total Resources	28,815	25,642	28,450	2,809	(312)	28,762
Neighbourhoods						
Citizen Services	13,143	12,591	12,880	290	(436)	13,317
Waste	27,548	27,423	26,531	(892)	(133)	26,664
Neighbourhoods & Communities	14,319	14,457	13,472	(986)	(158)	13,629
Women's Commission	5	5	5	0	0	5
Public Health - General Fund	2,474	1,940	1,673	(267)	(593)	2,266
Housing Services - General Fund	13,730	12,704	12,469	(235)	(735)	13,204
Total Neighbourhoods	71,219	69,120	67,029	(2,090)	(2,055)	69,085
Place						
Property	(7,493)	(7,468)	1,668	9,136	(379)	2,047
Planning	324	387	(70)	(457)	(198)	128
Transport	16,107	14,091	9,931	(4,161)	(3,005)	12,935
Economy	6,163	5,435	5,435	(0)	(50)	5,485
Economy - ABS Team	2,020	1,818	1,661	(157)	31	1,630
Capital - Place	0	0	0	0	0	0
Energy	3,124	2,921	1,353	(1,568)	(460)	1,813
Total Place	20,244	17,184	19,978	2,793	(4,061)	24,039
City Director						
Policy, Strategy & Communications	2,802	3,227	2,821	(406)	(28)	2,850
Bristol Futures	1,664	1,509	1,405	(104)	98	1,307
Executive Office Division	2,025	2,164	2,361	197	(52)	2,413
Total City Director	6,490	6,901	6,587	(314)	18	6,569
CORPORATE SAVINGS PROGRAMME TOTAL	(16,304)	(8,691)	1,768	10,459	423	1,346
SERVICE NET EXPENDITURE	307,630	316,252	343,926	27,675	(6,070)	349,996
OTHER CORPORATE BUDGETS	37,807	29,554	15,311	(14,243)	(475)	15,786
RELEASED FROM RESERVES	0	0	(2,400)	(2,400)	0	(2,400)
TOTAL REVENUE NET EXPENDITURE	345,437	345,806	356,837	11,031	(6,545)	363,382
HOUSING REVENUE ACCOUNT SUMMARY						
	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
Housing Revenue Account						
Strategy, Planning & Governance	(103,803)	(106,623)	(107,972)	(1,349)	(511)	(107,461)
Responsive Repairs	30,113	30,040	30,588	547	0	30,588
Planned Programmes	16,965	16,703	14,702	(2,001)	221	14,481
Estate Management	11,031	14,187	13,808	(379)	(185)	13,993
HRA - Funding & Expenditure	13,939	13,939	13,939	0	0	13,939
HRA - Year-end transactions	31,754	31,754	31,754	0	0	31,754
Total Housing Revenue Account	(0)	(0)	(3,182)	(3,182)	(476)	(2,706)
RING FENCED PUBLIC HEALTH						
	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
Public Health	29	29	29	0	0	29
Total Public Health	29	29	29	0	0	29

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Strategic Commissioning & Commercial Relations

Services provided by Strategic Commissioning & Commercial Relations

Practice lead for commissioning and procurement for the Council. Commissioning, contract management and QA for commissioned adults services and some children social care services. Shareholder and client support for companies the council owns.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
111	Joint Commissioning (Adults)	506	909	828	(81)	383	445
112	Joint Commissioning (Children)	3,968	3,971	3,777	(194)	(47)	3,823
115	Contracts & Quality	15,196	14,474	13,660	(815)	(65)	13,724
117	Service Director- Sp&C	942	908	578	(330)	(65)	643
119	Companies	0	0	0	0	0	0
191	Project Management & Support	0	0	254	254	(83)	338
Total Strategic Commissioning & Commercial Relations		20,611	20,262	19,097	(1,165)	123	18,974

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	8,955	9,007	8,974	(33)	209	8,765
2	Premises-Related Expenditure	1	0	4	4	3	1
3	Transport-Related Expenditure	30	21	53	32	(0)	54
4	Supplies & Services	704	886	794	(92)	83	710
5	Third Party Payments	13,566	14,579	13,528	(1,051)	(14)	13,543
6	Transfer Payments	0	0	0	0	0	0
7	Support Services	318	223	255	33	129	126
Expenditure		23,575	24,715	23,608	(1,107)	409	23,199
9	Income	(2,963)	(4,454)	(4,511)	(58)	(286)	(4,225)
Income		(2,963)	(4,454)	(4,511)	(58)	(286)	(4,225)
NET Expenditure		20,611	20,262	19,097	(1,165)	123	18,974

Notes

Within Contracts and Quality service, an underspend of £465k relates to a reduction in spend on Supporting People contracts due to lower activity than expected. There is also a staffing underspend of £250k due to in-year restructuring of procurement team.

£318k of third party payments relates to an underspend on a contract due to contract expiring and service in process of being recommissioned

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Care & Support - Adults

Services provided by Care & Support - Adults

The service's key function is the provision of support services for adults aged 18 plus including care, support and safeguarding for those people in our communities who have the highest level of need and for their carers.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
141	Complex Case/Transitions/AMHP	30,938	34,059	35,688	1,629	613	35,075
142	Front Door Services / Hospitals	27,190	31,729	34,943	3,214	(262)	35,205
143	Strategic Safeguarding	1,469	1,479	1,212	(267)	162	1,050
144	Area Community Teams/Care Brokerage/SI	30,314	31,903	35,964	4,061	821	35,144
145	Reablement, Intermediate Care & Regulated Services	11,321	11,108	9,838	(1,270)	(624)	10,462
146	Technical Specialist Mental Health/PSW	1,064	1,054	742	(311)	(92)	834
Total Care & Support - Adults		102,297	111,332	118,388	7,056	617	117,771

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	22,542	23,943	21,845	(2,098)	(769)	22,614
2	Premises-Related Expenditure	395	393	203	(191)	(241)	443
3	Transport-Related Expenditure	280	280	262	(18)	2	260
4	Supplies & Services	3,098	2,956	3,057	101	(15)	3,072
5	Third Party Payments	99,359	108,200	119,092	10,892	1,686	117,406
6	Transfer Payments	10,460	13,683	17,084	3,401	215	16,870
7	Support Services	344	344	359	14	123	236
Expenditure		136,478	149,800	161,901	12,101	1,001	160,900
9	Income	(34,182)	(38,468)	(43,514)	(5,046)	(384)	(43,130)
Income		(34,182)	(38,468)	(43,514)	(5,046)	(384)	(43,130)
NET Expenditure		102,297	111,332	118,388	7,056	617	117,771

Notes

There is significant change in the forecast due to the transfer of resources (£944k) to Early Intervention and Targeted Support from Care and Support – Adults as we restructure to create an Early Intervention and Targeted Support service for adults. This position is subject to further review.

There is significant overspend on care packages, this is shown by a £10.9m overspend on Third Party Payments which is due to £7.6m overspend on residential and nursing placements, £3m overspend on Community Support Services, and £0.7m on Home Care, also a £3.4m overspend on Transfer payments is additional demand for Direct Payments to fund care placements.

This is partially offset by forecast underspend of £2m on staffing due to vacancies being held in services (£196k Care Brokerage, £381k Care Direct, £543k Reablement)

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Care & Support – Children & Families

Services provided by Care & Support – Children & Families

This service provides and commissions targeted and specialist services to children, young adults, and families in Bristol. These services aim to meet the needs of children where universal services alone will not ensure their well-being.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
153	Quality Assurance, BSCB	1,434	1,442	1,441	(0)	19	1,422
154	Area Social Work (North)	1,893	1,901	2,126	225	(53)	2,179
155	Area Social Work (East/Central)	2,888	2,918	3,553	636	(27)	3,580
156	Area Social Work (South)	2,026	1,948	2,030	82	57	1,972
157	Placements Service	6,917	6,922	6,320	(602)	(211)	6,531
158	Looked After Children & Aftercare	25,429	25,577	28,682	3,106	334	28,349
159	Children & Family Support - Management	1,171	1,171	1,170	(1)	(10)	1,181
15A	Safeguarding and Area Services	1,581	1,568	1,632	64	(12)	1,644
Total Care & Support – Children & Families		43,338	43,446	46,955	3,509	97	46,858

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	16,796	17,108	17,771	663	186	17,586
2	Premises-Related Expenditure	297	212	274	62	64	210
3	Transport-Related Expenditure	515	538	461	(77)	(3)	464
4	Supplies & Services	1,909	1,895	2,392	498	(96)	2,489
5	Third Party Payments	26,116	25,929	30,882	4,954	314	30,569
6	Transfer Payments	243	243	301	58	(6)	308
7	Support Services	159	185	(429)	(613)	(106)	(323)
Expenditure		46,035	46,110	51,654	5,545	352	51,302
9	Income	(2,697)	(2,664)	(4,699)	(2,035)	(255)	(4,444)
Income		(2,697)	(2,664)	(4,699)	(2,035)	(255)	(4,444)
NET Expenditure		43,338	43,446	46,955	3,509	97	46,858

Notes

£3,681m overspend mainly due to: continuing pressure on placement budgets – SGOs £1.9m and Out of Authority £2.3m. There is also an overspend on asylum seekers accommodation and ex gratia payments of £322k. There also continues to be pressure on emergency accommodation costs and use of agency staff due to a 20% increase in caseloads resulting in an inability to achieve the turnover provision of £558k. These pressures are partially offset by an underspend on fostering and adoption of (£602k), in house fostering (£605k) and independent fostering agencies of (£1,200k).

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Education & Skills

Services provided by Education & Skills

This service has statutory duties for Early Years including providing a Children's Centre offer, Specialist Education & Access, School Partnerships and provide Trading with Schools and Employment, Learning & Skills

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
161	Early Years Learning	6,488	5,418	5,560	142	(858)	6,417
162	Primary Learning	798	797	797	0	(3)	800
163	Secondary Learning	136	137	87	(49)	1	87
164	Additional Learning Needs	673	674	683	9	(17)	700
165	Employment & Skills	988	956	819	(136)	56	764
166	Trading with Schools	(1,573)	(1,573)	(811)	762	0	(811)
Total Education & Skills		7,509	6,408	7,135	727	(821)	7,957

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,798	7,545	7,154	(391)	(78)	7,231
2	Premises-Related Expenditure	231	218	318	100	(1)	319
3	Transport-Related Expenditure	54	52	55	3	2	54
4	Supplies & Services	2,292	2,242	2,544	302	80	2,464
5	Third Party Payments	13,372	7,123	7,489	367	124	7,365
6	Transfer Payments	10	10	10	0	0	10
7	Support Services	1,480	7,719	8,273	554	245	8,028
Expenditure		25,237	24,908	25,843	935	372	25,471
9	Income	(17,728)	(18,500)	(18,708)	(208)	(1,193)	(17,515)
Income		(17,728)	(18,500)	(18,708)	(208)	(1,193)	(17,515)
NET Expenditure		7,509	6,408	7,135	727	(821)	7,957

Notes

£811k forecast overspend due to TWS not achieving income target and forecasting to generate less income than last year, also deficit balance on Childrens Centres of £161k to be written off to general fund.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Dedicated Schools Grant

Services provided by Dedicated Schools Grant

Statutory duties to ensure sufficient, high quality primary, secondary & post 16 provision; current statutory duties for maintained schools causing concern; oversee admissions processes; statutory duties for Raising Participation Age (NEET)

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
171	Dedicated Schools Grant	1,165	1,165	1,165	0	0	1,165
172	Primary Learning - DSG	860	860	860	0	0	860
173	Management - DSG	1,783	2,128	(2,544)	(4,672)	(207)	(2,337)
174	Finance - DSG	(77,103)	(75,823)	(76,996)	(1,173)	(1,173)	(75,823)
175	Early Years Learning - DSG	30,338	30,507	31,009	502	625	30,384
176	Additional Learning Needs - DSG	42,695	40,996	46,339	5,343	755	45,583
177	Secondary Learning - DSG	23	23	23	0	0	23
178	Additional Learning Needs (non-HNB) – DSG	239	239	239	0	0	239
Total Dedicated Schools Grant		0	95	95	0	(0)	95

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,352	2,352	2,386	34	(222)	2,609
2	Premises-Related Expenditure	243	243	263	20	50	213
3	Transport-Related Expenditure	29	29	30	1	(1)	31
4	Supplies & Services	8,167	8,179	7,845	(334)	1,006	6,839
5	Third Party Payments	165,742	156,471	159,760	3,289	(1,868)	161,628
7	Support Services	170	8,076	9,937	1,861	897	9,040
Expenditure		176,703	175,349	180,221	4,872	(138)	180,360
9	Income	(176,703)	(175,255)	(180,127)	(4,872)	138	(180,265)
Income		(176,703)	(175,255)	(180,127)	(4,872)	138	(180,265)
NET Expenditure		0	95	95	0	(0)	95

Notes

£5.3m forecast overspend on High Needs block due to the cost of top up payments – though £1.8m of this relates to overspend from 2015/16 carried forward. The service is undertaking a significant level of work in conjunction with Schools Forum in order to manage this budget which will ultimately be contained within the DSG with no effect on the People General Fund budget.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Management - People

Services provided by Management - People

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
181	Management - People	(26)	(25)	679	705	11	668
Total Management - People		(26)	(25)	679	705	11	668

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,726	2,727	2,563	(164)	2	2,561
2	Premises-Related Expenditure	0	0	2	2	2	0
3	Transport-Related Expenditure	4	4	0	(3)	(3)	4
4	Supplies & Services	170	170	129	(41)	(41)	170
5	Third Party Payments	1,949	1,949	1,953	4	78	1,875
7	Support Services	(983)	(983)	(804)	179	10	(813)
Expenditure		3,866	3,867	3,844	(23)	48	3,796
9	Income	(3,893)	(3,893)	(3,164)	728	(37)	(3,128)
Income		(3,893)	(3,893)	(3,164)	728	(37)	(3,128)
NET Expenditure		(26)	(25)	679	705	11	668

Notes

Education Services Grant income has been cut in 2016/17 therefore showing a overspend of £728k - this has been addressed as part of the proposed 17/18 budget.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Early Intervention & Targeted Support

Services provided by Early Intervention & Targeted Support

Services span all ages and include three area based Early Help teams supporting children and families, taking a 'Think Family' approach (inc Troubled Families). This division has strategic leadership of targeted youth support.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
113	Targeted Support	7,585	7,568	8,252	684	(119)	8,371
152	0-25 Integrated Service	9,476	10,915	14,066	3,151	9	14,057
1A1	Service Director - EI & TS	0	0	87	87	(30)	117
1A2	Early Intervention – Adults	6,375	6,309	5,360	(950)	32	5,327
Total Early Intervention & Targeted Support		23,436	24,792	27,765	2,973	(108)	27,873

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	13,895	13,842	13,710	(131)	127	13,583
2	Premises-Related Expenditure	206	205	270	66	37	233
3	Transport-Related Expenditure	1,051	1,048	997	(51)	(25)	1,022
4	Supplies & Services	1,231	1,169	1,060	(109)	120	940
5	Third Party Payments	11,848	14,508	16,828	2,320	157	16,671
6	Transfer Payments	1,879	2,067	2,232	164	16	2,216
7	Support Services	5,306	5,314	4,721	(593)	163	4,559
Expenditure		35,416	38,153	39,819	1,666	596	39,223
9	Income	(11,980)	(13,361)	(12,054)	1,308	(704)	(11,350)
Income		(11,980)	(13,361)	(12,054)	1,308	(704)	(11,350)
NET Expenditure		23,436	24,792	27,765	2,973	(108)	27,873

Notes

Early Intervention - Adults

A £300k underspend in Community Links teams due to held vacancies, £280k underspend on equipment within the meals service due to freeze on non-essential spending and £240k income relating to Continuing Healthcare for a service user at Concord Lodge

0-25 Integrated Service

There is a £2.8m overspend on care placements primarily residential placements for 18-25 year olds with Learning Disabilities. There is currently insufficient budget provision to meet new responsibilities under legislation of the Children and Families Act requiring Local Authorities to support young people up to 25 prior to adulthood.

Savings from the Home to Schools travel budgets relating to provision of new school provision for those with Special Educational Needs have not been delivered as the new schools have yet to be commissioned. Therefore the Home to school travel budget is showing a £446k overspend

Targeted Support

Where a family is homeless but not deemed eligible under the Housing Act, we have a responsibility to provide emergency accommodation for children of families under the Children and Families Act. Due to the increase in homelessness across Bristol this is a financial pressure of £640k in 2016/17.

Local Authorities have a duty to fund accommodation costs of Youth Offenders on remand. These are low frequency high cost placements which are currently creating significant strain on budgets. Local Authorities can access some funding for this but it is insufficient to meet the full cost of placements, they are low volume/high cost placements and show an overspend of £197k this year.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Property

Services provided by Property

The strategic and operational management of the council's land, buildings and office accommodation (excluding social housing). The estate comprises property held for either service delivery, investment or development purposes.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
411	Facilities Management	2,913	2,927	4,958	2,031	(193)	5,151
412	Asset Strategy	418	418	195	(223)	(204)	399
413	Property Management	(10,824)	(10,812)	(3,484)	7,328	18	(3,502)
Total Property		(7,493)	(7,468)	1,668	9,136	(379)	2,047

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	10,757	10,578	10,675	97	(40)	10,715
2	Premises-Related Expenditure	9,266	9,415	12,014	2,599	2,294	9,720
3	Transport-Related Expenditure	4,288	4,288	1,986	(2,302)	(35)	2,021
4	Supplies & Services	4,793	4,793	3,871	(921)	(642)	4,514
5	Third Party Payments	474	474	457	(17)	23	434
6	Transfer Payments	68	68	68	0	0	68
7	Support Services	(2,649)	(2,594)	259	2,853	375	(115)
8	Depreciation and Impairment Losses	1,945	1,945	879	(1,065)	(234)	1,114
X	Capital Financing Costs	5	5	5	0	0	5
Expenditure		28,947	28,972	30,216	1,244	1,740	28,475
9	Income	(36,440)	(36,440)	(28,252)	8,187	(1,824)	(26,428)
Income		(36,440)	(36,440)	(28,252)	8,187	(1,824)	(26,428)
N	Income & Expenditure outside of Net Cost of Service	0	0	(295)	(295)	(295)	0
Transfer to \ from reserves		0	0	(295)	(295)	(295)	0
NET Expenditure		(7,493)	(7,468)	1,668	9,136	(379)	2,047

Notes

Property - £9.1m forecast overspend

Since period 7 there has been a £0.38m improvement the reported overspend for the Property division.

The overspend in the Property service largely relates to a forecast £7.7m shortfall in the delivery of the MTFS savings target (relating to 2015/16 and 2016/17), which broadly assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

There is a £600k historic overspend (since before 2012) on Facilities Management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

There is a £125k forecast deficit regarding a potential shortfall on rechargeable income for equipment use and maintenance services provided by Fleet to waste management (in turn by the Bristol Waste Company). Fleet service is actively exploring options with Waste Management team and Bristol Waste to mitigate this deficit including reductions on borrowing charge by sale of not-in-use assets under the waste contract, and seeking agreement on TUPE maintenance staff to the Bristol Waste company. It is to fully resolve this current forecast deficit back to £0.

There is a £153k forecast overspend against the budget for National Non Domestic Rates (NNDR) due to the historic absence of budget allocated for M-shed and Junction 3 when these buildings were constructed in 2011/12 and when budgets were centralised since financial year 2014/15. Savings achieved on NNDR for buildings that the Council no longer occupy have been separately given up under savings programmes.

There is a £125k forecast shortfall in income against the budget target for Markets as a result of an historic revenue target, which has not been met for the last 5 years. This deficit reduces to £78k when savings in Repairs and Maintenance are taken into account.

There are £67k costs due to increased workload in Security due to staff sickness and vacancies however this has reduced from £137k since period 7 due to savings in non-essential spend.

There is a £100k shortfall in income at the Create Centre resulting from loss of external tenants due to reduced parking; a letting rationalisation is underway to mitigate this.

There is a £54k shortfall in conference services income from the Passenger Shed (old station building Temple Meads) due to its poor condition, but the position is expected to improve.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Planning

Services provided by Planning

Planning is divided into Strategic City Planning, Development Management which includes Building Control and Planning Enforcement and City Design which includes Engineering Design.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
421	Strategic City Planning	691	808	796	(11)	(4)	800
422	City Design	11	2	(242)	(244)	(240)	(2)
425	Development Management	(378)	(423)	(625)	(202)	46	(671)
Total Planning		324	387	(70)	(457)	(198)	128

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	5,483	5,490	5,230	(260)	(20)	5,250
2	Premises-Related Expenditure	4	1	2	1	(0)	2
3	Transport-Related Expenditure	10	10	17	7	1	16
4	Supplies & Services	284	256	704	448	13	691
5	Third Party Payments	25	25	15	(10)	0	15
7	Support Services	24	74	77	3	(14)	91
Expenditure		5,828	5,855	6,044	190	(20)	6,065
9	Income	(5,504)	(5,579)	(6,115)	(536)	(178)	(5,937)
Income		(5,504)	(5,579)	(6,115)	(536)	(178)	(5,937)
N	Income & Expenditure outside of Net Cost of Service	0	111	0	(111)	0	0
Transfer to \ from reserves		0	111	0	(111)	0	0
NET Expenditure		324	387	(70)	(457)	(198)	128

Notes

Planning - (£0.5m) forecast underspend

In the Planning division there is a forecast underspend of (£0.5m) which has increased by (£0.1m) since period 7 as a result of increased income forecast within Engineering design. The remaining variance is due to increased income from Development Management fees as well as from savings plans being implemented.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Transport

Services provided by Transport

The Service is split into four distinct areas of operation – Strategic City Transport, Traffic, Highways and Sustainable Transport.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
431	Highways	4,701	4,299	4,007	(292)	24	3,983
432	Traffic	(3,370)	(4,391)	(7,817)	(3,426)	(2,490)	(5,327)
433	Strategic City Transport	2,148	1,523	1,226	(296)	(269)	1,495
434	Sustainable Transport	12,628	12,661	12,514	(146)	(270)	12,784
Total Transport		16,107	14,091	9,931	(4,161)	(3,005)	12,935

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	11,716	11,381	10,868	(513)	(89)	10,958
2	Premises-Related Expenditure	1,769	1,639	1,344	(294)	(225)	1,569
3	Transport-Related Expenditure	5,155	5,155	4,331	(824)	(0)	4,332
4	Supplies & Services	2,528	2,299	4,476	2,178	(133)	4,609
5	Third Party Payments	20,098	27,610	29,949	2,338	(1,513)	31,462
6	Transfer Payments	2,976	8,181	7,528	(653)	(931)	8,460
7	Support Services	3,697	3,707	2,746	(961)	(719)	3,465
8	Depreciation and Impairment Losses	600	600	(16)	(616)	(616)	600
Expenditure		48,540	60,572	61,227	655	(4,226)	65,454
9	Income	(32,309)	(46,356)	(50,512)	(4,156)	1,238	(51,751)
Income		(32,309)	(46,356)	(50,512)	(4,156)	1,238	(51,751)
N	Income & Expenditure outside of Net Cost of Service	(124)	(124)	(784)	(660)	(17)	(767)
Transfer to \ from reserves		(124)	(124)	(784)	(660)	(17)	(767)
NET Expenditure		16,107	14,091	9,931	(4,161)	(3,005)	12,935

Notes

Transport – (£4.2m) forecast underspend

The forecast underspend has increased by (£3.0m) since period 7. The largest part of this movement (£2.0m) is as a result of the refinancing related to Residents Parking, where accelerated loan payback was previously applied, and the payback period is being extended such that the initial £6m capital loan will now be fully paid back in financial year 2019/20 (instead of 2017/18 as with the existing accelerated repayment plan). The remainder includes (£0.3m) additional income in Parking Services (bringing the total underspend in Parking Services to £1.2m) and (£0.2m) from savings in Concessionary fares, based on the latest passenger data.

The remaining underspend consists of (£0.2m) savings from Supported bus services; (£0.3m) savings in controllable spend in Highways services; (£0.3m) in Strategic City Transport and (£0.2m) increased income in Signals and Lighting, reduced by additional costs in Park and Ride services of £0.2m.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Economy

Services provided by Economy

The Economy team supports the delivery of capital programmes and projects including culture, specific interventions, the development of housing, the physical regeneration of Bristol Temple Quarter Enterprise Zone and building schools across the City.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
441	Culture Services	3,360	3,380	3,469	89	12	3,457
442	Cultural Development	1,178	1,111	1,097	(14)	(12)	1,109
443	Economic Development	485	442	4	(438)	(75)	79
444	Major Projects	925	767	927	160	24	903
445	Management – Place	215	(266)	(62)	204	1	(63)
Total Economy		6,163	5,435	5,435	(0)	(50)	5,485

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	6,638	6,610	6,758	148	(40)	6,798
2	Premises-Related Expenditure	1,062	944	1,227	284	74	1,153
3	Transport-Related Expenditure	44	43	35	(7)	(8)	44
4	Supplies & Services	1,883	1,792	2,808	1,017	(91)	2,899
5	Third Party Payments	2,389	2,323	2,609	285	146	2,463
6	Transfer Payments	357	367	130	(237)	(110)	240
7	Support Services	600	200	797	597	46	751
Expenditure		12,975	12,279	14,365	2,086	18	14,347
9	Income	(6,812)	(6,844)	(8,452)	(1,609)	(95)	(8,357)
Income		(6,812)	(6,844)	(8,452)	(1,609)	(95)	(8,357)
N	Income & Expenditure outside of Net Cost of Service	0	0	(477)	(477)	27	(504)
Transfer to \ from reserves		0	0	(477)	(477)	27	(504)
NET Expenditure		6,163	5,435	5,435	(0)	(50)	5,485

Notes

Economy – on budget

Although this division is forecasting to be on budget overall, this includes elements of increased rental income at Filwood Green Business Park (£0.2m); increased trading income from at the Bottleyard (£0.1m) and an in-year benefit from reduced Economic development grant payments. However these are offset by overspends of £0.2m in the Place Directors account and £0.1m relating to the Temple Quarter Enterprise Zone.

The forecast has been adjusted to take into account the agreed amendment to Museum Opening hours agreed by Cabinet on 6th September 2016, which resulted in partial mitigation for the current year overspend and the remaining overspend (£0.2m) will be fully mitigated in 17/18.

The reported position for the Division in Period 9 has improved by £45k comparing to the Period 7 position due to the increased income explained above

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Economy - ABS Team

Services provided by Economy - ABS Team

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
451	Economy - Major Projects	2,020	1,818	1,661	(157)	31	1,630
Total Economy - ABS Team		2,020	1,818	1,661	(157)	31	1,630

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,478	2,277	2,042	(235)	20	2,022
3	Transport-Related Expenditure	0	0	1	1	0	1
4	Supplies & Services	8	7	11	4	(1)	12
7	Support Services	0	0	73	73	11	62
Expenditure		2,486	2,284	2,126	(157)	31	2,096
9	Income	(465)	(465)	(465)	0	0	(465)
Income		(465)	(465)	(465)	0	0	(465)
NET Expenditure		2,020	1,818	1,661	(157)	31	1,630

Notes

There are forecast savings against salary budgets in the Admin and Business Support (ABS) service of £0.2m.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Energy

Services provided by Energy

The Energy Service is made up of a number of different teams, including Housing (Warm Up Bristol), Investment programmes, Infrastructure, Community Energy, Environmental performance, energy supply and marine.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
531	Energy Programme Manager (Corporate)	2,713	2,504	2,732	228	(323)	3,056
532	Energy Programme Manager (Community)	411	417	(1,379)	(1,796)	(136)	(1,242)
Total Energy		3,124	2,921	1,353	(1,568)	(460)	1,813

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,658	1,613	1,578	(35)	(5)	1,583
2	Premises-Related Expenditure	8,880	8,880	8,486	(394)	(361)	8,848
3	Transport-Related Expenditure	20	20	142	122	(2)	144
4	Supplies & Services	416	409	(612)	(1,021)	(2,146)	1,534
5	Third Party Payments	20	20	2,092	2,072	2,037	55
6	Transfer Payments	0	0	692	692	328	364
7	Support Services	776	776	(28)	(804)	(514)	486
8	Depreciation and Impairment Losses	(543)	(543)	(2,622)	(2,079)	(1,930)	(692)
X	Capital Financing Costs	161	161	161	0	0	161
Expenditure		11,388	11,335	9,890	(1,446)	(2,592)	12,482
9	Income	(8,264)	(8,464)	(9,009)	(544)	1,710	(10,719)
Income		(8,264)	(8,464)	(9,009)	(544)	1,710	(10,719)
N	Income & Expenditure outside of Net Cost of Service	0	50	472	422	422	50
Transfer to \ from reserves		0	50	472	422	422	50
NET Expenditure		3,124	2,921	1,353	(1,568)	(460)	1,813

Notes

Energy – (£1.6m) forecast underspend

£1.3m of the forecast underspend is due to the decision to reallocate the use of grant income from Capital to Revenue which resulted in a one-off gain to the Revenue account this year. This means that some capital projects will be transferred to prudential borrowing at an estimated annual revenue cost of £81k p.a.

There is anticipated to be a shortfall in rechargeable income from the HRA and Trading for Schools in the Energy (utility purchase) budget. This is due to the Energy price reduction in recent years being captured as a corporate saving which was not reflected in income target for the energy service. This presents a net overspend of £418k this year however this has reduced by £220k since period 7, following recent utility eProcurement via DPS.

It should be noted that this forecast is based on the assumption of a mild winter, and that an overspend of up to £400k may emerge should the remaining winter weather become severe.

There is a 72k income shortfall in District Energy / Biomass (Renewable Heating Incentive). A saving in prudential borrowing costs of £140k has been partly offset by reduced Wind Energy income (£97k).

A one-off saving of £491k is now anticipated as a result of the Green Deal revenue contribution. Lastly, there is a £189k surplus reported under Solar based on a previously unforecast receipt from BEC for grid connection.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Citizen Services

Services provided by Citizen Services

Citizen Service comprises our corporate contact centre, customer relation team and citizen service points. It also contains our revenues and benefits teams, regulatory services (e.g. licensing) and Safer Bristol.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
133	Safer Bristol (Crime & Substance Misuse)	3,582	3,472	3,430	(42)	(121)	3,551
231	Revenue, Benefits & Rent	5,229	4,973	5,050	77	(653)	5,704
232	Customer Service Operations	3,961	3,836	3,684	(151)	266	3,419
333	Regulatory Services	371	310	716	406	72	644
Total Citizen Services		13,143	12,591	12,880	290	(436)	13,317

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	16,526	16,504	16,453	(50)	(32)	16,485
2	Premises-Related Expenditure	7	9	10	0	(1)	11
3	Transport-Related Expenditure	92	78	81	3	(3)	84
4	Supplies & Services	3,888	3,412	3,607	195	(161)	3,768
5	Third Party Payments	12,923	12,804	13,325	521	42	13,283
6	Transfer Payments	189,008	189,008	187,557	(1,452)	(1)	187,557
7	Support Services	567	545	640	96	35	605
Expenditure		223,012	222,360	221,673	(687)	(121)	221,794
9	Income	(209,407)	(209,362)	(208,396)	966	(381)	(208,015)
Income		(209,407)	(209,362)	(208,396)	966	(381)	(208,015)
N	Income & Expenditure outside of Net Cost of Service	(462)	(407)	(396)	11	66	(462)
Transfer to \ from reserves		(462)	(407)	(396)	11	66	(462)
NET Expenditure		13,143	12,591	12,880	290	(436)	13,317

Notes

Citizen Services: £0.3m overspend

The overall overspend in Citizen Services reduced by (£0.2m) since Period 7 Monitoring for the following reasons: the Local Crisis Prevention Fund is forecasting that it will underspend by (£86k) to help offset pressures elsewhere; there has been a saving on salaries throughout the division of (£150k) as posts are not filled: these savings have offset additional pressures within Regulatory Services of £79k, consisting of reduced income in Pest Control (£20k) and Trading Standards (£9k); additional temporary staff not previously included in the forecast of £30k; and additional money that needs to be set aside to a ring fenced reserve: £21k. There are also movements within Revenues, some of which are offsetting, which result in a net reduction in pressures of (£78k).

The other reasons for variances in Citizen Services are:

Payments: the pressure relating to Temporary Accommodation Housing Benefits payments has previously been reported. Work has recently been undertaken in this service area to better acknowledge and quantify an issue which has been developing over the last year, namely the cost of Housing Benefits paid on temporary accommodation, which is only around 60% covered by subsidy received from the Department of Works and Pensions.

Although in previous years there was sufficient budget for this growing pressure to be contained, we are currently forecasting an amount of £550k as a pressure in this service area. Unfortunately there is not sufficient reserve to offset all of this and only £270k can be covered, leaving a pressure of £280k.

Another issue to note is that there is an income target of £2m relating to repayment of overpaid Housing Benefit within Citizen Services and although this budget is currently forecast at breakeven there is the possibility of a shortfall. In December 2016 a decision was made to increase the weekly amount collected per tenant from £3 to around £11 and it is anticipated that this will remove any risk of a shortfall (estimated to be in the region of up to £0.2m based on a straight line projection).

Lastly, there is a budget of £450k relating to Bad Debt Allowance which is also forecast to budget. Work is currently underway within Corporate Finance to confirm this forecast.

Benefits Administration:

There is a forecast underspend of (£243k) against this budget which is mostly the result of forecast additional forecast grant of (£406k), which has increased from a forecast underspend of (£73k) as at period 7. Significant savings have been made in this area but there is still an ongoing structural pressure on this budget as there may not be enough reserve to cover this year's (and future years') grant reduction.

Revenues: within Revenues is a budget of £1.6m relating to court summons income. Our collection rates of council tax and business rates in cash terms have significantly improved this year which has resulted in less court action for non-payment and hence a reduction in summons income from courts summons fines, which is projected at £78k under budget for the year. In addition there has been £175k set aside for the cost of providing for bad debt (increased from £140k at period 7), related specifically to court summons income not recovered. There are also higher than budgeted court costs that we are due to pay from prior years amounting to £82k. These pressures are offset by additional income as mentioned above of £55k and staff savings of £104k due to delays in filling vacancies.

Customer Services Operations: there are forecast underspends of (£99k) in the Customer Service centre and (£47k) in the Customer Service Points, mostly due to salary savings, partly offset by other costs (£34k).

Other: in addition there are forecast underspends in the Local Crisis and Prevention Fund of (-£86k) and the Hardship Fund of (-£61k)

Regulatory Services: there are pressures due to errors in budgeting for income in Pest control (£105k), Trading standards (£100k) and Health & Safety (£46k) which have increased from amounts of (£86k), (£58k) and (£46k) respectively as at period 7. These are offset by a one-off contribution from (£130k) HRA income to Pollution control and Animal welfare, which was agreed in order to fund a bespoke service for dealing with Housing nuisance complaints. Most of the remaining overspend relates to Licensing where a pressure of £283k has arisen through providing for income that will need to be used to support licensing, which is currently being reviewed.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Waste

Services provided by Waste

This includes the management of our key contract with the Bristol Waste Company and the administration for associated services, e.g. bulky waste and garden waste collections.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
311	Waste	27,548	27,423	26,531	(892)	(133)	26,664
Total Waste		27,548	27,423	26,531	(892)	(133)	26,664

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,259	1,226	1,067	(159)	(241)	1,309
2	Premises-Related Expenditure	191	225	259	34	107	152
3	Transport-Related Expenditure	189	184	427	243	44	382
4	Supplies & Services	457	399	98	(300)	(199)	297
5	Third Party Payments	29,753	43,920	32,792	(11,128)	(1,478)	34,270
7	Support Services	917	937	723	(214)	(135)	858
Expenditure		32,766	46,890	35,366	(11,524)	(1,902)	37,269
9	Income	(5,217)	(19,467)	(7,654)	11,813	1,384	(9,038)
Income		(5,217)	(19,467)	(7,654)	11,813	1,384	(9,038)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,182)	(1,182)	386	(1,567)
Transfer to \ from reserves		0	0	(1,182)	(1,182)	386	(1,567)
NET Expenditure		27,548	27,423	26,531	(892)	(133)	26,664

Notes

Waste: £(0.9)M underspend

Waste Disposal is forecasting an underspend of (£0.9m), mainly due to one-off accrued expenditure from the previous year (£1.0m) which is no longer required. The underspend has increased by (£0.2m) since period 7.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Housing Services - Housing Revenue Account (HRA)

Services provided by Housing Services - Housing Revenue Account (HRA)

Responsibilities for Council housing, including the management of our responsive and planned maintenance, estate management and our business planning function, including asset management and new build programme.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
321	Strategy, Planning & Governance	(103,803)	(106,623)	(107,972)	(1,349)	(511)	(107,461)
322	Responsive Repairs	30,113	30,040	30,588	547	0	30,588
323	Planned Programmes	16,965	16,703	14,702	(2,001)	221	14,481
324	Estate Management	11,031	14,187	13,808	(379)	(185)	13,993
Total Housing Services - HRA		(45,693)	(45,693)	(48,875)	(3,182)	(476)	(48,399)

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	24,911	28,426	27,400	(1,026)	(110)	27,509
2	Premises-Related Expenditure	39,699	39,712	36,813	(2,899)	(16)	36,829
3	Transport-Related Expenditure	129	140	117	(23)	2	115
4	Supplies & Services	9,395	8,676	8,788	112	(22)	8,810
5	Third Party Payments	11,549	8,331	8,192	(140)	7	8,185
6	Transfer Payments	0	0	0	0	0	0
7	Support Services	20,616	20,958	22,170	1,212	54	22,116
8	Depreciation and Impairment Losses	33	33	33	0	0	33
X	Capital Financing Costs	74	74	74	0	0	74
Expenditure		106,405	106,351	103,587	(2,764)	(84)	103,671
9	Income	(152,280)	(152,226)	(152,643)	(418)	(391)	(152,252)
Income		(152,280)	(152,226)	(152,643)	(418)	(391)	(152,252)
N	Income & Expenditure outside of Net Cost of Service	182	182	182	0	0	182
Transfer to \ from reserves		182	182	182	0	0	182
NET Expenditure		(45,693)	(45,693)	(48,875)	(3,182)	(476)	(48,399)

Notes

Housing Revenue Account (HRA)

There is currently a forecast underspend within the HRA of (£3.2m), which has increased by (£0.5m) since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets;
- Identification of a further (£0.4m) income from energy efficiency schemes
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a (£1.9m) saving against budget, although it should be noted that contractor issues have led to some delays which account for some of the underspend. A housing procurement specialist is being recruited who, when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce.

Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore this does not impact on the General Fund. However, the HRA Business Plan has been recalibrated to take account of the impact of the 1% rent reduction and other proposed government changes and to reflect what is likely to be a very financially challenging future.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Neighbourhoods & Communities

Services provided by Neighbourhoods & Communities

Neighbourhood and Communities comprises: Neighbourhood Management, which includes Neighbourhood Partnerships and VCS infrastructure, Library Services and Parks and Green Spaces, including a number of traded services e.g cemeteries and crematoria.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
331	Neighbourhood Management	5,776	5,723	5,203	(520)	(451)	5,654
332	Library Services	4,656	4,688	4,540	(148)	5	4,536
334	Stronger Communities	0	96	96	(0)	0	96
335	Parks and Green Spaces	3,887	3,950	3,632	(318)	288	3,343
Total Neighbourhoods & Communities		14,319	14,457	13,472	(986)	(158)	13,629

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	14,474	14,411	14,765	354	614	14,151
2	Premises-Related Expenditure	1,643	1,884	1,600	(284)	(153)	1,752
3	Transport-Related Expenditure	357	350	152	(198)	(131)	282
4	Supplies & Services	3,022	3,140	2,988	(152)	(1)	2,988
5	Third Party Payments	4,926	5,437	4,224	(1,213)	(425)	4,649
7	Support Services	979	979	2,092	1,113	258	1,833
Expenditure		25,401	26,200	25,820	(380)	163	25,657
9	Income	(11,081)	(11,743)	(12,648)	(905)	(621)	(12,027)
Income		(11,081)	(11,743)	(12,648)	(905)	(621)	(12,027)
N	Income & Expenditure outside of Net Cost of Service	0	0	300	300	300	0
Transfer to \ from reserves		0	0	300	300	300	0
NET Expenditure		14,319	14,457	13,472	(986)	(158)	13,629

Notes

Neighbourhoods & Communities: (£1.0m) underspend

The forecast underspend in Neighbourhoods and Communities has increased by (£0.7m) since period 7.

Neighbourhood management:

This Service is forecasting an underspend of (£220k), mostly due to underspends in the NH ABS team (£70k) due to higher than expected funding from Public Health; Stapleton road project (£74k) and Community Development operations (£47k). The effect of the current spending freeze on Neighbourhood Partnerships (£298k) is balanced out by a planned transfer of these funds into Reserves of £298k. This underspend has increased by (£150k) since period 7.

Parks and Green Spaces.

This Service is forecasting an underspend of (£617k), partly (£220k) due to increased income at Cemeteries and Crematoria and partly due to reductions in planned expenditure as a result of the current spending freeze.

Libraries.

This Service is forecasting an underspend of (£148k), due to the delayed installation of 'extended access', which is a one-off saving for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Public Health

Services provided by Public Health

Public Health comprises health protection and sexual health protection, mental health and social inclusion, services for adults and older people, children and young people and core support provided to the CCG.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
341	Public Health	29	29	29	0	0	29
Total Public Health		29	29	29	0	0	29

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	4,364	4,364	4,137	(227)	47	4,090
2	Premises-Related Expenditure	77	77	122	45	(15)	137
3	Transport-Related Expenditure	0	0	13	13	1	12
4	Supplies & Services	12,553	12,553	17,371	4,819	(205)	17,577
5	Third Party Payments	5,785	5,785	2,440	(3,345)	(33)	2,472
7	Support Services	12,246	12,246	12,413	167	(9)	12,422
Expenditure		35,025	35,025	36,496	1,471	(215)	36,710
9	Income	(34,995)	(34,995)	(34,926)	69	(5)	(34,921)
Income		(34,995)	(34,995)	(34,926)	69	(5)	(34,921)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,540)	(1,540)	220	(1,760)
Transfer to \ from reserves		0	0	(1,540)	(1,540)	220	(1,760)
NET Expenditure		29	29	29	0	(0)	29

Notes

Public Health

The ring-fenced Public Health service is currently forecasting an overspend of £1.54m. This is mainly due to a government in year cut of the grant of 7.6% in year during 2015/16 and further 2% cut to the grant this year. As a reduction in the grant was anticipated, Public Health are managing this overspend to prevent impact on service delivery through the Public Health reserves built up for this purpose. The reserve currently has a balance of £4.8m and is as a result of underspends in previous years. Therefore, there is no impact on the general fund of this overspend in this financial year, however the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Women's Commission

Services provided by Women's Commission

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
352	Women's Commission	5	5	5	0	0	5
Total Women's Commission		5	5	5	0	0	5

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
2	Premises-Related Expenditure	0	0	0	0	0	0
4	Supplies & Services	5	5	5	0	0	5
Expenditure		5	5	5	0	0	5
NET Expenditure		5	5	5	0	0	5

Notes

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Public Health - General Fund

Services provided by Public Health - General Fund

Public Health activity enabled by the general fund includes the management of our sports strategy, city-wide leisure contracts and sports and physical activity development

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
342	Public Health - Non PHE Funded	2,474	1,940	1,673	(267)	(593)	2,266
Total Public Health - General Fund		2,474	1,940	1,673	(267)	(593)	2,266

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	922	523	438	(85)	(339)	777
2	Premises-Related Expenditure	95	30	30	0	(65)	95
3	Transport-Related Expenditure	3	2	2	0	0	2
4	Supplies & Services	177	66	147	81	(111)	258
5	Third Party Payments	5,249	5,249	5,196	(52)	(120)	5,316
7	Support Services	280	280	90	(190)	0	90
X	Capital Financing Costs	160	160	220	60	0	220
Expenditure		6,885	6,309	6,123	(186)	(634)	6,757
9	Income	(4,411)	(4,370)	(3,270)	1,100	42	(3,311)
Income		(4,411)	(4,370)	(3,270)	1,100	42	(3,311)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,181)	(1,181)	0	(1,181)
Transfer to \ from reserves		0	0	(1,181)	(1,181)	0	(1,181)
NET Expenditure		2,474	1,940	1,673	(267)	(593)	2,266

Notes

Public Health - General Fund: (£0.3m) underspend

The Service is (£267k) underspent of which (£190k) relates to charges for repayment of prudential borrowing relating firstly to Easton and Kingsdown leisure centres: (£100k) and secondly to Imperials Sports: (£90k); (£119k) underspend on feasibility work related to strategic need for new sports provision. These underspends are all offset by a £60k pressure relating to Hengrove leisure centre.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Housing Services - General Fund

Services provided by Housing Services - General Fund

Housing Services includes our management of work within the private housing sector and accessible homes, e.g. housing adaptations

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
131	Housing Options	11,451	10,967	10,898	(70)	(460)	11,357
132	GF - Private Housing & Accessible Homes	1,749	1,480	1,389	(91)	77	1,312
135	Housing Solutions	530	257	182	(75)	(353)	535
Total Housing Services - General Fund		13,730	12,704	12,469	(235)	(735)	13,204

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,699	7,263	7,433	170	(421)	7,854
2	Premises-Related Expenditure	169	169	289	120	(9)	298
3	Transport-Related Expenditure	69	46	47	1	0	47
4	Supplies & Services	720	645	687	42	(191)	878
5	Third Party Payments	14,581	14,758	16,437	1,679	(123)	16,559
6	Transfer Payments	0	0	0	0	(0)	0
7	Support Services	122	102	152	51	28	124
Expenditure		23,361	22,983	25,046	2,063	(715)	25,761
9	Income	(9,631)	(10,279)	(12,117)	(1,838)	(20)	(12,097)
Income		(9,631)	(10,279)	(12,117)	(1,838)	(20)	(12,097)
N	Income & Expenditure outside of Net Cost of Service	0	0	(460)	(460)	0	(460)
Transfer to \ from reserves		0	0	(460)	(460)	0	(460)
NET Expenditure		13,730	12,704	12,469	(235)	(735)	13,204

Notes

Housing Options: (£0.3m) underspend

Rising demand for emergency accommodation is contributing to a £0.4m forecast overspend, although this is offset by new income from service and accommodation recharges and additional one-off savings on salaries and payments. The position has improved since period 7 due to a reduction in the forecast cost of emergency accommodation (£90k); savings in staff costs (£70k); increased forecast income (£70k) and savings in the expected cost of an upgrade to the Arbitras system (£37k).

Private Housing and Accessible Homes are forecasting a (£0.1m) underspend due to additional income and some salary savings, which has not changed since period 7.

Within Housing Solutions there has been savings of (£75k) found in the Housing programme since period 7.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: ICT

Services provided by ICT

ICT provide high quality Information and Communications Technology (ICT) needed to enable the council to safely deliver efficient and effective business services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
Service		£000s				£000s	
212	ICT Delivery	8,292	7,459	10,438	2,979	21	10,417
213	Digital Transformation	1,033	2,365	3,308	943	(12)	3,320
21A	Business Change & ICT	(1,711)	(1,735)	(1,736)	(1)	(7)	(1,729)
21B	ICT Sourcing	769	775	529	(246)	(72)	601
Total ICT		8,384	8,865	12,539	3,675	(70)	12,609

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
CIPFA description		£000s				£000s	
1	Employees	6,460	6,707	6,423	(283)	186	6,237
2	Premises-Related Expenditure	1	0	5	4	(1)	5
3	Transport-Related Expenditure	12	10	19	9	(0)	20
4	Supplies & Services	6,703	5,979	10,081	4,102	(186)	10,267
5	Third Party Payments	0	0	1	1	1	0
7	Support Services	309	269	293	25	3	290
Expenditure		13,483	12,964	16,822	3,858	3	16,819
9	Income	(5,100)	(4,100)	(4,283)	(183)	(73)	(4,210)
Income		(5,100)	(4,100)	(4,283)	(183)	(73)	(4,210)
NET Expenditure		8,384	8,865	12,539	3,675	(70)	12,609

Notes

The overspend against budget for ICT has been reported monthly and relates to additional hardware and maintenance costs (£2.8m) and software development service increases (£1.3m) as a result of growth in additional demand for license costs and investment in new technology and digital developments. The overspend is partly offset by savings on employees, additional income and the freeze in non-essential expenditure. The movement from period 7 of a £70k reduction in forecast is mainly due to the reduction of costs resulting from the early departure of the interim service director. It is proposed to increase the budget envelope for ICT in the 17/18 budget subject to final budget approval.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Legal and Democratic Services

Services provided by Legal and Democratic Services

Legal Services includes the child protection team, community and litigation team, property team, planning transport and the regulatory team. The division also includes statutory registration services and democratic services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
221	Legal - Place	934	807	1,248	441	121	1,127
222	Statutory & Democratic Services	3,506	2,722	2,625	(97)	(54)	2,679
224	Legal - People	1,404	1,408	1,300	(109)	104	1,195
225	Legal Services - Other	524	526	385	(141)	(137)	522
291	Electoral Services	993	1,026	1,027	0	106	921
Total Legal and Democratic Services		7,362	6,490	6,585	95	140	6,444

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	6,921	6,520	6,717	196	(64)	6,781
2	Premises-Related Expenditure	55	55	64	8	(8)	72
3	Transport-Related Expenditure	195	194	158	(36)	(12)	169
4	Supplies & Services	4,284	4,105	3,908	(197)	(93)	4,001
5	Third Party Payments	151	1	3	2	0	3
7	Support Services	622	481	582	101	(56)	639
Expenditure		12,229	11,357	11,432	75	(233)	11,665
9	Income	(4,868)	(4,868)	(4,847)	20	373	(5,221)
Income		(4,868)	(4,868)	(4,847)	20	373	(5,221)
N	Income & Expenditure outside of Net Cost of Service	0	0	0	0	0	0
Transfer to \ from reserves		0	0	0	0	0	0
NET Expenditure		7,362	6,490	6,585	95	140	6,444

Notes

Legal Services are forecasting an overspend of £95k and this is shown broken down by service as shown below:

Legal Place

£440k overspend: This is broken down as £227k on salaries mainly for agency staff who bring in income (shown in Legal People), a reduction in forecasted income from land charges of £194k due to lower volume of searches and increased cost from litigation cases where the council is being challenged in the High Court through claims and judicial review and £19k for increased Counsel fees. The proposed new structure for Legal Services aims to reduce the higher costs of agency fees by use of permanent staff who will generate income. **Statutory and Democratic Services £97k underspend:** The underspend is mainly as a result of the expenditure freeze with underspends across the service in transport, catering and other fees. **Legal People £109k underspend:** This mainly relates to £186k increased income which offsets agency expenditure in Legal Place, offset by a forecast overspend of £23k in disbursements and £49k for consultancy costs. **Legal Services - Other £141k underspend:** This relates to a forecast increase in income in Registrars of £136k and £5k underspend across the Coroners and Mortuary Services. **Electoral Services:** As previously reported, there are cost pressures in year as a result of the cost of running elections and electoral registration (£1.3m), but these will be managed over a period of years through an offsetting arrangement, whereby budget is set aside in non election years to fund election years. These pressures will be managed this financial year through drawdown from reserves.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Finance

Services provided by Finance

Finance comprises our financial planning function, financial management budget support services, internal and external reporting, finance operations and finance business partnering. Finance also includes the management of our internal audit services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
242	Corporate Finance	5,554	3,421	3,421	(1)	(1)	3,422
243	Chief Internal Auditor	788	766	717	(49)	(40)	757
Total Finance		6,341	4,188	4,137	(50)	(42)	4,179

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	5,615	5,260	5,007	(253)	5	5,002
2	Premises-Related Expenditure	367	0	0	0	0	0
3	Transport-Related Expenditure	366	5	5	(0)	(2)	6
4	Supplies & Services	1,833	770	1,053	283	(22)	1,075
5	Third Party Payments	122	122	20	(102)	(20)	40
7	Support Services	155	116	116	(0)	(1)	116
X	Capital Financing Costs	0	0	13	13	0	13
Expenditure		8,458	6,274	6,214	(60)	(39)	6,253
9	Income	(2,117)	(2,086)	(2,077)	9	(3)	(2,074)
Income		(2,117)	(2,086)	(2,077)	9	(3)	(2,074)
NET Expenditure		6,341	4,188	4,137	(50)	(42)	4,179

Notes

The Finance Division covers the Finance and Audit Services and the forecast £50k savings relates to the Audit service which mainly relates to £57k of salary savings offset by a £7k income pressure due to loss of a contract relating to break up of an academy partnership. The Finance service has further reviewed spend against the service budget to minimise the outturn forecast spend. Expenditure is being maintained within budget by holding a number of vacancies within the service and stopping non essential expenditure against non staffing budgets. Movement from period 7 is due to vacancies and additional income from internal staff recharges. As previously reported, the Finance Transformation work must continue and will be funded from reserves earmarked for this purpose.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: HR & Workplace

Services provided by HR & Workplace

HR provides both a strategic and advisory role for the attraction, delivery and continuous development of a strong, capable, agile and effective workforce.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
251	People Operations	3,966	3,344	2,733	(611)	(100)	2,833
252	Change & Performance	2,066	2,054	1,807	(247)	(230)	2,037
283	Corporate Communications	696	702	650	(52)	(10)	660
Total HR & Workplace		6,728	6,100	5,189	(911)	(341)	5,530

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,511	6,972	6,347	(625)	(360)	6,707
2	Premises-Related Expenditure	4	3	(0)	(3)	(0)	0
3	Transport-Related Expenditure	43	36	7	(29)	(2)	9
4	Supplies & Services	2,481	2,427	2,522	95	27	2,495
5	Third Party Payments	13	13	0	(13)	0	0
6	Transfer Payments	4	4	0	(4)	(1)	1
7	Support Services	62	34	33	(0)	(5)	38
Expenditure		10,118	9,489	8,910	(580)	(341)	9,251
9	Income	(3,390)	(3,390)	(3,721)	(331)	0	(3,721)
Income		(3,390)	(3,390)	(3,721)	(331)	0	(3,721)
NET Expenditure		6,728	6,100	5,189	(911)	(341)	5,530

Notes

Human Resources is reporting a forecast underspend of £911k and this is broken down by service as shown below:

People Operations £611k underspend. There is an underspend of £556k relating to salary vacancies. These are being held as part of the planned savings and restructure in HR and parts of this budget will be removed later in 16/17 and also as part of the budget proposals for 17/18. Further underspends of £134k relate to an underspend of £58k in the redeployment fund which is under review, £65k set aside for graduate trainees which is under review for 17/18 and a reduced activity level in self organised groups giving a £11k saving. These are all offset by forecast overspends of £79k which mainly relate to £35k for the temporary overlap of costs as we outsource the Occupational Health contract and a forecast reduction of £31k for the holiday purchase scheme due to staff leaving the organisation. **Change and Performance £247k underspend.** This relates to a forecast underspend of £197k in Learning and Development which is due to the current freeze on expenditure plus a £50k underspend in the Admin and Business Support team which is due to be centralised in 17/18 and contribute to proposed savings programme. **Corporate Communications £52k underspend.** This mainly relates to salary savings in Marketing and Design in preparation for the future restructure and budget reduction.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Change Programme

Services provided by Change Programme

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
271	Programme Management Office	(6,023)	(6,127)	(6,266)	(139)	(18)	(6,249)
272	Change Programme Workstreams	10,500	10,500	12,022	1,522	0	12,022
273	Change Programme Savings	(22,519)	(14,802)	(426)	14,376	(47)	(379)
274	BWP Project	1,691	1,691	1,691	0	0	1,691
275	BWP Business Change	47	47	47	0	0	47
Total Change Programme		(16,304)	(8,691)	7,068	15,759	(64)	7,133

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	(1,181)	(2,140)	11,778	13,917	(38)	11,816
2	Premises-Related Expenditure	0	0	8	8	0	8
3	Transport-Related Expenditure	189	189	173	(16)	(1)	174
4	Supplies & Services	819	947	3,172	2,225	0	3,172
5	Third Party Payments	(2,862)	0	12	12	12	0
7	Support Services	(1,891)	690	754	63	(25)	779
Expenditure		(4,926)	(313)	15,897	16,210	(52)	15,949
9	Income	(11,378)	(8,378)	(8,828)	(451)	(12)	(8,816)
Income		(11,378)	(8,378)	(8,828)	(451)	(12)	(8,816)
NET Expenditure		(16,304)	(8,691)	7,068	15,759	(64)	7,133

Notes

This Division covers the final year of the planned three year Change Programme. The forecast outturn of £15.7m overspend relates to a £1.4m reported overspend on the in-year programme budget plus an estimated £14.3m unidentified change programme savings. We have previously reported that £5.3m of this figure will be funded by one off receipts. This forecast will reduce in the next few months as we remove savings made from other Directorates. However we cannot revise the forecast in this division until the savings are taken as this could lead to a double count with the directorates that currently hold the savings. The variance in the CIPFA employee category is not related to an employee overspend, the reason is that the corporate savings target code is held in this area as the majority of savings related to this saving is expected to come from employee savings.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Policy, Strategy & Communications

Services provided by Policy, Strategy & Communications

The services included are Policy & Strategic Planning, International, PR & Communications, Business Intelligence & Performance, Resilience and Social Action

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
282	Public Relations	431	428	411	(17)	(18)	429
284	Performance & Infrastructure	1,611	1,586	1,379	(207)	(30)	1,409
285	Strategic Planning & Development	540	1,000	902	(98)	21	881
286	Health and Wellbeing	219	213	129	(84)	(1)	130
287	Devolution PSC	0	(0)	0	0	0	0
Total Policy, Strategy & Communications		2,802	3,227	2,821	(406)	(28)	2,850

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	3,067	3,197	3,021	(177)	(258)	3,279
2	Premises-Related Expenditure	12	13	2	(11)	(0)	2
3	Transport-Related Expenditure	3	9	2	(8)	(0)	2
4	Supplies & Services	96	622	506	(117)	(53)	558
5	Third Party Payments	451	611	578	(33)	0	578
7	Support Services	32	140	138	(2)	(16)	153
Expenditure		3,661	4,593	4,245	(348)	(327)	4,573
9	Income	(859)	(1,116)	(1,326)	(210)	(153)	(1,173)
Income		(859)	(1,116)	(1,326)	(210)	(153)	(1,173)
N	Income & Expenditure outside of Net Cost of Service	0	(250)	(98)	152	152	(250)
Transfer to \ from reserves		0	(250)	(98)	152	152	(250)
NET Expenditure		2,802	3,227	2,821	(406)	(328)	3,150

Notes

Policy, strategy and Communications has a forecast underspend of £406k which mainly relates to forecast saving of £133k within Performance & Infrastructure for employee costs partly off-set by costs of an unfunded resource working on a review of National Social Care data collection, £119k employee savings within the Policy Team and £82k forecast saving within Health & Wellbeing of which £40k is ring-fenced and will have to be given back to Public Health. The savings are not fully reflected in the CIPFA employee category above which is currently holding costs of voluntary severance that will be funded corporately prior to year end. The Devolution full year budget is showing as zero as all costs are funded by income leaving a net zero.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Bristol Futures

Services provided by Bristol Futures

The services included are Sustainable City Team, Civil Protection Unit and City Innovations.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
511	City Innovation	321	320	263	(57)	94	169
512	European & International Programme	245	348	349	1	(4)	353
513	Sustainable City & Climate Change	570	532	479	(53)	(22)	502
514	Head of Bristol Futures	528	309	313	4	30	283
Total Bristol Futures		1,664	1,509	1,405	(104)	98	1,307

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,529	1,581	1,440	(141)	(16)	1,457
2	Premises-Related Expenditure	43	45	34	(11)	(4)	37
3	Transport-Related Expenditure	41	52	29	(22)	(2)	32
4	Supplies & Services	1,118	1,445	823	(622)	(35)	859
5	Third Party Payments	162	162	424	262	25	399
6	Transfer Payments	278	120	120	(0)	24	96
7	Support Services	325	484	356	(127)	(38)	394
Expenditure		3,495	3,888	3,227	(661)	(47)	3,273
9	Income	(1,831)	(1,048)	(1,393)	(345)	3	(1,396)
Income		(1,831)	(1,048)	(1,393)	(345)	3	(1,396)
N	Income & Expenditure outside of Net Cost of Service	0	(1,331)	(429)	902	142	(571)
Transfer to \ from reserves		0	(1,331)	(429)	902	142	(571)
NET Expenditure		1,664	1,509	1,405	(104)	98	1,307

Notes

Bristol Futures are reporting a £104k forecast underspend which mainly relates to staffing savings of £209k and other efficiencies of £25k offset by a provision of £86k for anticipated non-claimable costs for business case development and £42k for Bristol is Open project legal costs. The movement from P7 to P9 relates to the afore mentioned business case development provision.

Period 9 Budget Monitoring - Detailed budget summary by division\service
Division: Executive Office Division

Services provided by Executive Office Division

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
541	Management - City Director	801	687	743	57	(65)	808
542	Senior Leadership Team	1,224	1,478	1,618	140	13	1,605
Total Executive Office Division		2,025	2,164	2,361	197	(52)	2,413

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,683	1,705	1,611	(94)	(13)	1,624
2	Premises-Related Expenditure	6	6	4	(1)	(2)	6
3	Transport-Related Expenditure	11	10	6	(4)	(0)	6
4	Supplies & Services	118	239	545	305	(38)	583
5	Third Party Payments	200	200	192	(8)	(12)	205
7	Support Services	7	4	26	23	14	13
Expenditure		2,025	2,164	2,385	220	(52)	2,437
9	Income	0	0	(24)	(24)	0	(24)
Income		0	0	(24)	(24)	0	(24)
NET Expenditure		2,025	2,164	2,361	197	(52)	2,413

Notes
 The forecast overspend of £197k mainly relates to a previously reported payment to the previous City Director of £196k plus £50k other staff costs which includes a redundancy payment offset by a £50k forecast underspend in the Innovation fund

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Levies

Services provided by Levies

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X20	Levies	1,119	1,119	1,119	0	0	1,119
Total Levies		1,119	1,119	1,119	0	0	1,119

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
5	Third Party Payments	1,119	1,119	1,119	0	0	1,119
6	Transfer Payments	0	0	0	0	0	0
Expenditure		1,119	1,119	1,119	0	0	1,119
9	Income	0	0	0	0	0	0
Income		0	0	0	0	0	0
NET Expenditure		1,119	1,119	1,119	0	0	1,119

Notes

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Corporate Expenditure

Services provided by Corporate Expenditure

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X30	Corporate Expenditure	36,688	17,307	9,337	(7,970)	(1,158)	10,495
Total Corporate Expenditure		36,688	17,307	9,337	(7,970)	(1,158)	10,495

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,710	2,976	3,179	203	203	2,976
2	Premises-Related Expenditure	0	367	367	0	0	367
3	Transport-Related Expenditure	0	360	360	0	0	360
4	Supplies & Services	9,243	4,194	4,194	0	0	4,194
X	Capital Financing Costs	171	13,867	12,668	(1,199)	(1,199)	13,867
Expenditure		12,124	21,764	20,767	(996)	(996)	21,764
9	Income	(1,635)	(10,301)	(11,463)	(1,162)	(162)	(11,301)
Income		(1,635)	(10,301)	(11,463)	(1,162)	(162)	(11,301)
N	Income & Expenditure outside of Net Cost of Service	26,199	5,845	33	(5,812)	0	33
Other items outside of the Net Cost of Service		26,199	5,845	33	(5,812)	0	33
NET Expenditure		36,688	17,307	9,337	(7,970)	(1,158)	10,495

Notes	

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Corporate Expenditure

Services provided by Corporate Expenditure

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X40	Capital Financing	0	10,950	6,677	(4,273)	(4,273)	10,950
X41	Capital - Year-end transactions	0	178	178	0	0	178
Total Capital Financing		0	11,128	6,855	(4,273)	(4,273)	11,128

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
N	Income & Expenditure outside of Net Cost of Service	0	11,128	6,855	(4,273)	(4,273)	11,128
Other items outside of the Net Cost of Service		0	11,128	6,855	(4,273)	(4,273)	11,128
NET Expenditure		0	11,128	6,855	(4,273)	(4,273)	11,128

Notes	

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
People								
Education Capital Programme 2								
Major Projects Programme 2	20,945	591	21,536	22,235	699	6,871	0	0
Site Acquisitions	132	(2)	130	130	0	0	0	0
Early Years	54	(54)	0	0	0	0	0	0
Universal Free School Meals	7	0	7	7	0	0	0	0
Schools Access Initiative SAI/DDA	119	(59)	60	91	31	111	80	0
Lifecycle (R&M)	39	0	39	39	0	0	0	0
Urgent/Emergency	110	3	113	110	(3)	79	0	0
Completed Projects	47	3	50	50	0	0	0	0
Total - Education Capital Programme 2	21,453	482	21,935	22,662	727	7,061	80	0
Schools' Devolved Capital								
Capital, Assets & Access 1	4,528	0	4,528	4,528	0	2,005	0	0
Total - Schools' Devolved Capital	4,528	0	4,528	4,528	0	2,005	0	0
CYPS non-Schools								
CYPS non-Schools	1,564	(26)	1,538	1,565	27	127	50	0
Total - CYPS non-Schools	1,564	(26)	1,538	1,565	27	127	50	0
Education Capital Programme 3								
Major Projects	11,440	(598)	10,842	10,042	(800)	16,675	6,382	0
Site Acquisitions	0	0	0	750	750	0	0	0
Commissioning	0	0	0	0	0	0	1,420	0
Feasibility	100	0	100	100	0	1,098	0	0
Lifecycle (Capital R&M)	485	0	485	485	0	520	695	0
Total - Education Capital Programme 3	12,025	(598)	11,427	11,377	(50)	18,293	8,497	0
Early Intervention								
0-25 Integrated Service	190	0	190	190	0	430	0	0
Youth & Play	204	0	204	204	0	0	0	0
Total - Early Intervention	394	0	394	394	0	430	0	0
Children & Families								
Fostering and Adoption	129	0	129	129	0	0	0	0
Total - Children & Families	129	0	129	129	0	0	0	0
Care Management								
Transformation - Capital	(346)	0	(346)	176	522	0	0	0
Total - Care Management	(346)	0	(346)	176	522	0	0	0
Care Services								
Operations - Capital	209	0	209	377	168	0	0	0
Total - Care Services	209	0	209	377	168	0	0	0
Strategic Housing								
Extra Care Housing	819	0	819	19	(800)	3,075	0	0
Total - Strategic Housing	819	0	819	19	(800)	3,075	0	0
Totals - Directorate: People	40,775	(142)	40,633	41,227	594	30,991	8,627	0

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Place								
Strategic Property								
Building Practice Capital	2,767	1	2,768	2,793	25	1,716	0	0
Corporate Property	433	361	794	380	(414)	0	0	0
Docks	22	0	22	0	(22)	0	0	0
Total - Strategic Property	3,222	362	3,584	3,173	(411)	1,716	0	0
Major Projects								
Place, Major Schemes	7,922	0	7,922	8,814	892	51,593	50,000	6,000
Filwood Broadway	184	0	184	3	(181)	1,012	169	0
Hengrove Park	27	(12)	15	15	0	0	0	0
Kingswear and Torpoint Flats	715	0	715	383	(332)	7	0	0
Filwood Green Business Park	1,494	0	1,494	1,493	(1)	0	0	0
Economy Development	818	0	818	440	(378)	0	0	0
Strategy & Commissioning	720	0	720	425	(295)	3,461	2,500	0
Total - Major Projects	11,880	(12)	11,868	11,573	(295)	56,073	52,669	6,000
Planning & Sustainable Development								
City Design Group	391	(1)	390	150	(240)	786	500	0
Total - Planning & Sustainable Development	391	(1)	390	150	(240)	786	500	0
Transport								
Sustainable Transport	9,996	1	9,997	10,498	501	12,088	3,000	1,940
Strategic City Transport	7,249	(1)	7,248	4,715	(2,533)	11,197	0	0
Highway Drainage Capital Works	2,771	0	2,771	2,771	0	0	0	0
Highways & Traffic	6,431	1	6,432	6,566	134	149	0	0
Parking Services	82	0	82	61	(21)	0	0	0
Passenger Transport	1,605	1	1,606	1,271	(335)	1,292	0	0
Residents Parking Zone	1,200	0	1,200	1,606	406	977	0	0
Transport Major Projects (Metrobus)	31,123	12	31,135	33,184	2,049	15,310	0	0
Total - Transport	60,457	14	60,471	60,672	201	41,013	3,000	1,940
Energy Services								
Energy Management Unit	3,686	(1)	3,685	2,734	(951)	7,759	0	0
Warm Up Bristol	5,769	0	5,769	3,423	(2,346)	0	0	0
Energy Services	1,923	0	1,923	743	(1,180)	0	0	0
Total - Energy Services	11,378	(1)	11,377	6,900	(4,477)	7,759	0	0
Totals - Directorate: Place	87,328	362	87,690	82,468	(5,222)	107,347	56,169	7,940

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Neighbourhoods								
Bristol Operations Centre								
Bristol Operations Centre	5,509	0	5,509	4,825	(684)	2,447	0	0
Total - Bristol Operations Centre	5,509	0	5,509	4,825	(684)	2,447	0	0
Environment & Leisure								
Cemeteries & Crematoria	108	1	109	109	0	0	0	0
Parks	1,603	150	1,753	1,163	(590)	958	300	0
Waste Services	36	0	36	36	0	0	0	0
Total - Environment & Leisure	1,747	151	1,898	1,308	(590)	958	300	0
Neighbourhoods & Communities								
Libraries	641	1	642	461	(181)	822	0	0
Total - Neighbourhoods & Communities	641	1	642	461	(181)	822	0	0
Housing Services - Capital								
Private Housing & Adaptations	1,892	1,034	2,926	2,926	0	700	387	0
Total - Housing Services Capital	1,892	1,034	2,926	2,926	0	700	387	0
Totals - Directorate: Neighbourhoods	9,789	1,186	10,975	9,520	(1,455)	4,927	687	0
Resources								
Bristol Futures								
City Innovation	6,980	(6,980)	0	0	0	0	0	0
Totals - Directorate: City Director	6,980	(6,980)	0	0	0	0	0	0
Information & Communication Technology								
ICT Refresh Programme	0	0	0	0	0	1,500	1,500	1,500
Total - Information & Communication Technology	0	0	0	0	0	1,500	1,500	1,500
Bristol Workplace Programme								
BWP - Design Contract, Buildings & Technology	11,701	(1)	11,700	12,233	533	2,235	0	0
Total - Bristol Workplace Programme - Buildings	11,701	(1)	11,700	12,233	533	2,235	0	0
Totals - Directorate: Resources	18,681	(6,981)	11,700	12,233	533	3,735	1,500	1,500
City Director								
Bristol Futures								
City Innovation	0	6,980	6,980	6,875	(105)	8,823	0	0
Total - Bristol Futures	0	6,980	6,980	6,875	(105)	8,823	0	0
Totals - Directorate: City Director	0	6,980	6,980	6,875	(105)	8,823	0	0
Housing Revenue Account								
Planned Programme	40,330	0	40,330	38,327	(2,003)	41,000	47,000	44,000
Responsive Repairs	700	0	700	700	0	0	0	0
Strategy, Planning & Governance	14,989	0	14,989	13,919	(1,070)	0	0	0
Total - Housing Revenue Account	56,019	0	56,019	52,946	(3,073)	41,000	47,000	44,000
Totals - Housing Revenue Account	56,019	0	56,019	52,946	(3,073)	41,000	47,000	44,000
Corporate								
Capital Funding								
Capital Funding	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
Total - Capital Funding	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
Totals - Directorate: Corporate	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
TOTALS - CAPITAL PROGRAMME	222,846	1,485	224,331	216,938	(7,393)	208,493	115,583	54,940

Future years budget TOTALS 379,016

Capital Programme Tier 1 budget (all years) TOTALS 603,347

ANALYSIS OF OUTSTANDING DEBT - PERIOD 9

Directorate(T)	Not Due	1-29 Days	30-59 Days	60-89 Days	90-119 Days	120-365 Days	1-2 Years	2 - 4.5 Years	Over 4.5 Year	Outstanding Amount	Number	Average Value
People	0	2,676,862	3,169,399	742,090	663,905	6,485,170	2,676,174	1,018,964	291,611	17,724,175	11,038	1,606
Resources	0	77,131	37,583	3,179	23,457	61,897	50,259	52,235	10,989	316,729	558	568
Neighbourhoods	0	701,724	257,203	93,372	188,488	875,122	367,444	619,718	312,532	3,415,602	9,673	353
Place	0	2,295,725	440,138	146,383	200,625	866,910	646,799	463,677	327,063	5,387,321	3,477	1,549
City Director	0	0	203	0	0	103,572	31,000	0	0	134,775	14	9,627
Corporate & Other	0	75,485	-51,009	-86,858	-5,139	-81,872	691,622	2,040,784	1,048,655	3,631,667	10,210	1,691
	0	5,826,927	3,853,516	898,166	1,071,337	8,310,799	4,463,298	4,195,378	1,990,849	30,610,270	34,970	875

Heading: Period 9 (end pf December 2016) Finance Report	
Ward: City Wide	
Author: Denise Murray	Job title: Service Director; Finance and s.151 Officer
City Outcome overview:	
Equalities Outcome overview :	
Impact / Involvement of Partners overview:	

Purpose of briefing, summary of issue / proposal:

To provide a progress report on the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016. The report focuses on significant variances to meeting the budget in 2016/17 in order to take timely actions to deliver a balanced position at year end.

The Council is in a serious financial position forecasting a General Fund revenue position of **£11.0m forecast outturn deficit** before further mitigating actions or use of general reserves. This represents a **net decrease to the deficit of £6.6m**, being increases of £0.8m less decreases of £7.4m, from the Period 7 forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.

The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.

As outlined in previous reports, the Strategic and Service Directors have put in place a number of activities which should bring the position closer to balance and details of the actual and potential impact of these actions are included in this report. It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.

In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spend and the impact of this in reducing the council's actual and forecasted 2016/17 expenditure will be monitored and reflected in future reports.

Capital spending in year is forecast to be £216.9m compared to the current budget of £224.3m, resulting in a **forecast underspend of £7.4m**. Movements in the capital programme have been identified, being slippage from 2016/17 into 2017/18.

Recommendation(s) / steer sought:

That the Mayor:

1. Notes the contents of the Report and in particular the continuing seriousness of the General Fund financial position of £11.0m forecast outturn deficit, as at the end of December 2016. This represents a net decrease to the deficit of £6.6m, being increases of £0.8m less decreases of £7.4m, from Period 7 forecast and is mainly the result of reductions in forecast expenditure within service areas, which are outlined in the remainder of the report;
2. Cabinet where appropriate, continue to work with Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Service Director: Finance and Strategic Leadership Team set out at paragraph 11 of Appendix A;

3. Notes the total net movement in the Capital Programme from £222.8m to £224.3m, as outlined in paragraph 27 of Appendix A.

Finance Issues: This is a Finance Update Report and all financial implications are set out within the main body and Appendices to the report. .

Finance Officer: Denise Murray Service Director: Finance and S.151 Officer

Legal Issues: No significant legal issues are raised by the report. The recommendations are in accordance with the Council's constitution and financial regulations

Legal Officer: Shahzia Daya Service Director: Legal Services

Policy/Comms Officer:

Other Issues - Human Resources:

In line with the financial position and the mitigating actions set out in this paper (paragraph 13) a Section 188 notice was issued in August 2016. The s188 notice provided formal notification to Trade Unions that the scale of the potential workforce reduction is estimated to be up to 975 employees by 31 March 2017.

As previously reported, an initial voluntary severance opportunity was implemented through to the end of September 2016. Following responses to applications that have approved severance for 303 employees to date, further actions to close the budget gap are now being implemented. This includes the actions taken to further extend the Council's spending freeze on non-essential spending, including the recruitment of agency and permanent staff. While further review of service designs are likely to result in redundancies, we are seeking to avoid compulsory redundancies wherever possible.

Full consultation with Trade Unions is being undertaken throughout the period of organisation change and restructure and we will seek to reach agreement with the recognised Trade Unions on how to mitigate the need to make any further compulsory redundancies.

If, after meaningful consultation and after mitigating actions have taken place, compulsory redundancies are unavoidable, employees will be given notice of dismissal in accordance with the Council's agreed policies.

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Anna Klonowski	Stephen Hughes	Cllr Cheney

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO

Background

1. The Report provides information and analysis on the Council's financial performance and use of resources to the end of Period 9 of 2016/17. Council set its budget for 2016/17 on 16th February 2016 and this report focuses on forecast variances to meeting the budget for 2016/17, in order to take timely actions to deliver a balanced position at year end.
2. The Council is in a serious financial position forecasting a General Fund revenue position of £11.0m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £6.6m, being increases of £0.8m less decreases of £7.4m, from the Period 7 forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.
3. The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.
4. It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.
5. In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spends. Non-essential spend can be considered as all spend associated with activities that are not wholly and exclusively funded from; specific ring fenced grant, other external funding (cash neutral to the Councils General Fund) or funded from trading / operating income. The main exceptions are where failing to act would expose the council to a statutory, regulatory or legal risk or presents an imminent danger to the public and staff.
6. This action is required not only to mitigate the forecast outturn deficit in this financial year but also to ensure a balanced budget for next financial year, as many of the actions taken to date to manage the position in this financial year are one-off rather than recurring solutions. The impact of the freeze in reducing the council's actual and forecasted 2016/17 expenditure as at Period 9 is reflected in this report.
7. Future reports will include further recommendations on mitigating actions, where required.

A - Revenue Expenditure

8. The Council's overall annual revenue spend is managed across a number of areas:

- a. The General Fund with a net budget of £345.4m, providing revenue funding for the majority of the Council's services;
 - b. The Dedicated Schools Grant (DSG) (£175m in 2016/17), which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the People Directorate;
 - c. Public Health, a ring-fenced grant of £36.2m in 2016/17, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Neighbourhoods;
 - d. The Housing Revenue Account (HRA) of £152.7m gross spend in 2016/17, is reported separately to the general fund, and is managed within Neighbourhoods.
9. Each area represents a significant element of the Council's overall revenue expenditure. Further details of the current spend position against budget is provided in the remainder of this section.

General Fund

10. Table 1 below provides a summary of how each directorate is performing against the general fund revenue budget for the 2016/17 financial year. Actions are in progress and further actions are being identified to manage and mitigate the identified budget pressures and risks. The Strategic and Service Directors are actively identifying proposals to minimise the gap, with all budget holders ensuring the forecasting is as accurate as possible.
11. As previously reported, officers have established a series of work streams designed to reduce the deficit. A summary of the actions taken and outcomes of these actions is summarised below:

Item	Action Taken	Potential Financial Impact
1. Review of the Capital Programme	Item closed following update in Period 7 Report	
2. Voluntary Severance Programme	Programme complete and item closed following update in Period 7 Report	
3. Technical Accounting Adjustments	<ul style="list-style-type: none"> • Review of Reserves – items closed • Use Capital Receipts – closed following report to Full Council • Review of MRP Policy – closed following report to Full Council; • MRP overprovision – this is incorporated into the 2017/18 budget report as part of the Treasury Management Strategy • VAT Report – external report is still outstanding, but potential savings are likely to be minimal. 	<ul style="list-style-type: none"> • MRP Overprovision – subject to approval should generate additional resources to supplement Council Reserves from 2017/18.
4. Capital Disposals Programme	Specific action now closed following update in Period 7 report.	

Item	Action Taken	Potential Financial Impact
5. Reduction in non-essential expenditure	As reported above, the Council continues its spending freeze on non-essential expenditure (see para 5 to 6).	<ul style="list-style-type: none"> There has been a reduction in the forecasted outturn in a number of service areas; and the impact will continue to be monitored in future reports.
6. Review of Income	All Service Directors have been tasked with reviewing sources of income and reviewing inflation assumptions on fees and charges.	Recommendations for increases to fees and charges are incorporated in propositions underpinning the 2017/18 budget
7. Review of agency spend	Item closed following update in Period 7 Report	
8. Budget Review Meetings	Item closed	

12. The following forecasts are based on actual expenditure to the end of December 2016 and Budget Managers' estimates of future spending for the rest of the financial year, as approved by each DLT. The net overall forecast outturn of £11.0m represents 3.1% of the General Fund net revenue budget.

13. The following table provides a summary of the general fund revenue position at directorate level. A more detailed analysis is provided at Annex 1A, with directorate details provided at Annex 1B to 1G. Budgets are profiled equally across the year, but spending profiles may be different.

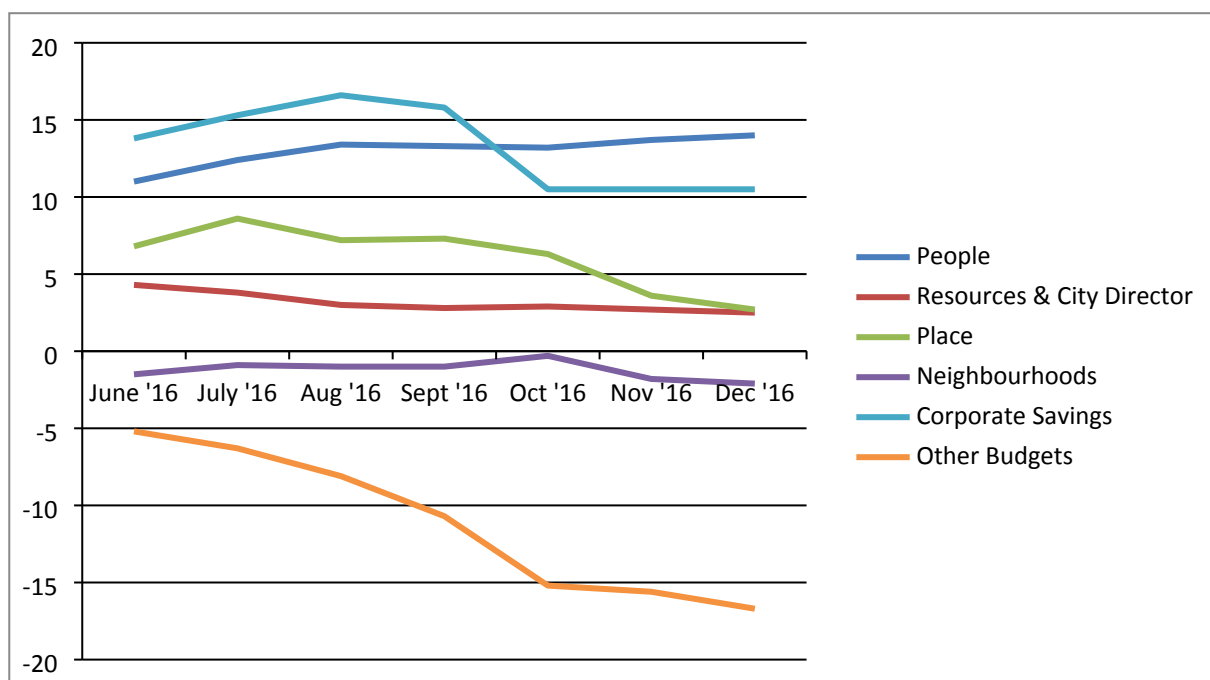
Table 1: General Fund Forecast Net Expenditure

General Fund Revenue Budgets - Period 9			Forecast Outturn Variance (Under)/Over Spend	Forecast Outturn Variance at Period 7	
Directorate	Net Budget £m	Forecast Outturn £m	£m	£m	
People	206.1	220.1	14.0	13.2	↑
Place	17.2	20.0	2.8	6.3	↓
Neighbourhoods	69.1	67.0	-2.1	-0.4	↓
Resources	25.6	28.5	2.8	3.1	↓
City Director	6.9	6.6	-0.3	-0.4	↓
Corporate Savings Programme (Net Budget)	-8.7	1.8	10.5	10.5	
SUB TOTAL – SPENDING ON SERVICES	316.2	343.9	27.7	32.7	↓
Other Budgets *	29.6	15.3	-14.3	-13.4	↓
Released from Reserves	0.0	-2.4	-2.4	-2.4	↓
TOTAL	345.8	356.8	11.0	16.9	↓

*Other Budgets includes capital financing & borrowing costs, un-apportioned central overheads and contingencies.

The following chart provides a trend analysis of the forecast outturn, by directorate, reported since quarter 1, end of June 2016.

Chart 1: Trend Analysis of Forecast Outturn



13.1 People Directorate - £14.0m Forecast Overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
People Directorate	462.7	(255.6)	207.1

The major areas of identified pressures within the People Directorate are within Children’s and Adults’ Social Care. The reported position of £14.0m is after mitigating actions identified and there are further mitigating activities in development to achieve greater reductions this year. The most significant cause of pressures is both a mix of demographic pressures of both an increasing child population (15% in the last ten years) and an ageing population (21% adults living over 85 than 10 years previously). This is combined with a number of legislative changes that increase statutory responsibilities of local authorities without sufficient national financing.

Care & Support Adults - £7.1m Forecast Overspend

There are significant pressures in demand for services as set out above and specifically due to the increasing numbers of frail older people, people living longer with dementia and people living longer with lifelong conditions, which require significant input from health and social care services. Care packages for these people are provided based on eligibility identified in a statutory assessment of need and income.

The very significant work being undertaken to commission services differently is vital in supporting the delivery of a balanced budget. A better, more productive relationship with the local care market is envisaged. Recommissioning of Home Care, Residential and Nursing Care and Community Support Services are seen as key to ensuring we have services which deliver value for money, increased quality and better outcomes for service users and carers.

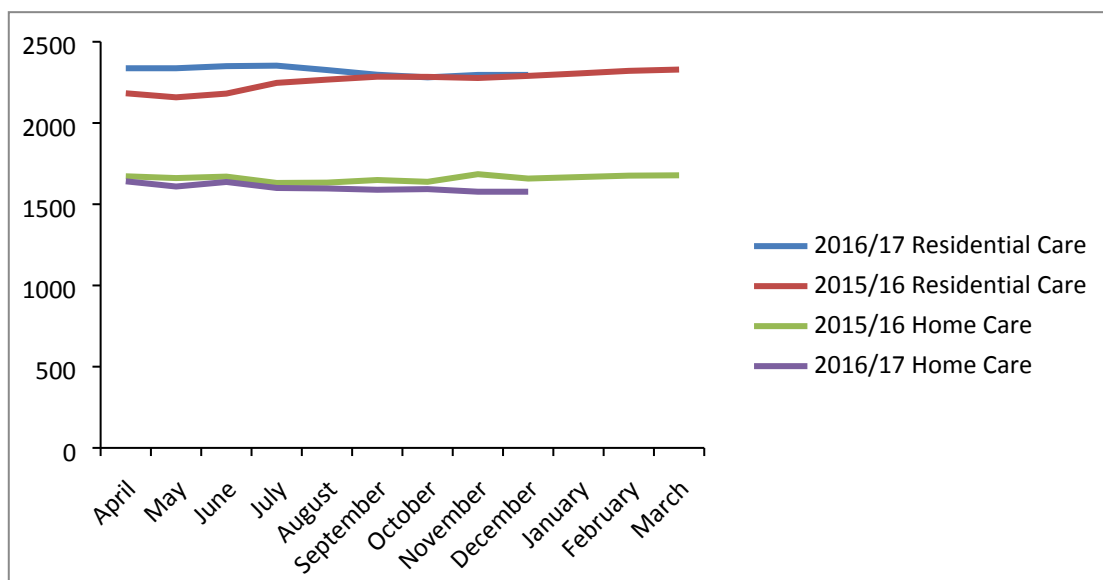
There is also on-going work to manage demand through implementation of the three tier model of support to help people live more independently where appropriate delaying or avoiding the need for high cost care.

There is significant overspend on care packages, this is shown by a £10.9m overspend on Third Party Payments which is due to £7.6m overspend on residential and nursing placements, £3m overspend on Community Support Services, and £0.7m on Home Care. There is also a £3.4m overspend on Direct Payments to fund care placements due to additional demand.

Some of this overspend is offset by increased contribution from NHS towards users with long term mental health conditions (£1.0m) and an increase in level of contributions from service users in line with increases in demand (£2.6m)

In the current year the following tables set out the pattern of demand.

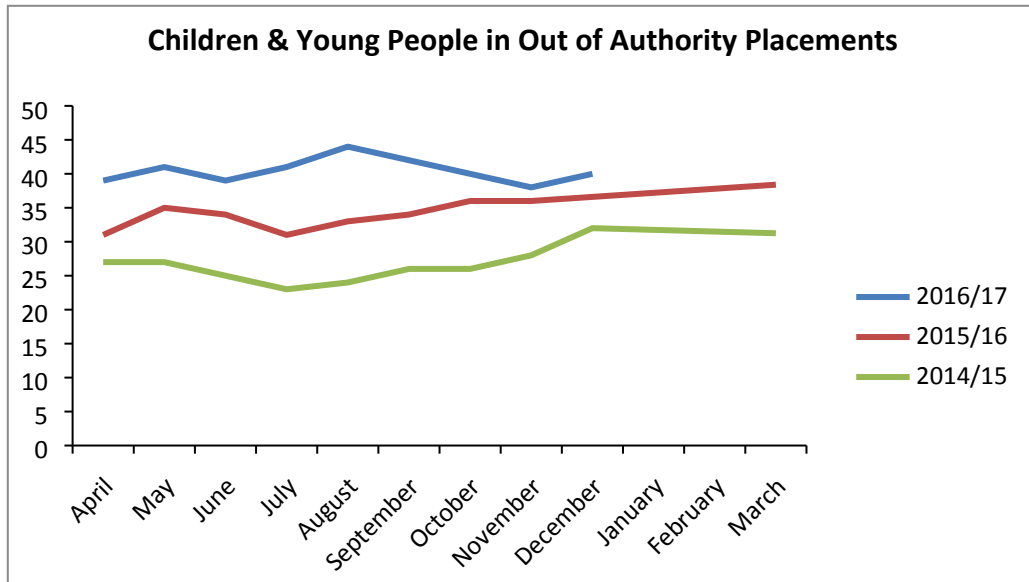
Chart 2: Trend in Monthly Residential and Home Care Activity



Care & Support Children and Families - £3.5m Forecast Overspend

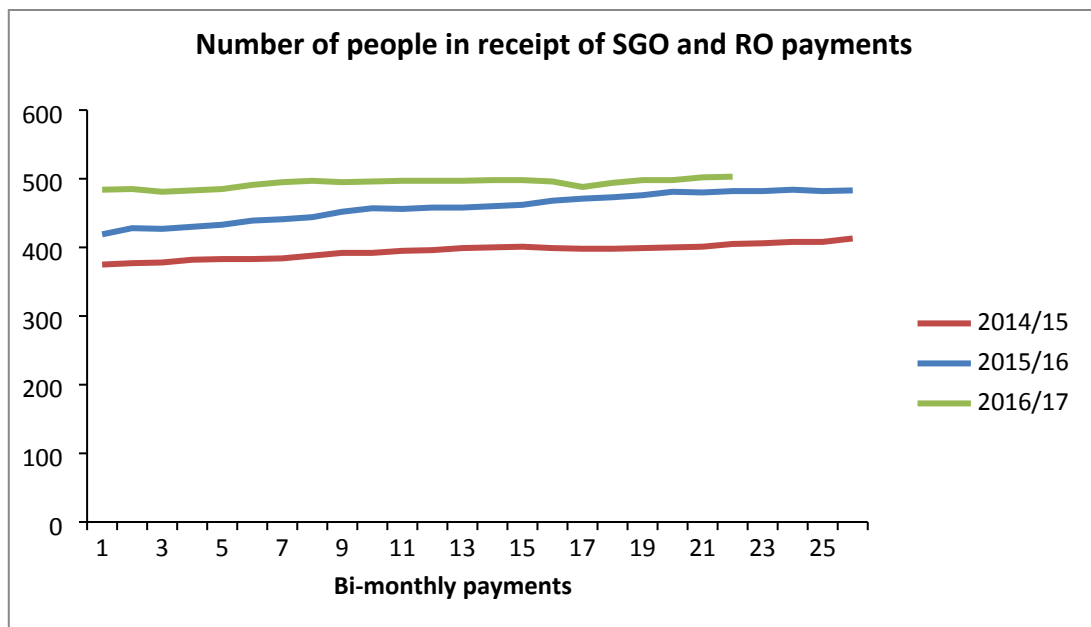
In the context of both a rising child population and increasing complexity of need in a number of cases, budget pressures are being faced in Children in Care. Whilst the numbers of Children in Care have remained around 700 over the last five years, against a rising child population, the average unit cost has increased due to an increase in the number of out of authority placements from an average of 26 during 2014/15 to currently 38, resulting in a budget pressure of £2.3m.

Chart 3: Children and Young People in Out of Authority Residential Placements



There also continues to be a significant pressure as a result of increases in special guardianship orders (SGOs) and residency orders (ROs). The number in receipt of SGO's and RO's has increased from 375 in 2014/15 to just fewer than 500 in 2016 resulting in a budget pressure of £1.9m. However this is balanced in part by some positive savings in numbers of children in independent fostering.

Chart 4: Increase in Numbers of SGO and RO Payments



Unaccompanied Asylum Seeking Children

Bristol has agreed to support an additional 10 Unaccompanied Asylum Seeking Children (UASC) as part of the National Transfer Protocol for UASC. A grant is paid to local authorities by the Home Office in relation to the age of the child for the period in which they are in care, this grant is not sufficient to cover the full costs of support required. This could cost Bristol City Council an additional £0.4m per annum.

Early Intervention & Targeted Support - £3.0m Forecast Overspend

The main areas of financial pressure within Early Intervention are in providing care for young people with Disabilities in the Preparing for Adulthood service. This is currently showing a £2.8m overspend. There is currently insufficient budget provision to meet new responsibilities under legislation of the Children and Families Act requiring Local Authorities to support young people up to 25 prior to adulthood.

Where a family is homeless but not deemed eligible under the Housing Act, we have a responsibility to provide emergency accommodation for children of families under the Children and Families Act. Due to the increase in homelessness across Bristol this is a financial pressure of £0.6m in 2016/17.

The overspends are in part offset by (£1.0m) underspends in Early Intervention – Adults. This is due to holding of vacancies and reduction in non-essential spend across provider services such as Bristol Community Links and Community Meals services and non-recurrent income relating to a service user in Concord Lodge funded by Continuing Healthcare.

13.2 Place Directorate - £2.8m Forecast Overspend

2016/17 Budget	Gross Revised Expenditure £m	Gross Revised Income £m	Net Revenue Budget £m
Place Directorate	121.3	(104.1)	17.2

The directorate is reporting a £2.8m overspend against budget and this represents a movement of (£3.5m) since Period 7 principally due to Residents Parking refinancing (£2.0m) and additional income within the Parking (£0.3m) and Planning Divisions (£0.2m) as well as a reduction in the forecast cost of Energy Utility purchase costs (£0.2m).

The most significant forecast variance for the directorate is a £9.1m overspend within the Property division, which is offset by underspends of (£4.2m) in Transport, (£1.6m) in Energy and (£0.5m) in Planning.

Energy – (£1.6m) Forecast Underspend

A large proportion (£1.3m) of the forecast underspend is due to the decision to reallocate the use of grant income from Capital to Revenue which resulted in a one-off gain to the Revenue account this year. This means that some capital projects will be transferred to prudential borrowing at an estimated annual revenue cost of £0.08m p.a. In addition, a one-off saving of (c.£0.5m) is now anticipated as a result of the Green Deal revenue contribution.

Planning - (£0.5m) Forecast Underspend

In the Planning division there is a forecast underspend of (£0.5m) which is as a result of increased income forecast within Engineering design team as well as increased income from Development Management fees and savings plans being implemented.

Property - £9.1m Forecast Overspend

This overspend largely relates to a forecast £7.7m shortfall in the delivery of the MTFS savings target (relating to 2015/16 and 2016/17), which broadly assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

There is a £0.6m historic overspend (since before 2012) on Facilities Management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

Transport – (£4.2m) Forecast Underspend

The forecast underspend in Transport of (£4.2m) has increased by (£3.0m) since period 7.

The largest part of this increase (£2.0m) is as a result of the refinancing of loans relating to Residents Parking, where accelerated loan payback was previously applied, and the payback period is being extended such that the initial £6m capital loan will now be fully paid back in financial year 2019/20 (instead of 2017/18 as with the existing accelerated repayment plan).

In addition, there has been (£0.3m) of additional income in Parking Services (bringing the total underspend in Parking Services to £1.2m) and (£0.2m) savings in Concessionary fares, based on the latest passenger data.

The remaining underspend is a result of (£0.2m) savings from Supported bus services as well as (£0.3m) savings in controllable spend in Highways services as a result of; (£0.3m) in Strategic City Transport, (£0.2m) increased income in Signals and Lighting, reduced by additional costs in Park and Ride services of £0.2m.

13.3 Neighbourhoods – (£2.1m) Forecast Underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Neighbourhoods	324.7	(255.6)	68.7

The Neighbourhoods directorate is reporting a forecast underspend of (£2.1m) as at the end of Period 9 compared to a forecast underspend of (£0.4m) forecast at the end of Period 7, which represents a movement of (£1.7m). The main constituents of this movement are as follows:

- There have been savings of (£0.7m) in Neighbourhoods and Communities

- There have been savings of (£0.5m) forecast in Housing Services – General Fund

The largest elements of the (£2.1m) forecast underspend are a (£1.0m) surplus in Neighbourhoods and Communities and a (£0.9m) underspend in Waste.

Neighbourhoods & Communities - (£1.0m) Forecast Underspend

The forecast underspend in Neighbourhoods and Communities has increased by (£0.7m) since period 7.

Neighbourhood management - (£0.2m) Forecast Underspend

This Service is forecasting an underspend of (£0.2m), mostly due to underspends in the NH ABS team (£0.07m) due to higher than expected funding from Public Health; Stapleton road project (£0.07m) and Community Development operations (£0.05m). Not included in the above is the effect of the current spending freeze on Neighbourhood Partnerships (£0.3m). This underspend has increased by (£0.15m) since period 7 and will be reflected in the P10 report.

Parks and Green Spaces (£0.6m) Forecast Underspend

This Service is forecasting an underspend of (£0.6m), partly (£0.2m) due to increased income at Cemeteries and Crematoria, partly due to reductions in planned expenditure as a result of the current spending freeze.

Libraries - (£0.1m) Forecast Underspend

This Service is forecasting an underspend of (£0.1m), due to the delayed installation of 'extended access', which is a one-off saving for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

13.4 Resources - £2.8m Forecast Overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Resources	40.1	(14.4)	25.7

The Resources directorate is reporting a forecast outturn of £2.8m overspend for period 9 which is an improvement of £0.4m from period 7. The main variance within Resources is within the ICT Service, which has been offset by savings in other areas. The overspend against budget for ICT relates to additional hardware and maintenance costs (£2.8m) and software development service increases (£1.3m) as a result of growth in additional demand for license costs. This is in part as a result of investment in new technology and digital developments.

13.5 City Director – (£0.3m) Forecast Underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m

City Director	10.6	(3.7)	6.9
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Although there have been movements within the detailed forecast the City Directorate forecast remains at a 0.3m underspend as per P07.

13.6 Corporate Savings Programme - £10.5m Forecast Overspend

There has been a reduction of £0.06m against the forecast pressure in the change programme expenditure since period 7 due to the freeze on expenditure.

It is expected that the forecast position may fluctuate during the next few months as planned restructures are agreed and implemented.

At the beginning of the financial year, the Council had a savings target against the Change Programme of £34.7m, which comprised £15.2m undelivered savings from 2015/16 and £19.5m relating to 2016/17. For the purposes of this report, we have shown a net figure. The following table provides estimates of the forecast savings delivery as at end Period 9 (December 2016).

Table 3: Summary of Net Corporate Savings Programme Budget Position

	£m
2016/17 Change Programme Savings	19.5
2015/16 Undelivered change programme savings	15.2
TOTAL	34.7
Less:	
Savings Identified/Secured to address the gap	(14.1)
Release of Contingency	(6.3)
TOTAL TO BE IDENTIFIED	14.3
Overspend against change programme expenditure	1.5
Less: Use of forecast capital receipts to fund transformation activity	(5.3)
TOTAL CHANGE PROGRAMME	10.5

The Council has initiated a Council Wide programme of activities and work streams to specifically focus on delivering the savings needed in the current financial year. This has included:

- A review of all spend against corporate budget lines resulting in reduced budgets across areas such as staff expenses, conference and training budgets, printing etc.;
- A review of all vacancies to delete any vacant posts that are no longer required, resulting in budget reductions;
- All services and directorates developing and preparing savings proposals for delivery through the remainder of this financial year;
- A contingency was included in the original programme to mitigate against risks of non-delivery of savings or savings double counts. This has been released;
- A review is underway of all the Council's service directorate earmarked reserves;
- In period 9, a further assessment of the risk to delivery is being undertaken, the

outcome will be reported in the Period 10 Report.

As savings are validated, budgets across services and directorates are being reduced to secure these savings.

Within this budget line, there is investment required to facilitate the delivery of some of the savings. There is a current forecast overspend of £1.5m against these items, which includes the delivery of IT solutions.

13.7 Other / Corporate Budgets – (£14.3m) Forecast Underspend

The forecast underspend in Period 9 has increased to £14.3m. The main budget in this area is the capital financing budget of £19.3m. It is currently forecast that this budget will be underspent by £10.6m as a result of re-profiling of the capital programme and a further adjustment to the forecast further to the amendment to the Minimum Revenue Provision Policy (agreed at Full Council on 13th December 2016). This area also includes certain contingency budgets and other expenditure budgets of a corporate nature, including expenditure on levies.

The Council receives S31 grant each year to cover various business rate reliefs. The budget for this financial year was assumed to be £1.0m. The latest forecast indicates this is likely to be £3.0m in this financial year, which is £2.0m above the budgeted amount. This is reflected in the forecast for Other / Corporate Budgets.

Included within the forecast is income from the Port Dividend of £2m. We have now been informed that the actual income will be c£2.6m and this is now reflected in the forecast for Other/Corporate Budgets.

The general contingency included in other budgets stands at £2.8m. This is held as a contingency to cover miscellaneous cost pressures across all service areas. As previously reported, to date £1.1m has been set aside to cover the forecast cost of workforce court ruling, support to the Children's Service as part of the Ofsted Improvement Plan and to support the Corporate ERP Project.

Therefore, the remaining contingency is reduced to £1.7m and it is assumed that this will be required by the end of the financial year.

Ring-fenced Accounts

Dedicated Schools' Grant (DSG) - £4.3m Forecast Overspend

14. In 2016/17, the Council will receive £175m Dedicated Schools' Grant, which is ring-fenced and passported through to fund schools, with an element retained centrally by the Council to provide a range of support to Schools. Schools that have transferred to academy status receive their funding directly from the Department for Education – this amounts to a further £137.9m.

There continues to be pressures against the high needs block, which is forecast to be c£5.3m in the financial year, which includes brought forward pressures from 2015/16 of £1.9m. In response to national concerns regarding High Needs funding, the

Government has recently announced a one off grant to Local Authorities to help find solutions to the funding challenge.

15. The service is undertaking significant level of work in conjunction with the Schools Forum in order to manage this budget:

- a) In April the top up rates were reviewed and reduced across mainstream schools which has been followed by a further reduction in September, generating a total annual saving of £2.1m;
- b) an inclusion panel has been created with the aim of reducing pupil exclusions – as a result there have only been two secondary exclusions in term 1 compared to seventeen in the same period in the previous academic year;
- c) Special school and Pupil referral unit budgets have also been reviewed, top up and site specific rates have been cut by 5% which will generate an annual saving of £600k, further work is planned to continue review of special schools and also resource bases.

16. Any deficit on the DSG at the year-end would need to be carried forward - thereby creating a further pressure for the DSG in future years.

Public Health

17. The ring-fenced Public Health service is currently forecasting an overspend of £1.6m. This is mainly due to a government in year cut of the grant of 7.6% in year during 2015/16 and further 2% cut to the grant this year. Public Health are managing this overspend through the Public Health reserves which currently has a balance of £4.8m. There is no impact on the general fund of this overspend in this financial year, however the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

Housing Revenue Account (HRA)

18. The following is a summary of the HRA budget position as at the end of Period 9 compared to the position as at end of period 7. Further detail is included as part of Appendix A to the report.

Table 5: Housing Revenue Account Budget Forecast

HOUSING REVENUE ACCOUNT - Period 8	Gross Exp £m	Gross Income £m	Revised Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	Period 7 Forecast Outturn Variance £m
Strategy, Planning & Governance	24.7	-131.3	-106.6	-108.0	-1.3	-0.8
Responsive Repairs	47.4	-17.4	30.0	30.6	0.5	0.5
Planned Programmes	18.0	-1.3	16.7	14.6	-2.1	-2.2
Estate Management	16.2	-2.1	14.2	14.0	-0.1	-0.2
HRA Financing & Funding	46.2	-0.5	45.7	45.7	0.0	0.0
HOUSING REVENUE ACCOUNT TOTAL	152.6	-152.6	0.0	-3.1	-3.1	-2.7

19. There is currently a forecast underspend within the HRA of (£3.1m), which has increased by (£0.4m) since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets;
- Identification of a further (£0.4m) income from energy efficiency schemes;
- There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce;
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget; Contractor issues have also led to some delays, resulting in a (£0.7m) underspend. A housing procurement specialist is being recruited who when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

20. Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore this does not impact on the General Fund. However, the HRA Business Plan has been recalibrated to take account of the impact of the 1% rent reduction and other proposed government changes and to reflect what is likely to be a very financially challenging future.

B - Managing Savings

21. To ensure that there is transparency and clarity in relation to the source of savings (from which department and service area from which the saving is to be delivered) and avoid any possible double counting etc;, we are monitoring savings using a single savings tracker. This will be reported under each directorate and will be risk assessed for full delivery within the planned timescales.

C - Reserves

22. The general reserve is set annually as part the budget process in the context of the risks to which the Council is exposed. The balance on the General Reserve is £20m and at present the Service Director: Finance is taking all appropriate actions to avoid any utilisation in 2016/17. This will be kept under constant review.

23. At the start of the financial year the Council had general fund earmarked reserves of £106m. Some of these reserves will be spent during this financial year and others will be earmarked for specific purposes with spend to be incurred in future years.
24. Where reserves are identified as no longer required for the purpose that they were earmarked, they will be released to the Operational Reserve and made available to mitigate the financial pressures in this financial year. A total of £2.4m has so far been identified that could be released from reserves and this has been included in the forecast reported in Table 2 and the full movement on reserves will form part of the Outturn report.

D - Capital Programme

25. The capital programme changes during the year as the phasing of schemes is reviewed and the notifications of additional schemes and resourcing are received (to the extent that these projects are fully funded). The Capital Board (an officer working group) oversees the coordination of the Capital Programme, ensuring that projects are delivered within their allocation of funding and planned timescales. As at the end of Period 9, there is a forecast underspend for the year of £7.4m. Monitoring indicates that capital spending in 2016/17 will be £216.9m compared to the latest approved budget of £224.3m. It should be noted that this is primarily slippage and will increase costs in 2017/18.

The following table sets out the forecast of spend by Directorate. Additional detail is provided at Annex 2.

Table 6: Capital Programme Forecast Expenditure & Financing

	Period 7 2016/17 Budget	Capital Budget Adjustments	Period 9 2016/17 Combined Budget	2016/17 Forecast Outturn	2016/17 Forecast Outturn Variance	2016/17 Actual Spend to Date
	£m	£m	£m	£m	£m	£m
People	40.8	(0.1)	40.7	41.3	0.6	19.2
Place	87.3	0.4	87.7	82.5	(5.2)	44.4
Neighbourhoods	9.8	1.1	10.9	9.5	(1.4)	5.5
Resources	18.7	(7.0)	11.7	12.2	0.5	8.9
City Director	0.0	7.0	7.0	6.9	(0.1)	0.6
Housing Revenue Account	56.0	0.0	56.0	52.9	(3.1)	39.3
Corporate	10.2	0.1	10.3	11.6	1.3	7.6
Totals	222.8	1.5	224.3	216.9	(7.4)	125.5
Finance By:						
Prudential Borrowing			83.7	83.8	0.1	
Capital Grants			70.3	65.9	(4.4)	
Capital Receipts *			0.4	0.4	0.0	
Revenue Contributions			13.9	13.9	0.0	
Housing Revenue Account (Self-Financing)			56.0	52.9	(3.1)	
TOTAL CAPITAL FINANCING			224.3	216.9	(7.4)	

26. The actual capital spend to the end of Period 9 is £125.5m (56% of Combined Budget). Whilst historic trends indicate that capital spending increases towards the end of the financial year, the level of forecast spend to date (31st December 2016) is low compared to the current budget for the financial year. Projected spend to the year end, based on a pro-rata basis, would be £167.3m or 75% of the current budget (67% as at Period 7).

27. During Period 9, there has been the following approved changes resulting in the budget for Period 9 increasing from £222.8m to £224.3m:

- a virement of budget (£7m) from the Resources Directorate to the City Director, reflecting the Bristol Futures service moving between the directorates. A budget increase of £0.4m for Severn Road Avonmouth development to provide the construction of a road access as part of the contract agreement funded from the resulting capital receipt.
- Minor variations to the budget agreed by the Capital Board of £0.1m, which is now reflected in the Neighbourhoods budget. This relates to the receipt of external funding to support the provision of additional play facilities.
- Colston Hall Phase II – At the meeting of the 29th June 2016, Cabinet approved a contribution of £1.6m to progress design work to enable a detailed planning application to be submitted. In addition to this, the Bristol Music Trust have been granted £0.4m from the Arts Council England (ACE) to contribute to this work. It is anticipated that the spend will be £1.6m in 2016/17 and £0.4m in 2017/18.
- The additional award of Disabled Facilities Grants for the year has been incorporated (£1m)

28. As at the end of December 2016, there is a forecast net underspend against the Capital Programme of £6.4m, against an overspend of £3.1m at the end of Period 7. The following is a summary of the significant areas where budget pressures have been identified.

29.1 Neighbourhoods – (£1.4m) Forecast Underspend

Bristol Operations Centre – (£0.7m) Forecast Underspend

While spend over the life of the budget is forecast on budget, £0.7m of budget is waiting to be re-phased from 2016/17 into 2017/18, to match with forecast expenditure which has been re-phased into 2017/18 to reflect updated view of contract award dates and subsequent activity.

Parks & Green Spaces – (£0.6m) Forecast Underspend

Re-profiling of budgets and forecasts is required across all years in order to properly reflect an expected breakeven in expenditure on Parks capital.

Neighbourhoods & Communities – (£0.1m) Forecast Underspend

While spend over the life of the budget is forecast to budget, £0.1m of budget is waiting to be re-phased from 2016/17 into future years, to match with forecast expenditure which has been re-phased into those years.

29.2 Housing Revenue Account – (£3.1m) Forecast Underspend

The majority (£2.8m) of the forecast underspend is due to issues affecting three new-

build sites, including contractor liquidation, construction issues and procurement delays.

There is a forecast under spend of (£1.0m) under Heating installations, where access to properties is an ongoing issue and a further (£100k) reduction in spend on replacement TRV's (radiator valves) is caused by the same issue.

For the External High-rise Block Cladding schemes, an additional amount of £0.3m has been forecast to be spent, covering agreed additional works to be completed. There is a £0.1m forecast saving in the Replacement Lift Programme due to procurement delays with issue of contracts.

29.3 People Directorate Services - £0.6m Forecast Overspend

The main areas of spending pressure are related to the Education Capital Programme and also the transformation programme in Care Management. Managers have been closely monitoring the actual and forecast expenditure against the revised budget, with further work ongoing to review budget profiles and project spend across the life of the projects.

29.4 Place Directorate Services – (£5.2m) Forecast Underspend

Place directorate is reporting a (£5.2m) underspend against budget for 2016/17 financial year which consists of forecast underspends of (£4.5m) in Energy, (£0.4m) in Property, (£0.3m) in Economy and (£0.2m) in Planning whilst Transport is forecasting an overspend of £0.2m. This represents a movement of (£6.2m) since Period 7.

Economy – (£0.3m) Forecast Underspend

The re-phasing of the Enabling Activities project to future years has been approved by Capital Board but not reflected yet in ABW.

Energy – (£4.5m) Forecast Underspend

More than half (£2.4m) of this underspend relates to underspent Green Deal grant derived from Department of Energy & Climate Change / Department of Business Energy & Industrial Strategy funding which originally totalled £7.3m this will either need to be paid back to funders or allocated to a loan fund scheme.

A further (£1.2m) of this relates to ELENA grant funding, where the project is now complete. In addition, (£1.3m) reflects the use of Energy ECO funds to support revenue. A £1.3m requirement for additional prudential borrowing has been shown within the Energy Infrastructure project, but it does not relate to an actual underspend. The above has been partly offset by a forecast overspend of £0.3m re: Carbon Trust where income from the revolving fund needs to be recognised.

Planning – (£0.2m) Forecast Underspend

There is a (£0.2m) forecast underspend on Planning projects due to resources being prioritised on Corporate projects with external funding eg CAF/MetroBus.

Property – (£0.4m) Forecast Underspend

There is a (£0.3m) underspend on works to refurbish Eastville depot and (£0.1m) underspend on renovation of lifts at BMAG, as work on both these projects is completed these budgets are due to be handed back.

Transport – £0.2m Forecast Overspend

There is a £0.8m forecast overspend on the Bus Shelter Replacement project as the MetroBus Programme didn't slow down the delivery of the Shelter Replacement Project as was originally envisaged. This has been offset by an underspend of (£0.2m) in the forecast spend on Southmead Hospital S106 where part of the funding is being returned to the developer. In addition there is a forecast (£0.1m) underspend reported against LSTF Local Growth Fund where funding has had to be returned and the budget is to be reduced. A further (£0.2m) underspend is forecast this year on the River Avon Path project as a result of procurement delays.

Capital Receipts

29. The assumed level of 2016/17 Capital Receipts are to support 2016/17 general fund revenue transformational schemes. The current disposal programme estimates general fund gross receipts of £5.3m for 2016/17. We have so far completed £2.3m and the remaining £3.0m has contracts exchanged.

Furthermore, please see the table below for the risk adjusted 5-year forecast for all assets in-scope under the capital disposal programme: £6.6m for £2017/18 and £8.4m for 2018/19.

Table 7: Capital Receipt Forecasts

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
All In-scope Assets Delivery	8.5	9.5	21.1	4.3	1.9	45.4
Base Case Forecast Delivery	5.3	6.6	8.4	6.5	6.3	33.1

Capital Financing

30. The capital financing assumptions are detailed in Table 6 above. As part of the overall review of the capital programme already referred to, the capital financing assumptions and the future revenue implications will be kept under review. However, with a programme of this size, it is unlikely that there will be future underspends on the capital financing budget, and therefore the contribution being made towards the 2016/17 forecast outturn variance should be assumed to be a one-off position.

31. The current capital financing assumptions exclude anticipated capital receipts of £5.3m. As set out in the Full Council report of the 13th December 2016 new flexibilities allow these receipts to fund revenue transformational activities. This will mean that these receipts will no longer be available in 2016/17 to finance this proportion of the Capital Programme.

32. Included in the General Revenue Fund is a capital financing budget of £19.3m, which is currently forecasting an underspend of £10.6m, an increase of £6.5m from the

previously reported underspend of £4.1m The additional savings are in relation to:

- a. Full Council approved a change to Minimum Revenue Policy (MRP), the minimum amount that the local authority should set aside to repay future debt at its meeting on the 13th December. As set out in the report, this change resulted in a reduction of £4.3m to assist with mitigating the current revenue budgetary pressures;
- b. Higher dividend income than expected (£1.1m) from the Bristol Port Company;
- c. The delay of taking borrowing while the authority has liquid investments and interest rates remain at low levels has reduced the authorities net borrowing costs and along with a review of the Corporate contribution for PFI schemes has resulted in a reduction of costs (£1.1m).

E – Managing Income

33. Collection rates for both business rates and council tax are broadly on target for 2016/17. A report on the Collection Fund position was presented to Full Council on 17 January 2017. This estimated the surplus on the council tax element of the Collection Fund to be £4.6m (Bristol City Council share £3.9m) and on the business rates element an estimated surplus of £13.2m (Bristol City Council share £6.5m). These figures include an estimated year end position for 2016/17 along with adjustments relating to previous financial year. The in-year Collection Fund position for 2016/17 indicates an estimated surplus on Council Tax of £3.7m (Bristol City Council share £3.1m) and a deficit on business rates of £5.3m (Bristol City Council share £2.6m). The deficit on business rates is due to the volatility around the appeals provision. This is monitored on a monthly basis, but the final position will not be known until year-end. As the surplus position on the Collection Fund for 2016/17 has now been agreed and built into the base budget for 2017/18, any adjustment to this figure will not impact on the budget until 2018/19.
34. The Council has received applications from a number of health care trusts for mandatory charitable rates relief. In line with advice from the Local Government Association, all claims have been rejected and, to date, no counter applications have been made. The trusts are continuing to pay their business rates. The Council is also aware of an application from a telecommunications company to have their telecommunication network transferred from the local rating list to the central list, with a potential for a backdated refund. Officers are in contact with the Valuation Office but currently very little information is available to the Council as Billing Authority.
35. The council currently has a total of 34,970 outstanding debts. Of the £30.6m outstanding debt included in Table 8, the top 20 debtors, ranging from £0.1m to £2.05m amounts to £9.91m of the debt, or 32% of the total outstanding debt. A detailed analysis is set out in Annex 3 of this appendix.
36. At the end of each financial year, the Council is required to calculate a bad debt provision based on its level of outstanding debt. The amount of provision required is dependent on the age of the debt, with all debt over 2 years, being 100% provided for. The current bad debt provision (as at 31st March 2016) is £11.8m. Based on the

current level of debt in table 8, if no further action is taken, the required bad debt provision is estimated to be £15.9m. Single, large debts can have a disproportionate impact on the provision required. However, action will continue to be taken between now and the end of the financial year to ensure that the value of outstanding debt is reduced.

Table 8 - Outstanding Sundry Debt Analysis by Directorate

Directorate	Outstanding Value £000's	Average Value £
People	17,724	1,606
Resources	317	568
Neighbourhoods	3,416	353
Place	5,387	1,549
City Director	135	9,627
Corporate & Other	3,632	1,691
TOTALS	30,610	875

F - Treasury Management

37. No borrowing has been undertaken to date during 2016/17. Net debt (borrowing less investment) has increased by £12m between the 31st October to 31st December 2016 from £284m to £296m due to expected changes in grant income.

38. The average level of funds available for investment purposes during the first nine months of the year was £0.160m. The return for period was 0.58% compared to the recognised benchmark of 0.23% (7 day Libid average for period).

39. The 2016–2019 Treasury Strategy identified a medium term borrowing requirement of £0.150m to support the existing and future Capital Programme. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£118m at December 2016, £70m estimated for March 2017). The authority is planning on borrowing £20m during the year at a preferential rate from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena) scheme with the net financing costs contained within the existing capital financing budget. No further borrowing is anticipated in the current financial year unless rates are expected to rise significantly from their current position to enable the authority to reduce its exposure to interest rate risk.

40. The Council has complied with all treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.

G – Bristol City Council Owned Companies

41. Since Period 7 2016/17, a further £3.3m investment has been made to Bristol Holding Company. The amount of loans / investments as at the 31st December 2016 is set out below:

Bristol Holding Company - £12.9m
Bristol is Open - £0.350m

CONSULTATION SUMMARY – PERIOD 9 FINANCE REPORT

a. Internal consultation:

Strategic Directors, Service Directors, Budget Managers and the finance team.

b. External consultation:

Not applicable

OVERALL RISK ASSESSMENT: PERIOD 9 FINANCE REPORT

In the Budget Report presented to Full Council in February 2016, a number of significant risks were identified. The finance reports this year have identified that a significant number of these risks have come to fruition in the early part of the financial year, or remain relevant. The list below highlights the most significant of these risks:

- the scale of overall reductions to all directorate budgets (£35.4m identified and included in the approved budget) and the potential of non-delivery of these savings;
- the potential of overspends against budgeted net expenditure;
- care placements & budgets, both in terms of activity as a result of demographic pressures and also unit costs;
- potential delay in delivery of capital receipts;
- increase in pension liabilities;
- volatility in business rate income including the level of successful appeals, the result of the application for mandatory charitable relief made by a number of hospital trusts and the transfer of properties between rating lists. Once these changes are made the Council may have to refund several years back dated rates from a single years income.

As well as the risks highlighted above, the following additional risks have been identified:

- wholly owned company delivery of agreed business plans;
- sustainability of council owned and managed assets, including infrastructure previously identified, property, fleet and ICT.
- schools PFI contracts;
- living wage accreditation – this will require a full review of all external contracts and may result in additional contractual costs;
- inflationary pressure on contract and energy costs;
- increased capital costs of major projects, i.e. Metrobus, the delivery of the Arena and Bristol Temple Meads Easts (development area around the arena);
- current lack of policy clarity on proposed changes to business rate retention;
- effect of Brexit both on house building industry and general economic confidence;
- there will be other costs, such as the Mayoral Combined Authority, still to be fully quantified;

Any risk assessment requires constant review and will form part of the ongoing future monitoring.

DIRECTORATE RISK ASSESSMENT: RESOURCES

ICT Risks identified:

- Unexpected business demand, such as a result of an Ofsted, or other regulatory body, inspection.
- Any remedial actions that may be required to achieve compliance with connection standards, e.g. Public service Network (PSN).
- Remedial actions in event of serious cyber or other event, (e.g. ransomware), resulting in loss of data/access to key BCC systems and data.
- Information Commissioners fine in case of Data Breach or Loss (may not be an ICT related loss, i.e. may be loss of case papers) and remedial actions in event of Data Breach or Loss;
- Remedial actions in event of major supplier commercial failure.
- Remedial actions in the event of sudden or unanticipated change of law or statute.
- Potential additional costs incurred as result of local/regional elections.
- The potential for additional costs incurred as result of currency fluctuations or due to major external influences such as Brexit.
- Capacity to deliver the required pace of change, set upon a backdrop of reducing resources through VS.
- Restructure of the ICT function will require short term additional flexible resource to ensure that approved service projects that have savings requirements, can still be delivered.

The high level detail is given here. It is important to note that, at this point in time, if these items were to occur they would result in expenditure being drawn down from reserves or contingencies.

HR Risks identified:

- Unfilled vacancies plus staff leaving through VS will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change. Stress risk assessments may be required to assess the impact on employees and this could lead to a requirement to prioritise key activities that are achievable, consider temporary resources, or work ceasing.
- Capacity to deliver the required pace of change, set upon a backdrop of reducing resources through VS. Restructure of the HR function will require short term additional flexible resource to ensure that approved service projects that have savings requirements can be delivered. However, this is expected to be able to be delivered within the proposed financial envelope.
- The income target through the Annual Leave Top Up scheme is dependent on staff take-up across the organisation and this may not be possible as staffing levels will be lower post-restructure. This may mean that the income target in 16/17 is not realised. Also, staff leaving on VS who are in the scheme will cause loss of income in the current year.

- The staff survey has highlighted a number of key areas for consideration that will require detailed attention to address them.

Legal Services Risks Identified (including Electoral Services, Mortuary & Coroner, & Register Office):

- demand led and cannot predict its spend – high cost/profile cases could happen at any time;
- there may be an increase in an area of work through e.g. court rulings or practice;
- income is more predictable over the short term as clients are known, but will fluctuate over the longer term with changes in external clients as work and projects come to an end and new work will need to be identified;
- there may be a parliamentary election in 2017 or other smaller elections and referenda, which are not currently included in the 4 year budget predictions and which would have budget implications;
- legislative changes, such as the introduction of medical examiners, could cause significant budget pressures;
- increases in the number of deaths due to widespread fatalities that could not be predicted;
- births and deaths registration are reactive services and cannot be completely estimated.
- **Electoral Services** - Currently the postage amount is estimated because printing is billed three months in arrears by Print and Mail Operations. The canvass printing for Oct and Nov for annual canvass printing is currently estimated.
- **Lord Mayor's Office** - Spending freeze - risk that no maintenance spend may reduce income generation potential. Democratic Services - Risk of impact of no longer supporting P&CP and also concerns that school appeals income is not covering reality of staffing costs - review required
- **Members Green** - Political Assistant is due to go on maternity cover in Feb 17, backfill process needs clarification in line with spending freeze
- **Member Development** - Limited Activity on member development, - risk of lack of training to members in chairing positions etc

Finance Risks identified:

- Unfilled vacancies plus staff leaving through Voluntary Severance will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change.
- Under resourcing finance can lead to a risk of not meeting the requirements of the role of S151 officer.
- Income targets for future years are dependent on successful bidding and provision of an effective, value for money service offer. There is a risk associated with the income from Avon Fire & Rescue for future years as the contract is due for renewal at the end of 2017/18.

Change Services (incl. PMO) Risks identified:

- Where projects were relying on internal resources to support the delivery of service related projects but due to lack of available resources may need to request external resource which could have a higher cost implication.
- Unfilled vacancies in the team due to the recruitment freeze, in addition to previous reduction through VS, leading to resource pressures. In particular in management roles increasing pressures and the ability of the service to respond quickly to requests/ needs
- Staff Retention – experienced change delivery staff (e.g. Project Managers, Business Analysts, IT Specialists) with marketable skills could opt to leave the organisation, intensifying resource pressures and resultant higher costs already referenced above.
- Unexpected business demand (winning unexpected bids and needing Change resource to deliver them, unexpected IT changes which require change input etc).
- Risk that CPG group will trigger previously unexpected/not-anticipated demand.
- The Change Business Partners are currently covering the Service Manager role and working with Finance colleagues to manage the budget position and year end forecast, to mitigate this risk.

Overview and Scrutiny Management Board 13th March 2017



Report of: Shahzia Daya, Service Director, Legal and Democratic Services

Title: Process for Dealing with Exempt Material

Ward: City Wide

Officer Presenting Report: Nancy Rollason, Service Manager, Legal

Contact Telephone Number: 0117 9222483

Recommendation

That Members consider and comment on the proposed revised procedure for dealing with exempt information before a meeting takes place.

Summary

At the meeting on 8th September 16, the Overview and Scrutiny Management Board (OSMB) requested that a review be conducted regarding the procedure around dealing with 'exempt' material. The extract minute is copied below;

8TH SEPTEMBER 2016 EXTRACT MINUTE;

16. Protocol for dealing with exempt items.

The Chair confirmed that he wished the Monitoring Officer to develop a protocol that worked as there had been recent instances of wholesale exempt reports when not all of the material warranted that approach. The Interim Chief Executive made clear that the objective was that as much information as possible went into the public domain. A Councillor added that it was vital that any protocol had the ability to challenge the decision to make information exempt in order to see that the decision was robust. The Chair accepted this was a valid element of the protocol.

Resolved – that the Board notes that a review of procedures relating to exempt/confidential material would be conducted and a report be brought back to the Board later in the municipal year.



Proposed process

Overarching principle – information should be made publically available, exempt information should be the exception

Step 1 – Officers refer a report to the Monitoring Officer to decide if any material may need to be considered in private session (exempt)

Step 2 –Monitoring Officer makes decision as to what information may be needed to be heard in private. There will be a presumption of openness and small-scale redactions will be used where possible.

If report contains no exempt information

No further action required

If report contains information that needs to be excluded from publication

Step 3 –Monitoring Officer refers decision to relevant Scrutiny Chair and Chair of OSM

If Scrutiny Chairs have no objection to the decision

No further action required

If Scrutiny Chairs object to the decision

Step 4 – Decision reviewed by Monitoring Officer and final judgement made

2. Context

- 2.1 The decision on whether or not information is exempt or not is one for the committee deliberating on that item of business, not officers.
- 2.2 The duty to allow members of the public and press access to a meeting, and also the papers provided to that meeting, are contained in the Local Government Act 1972 (as amended and as applied to the elected mayor and cabinet). The power to decide that an item of business on an agenda is 'exempt' from this duty resides in the Committee deliberating on that item.
- 2.3 The process for officers is in effect to work backwards from this decision. The Monitoring officer must consider whether or not it is likely that a Committee will resolve to go into private session and, therefore, not publish the papers in advance as they would otherwise do.
- 2.4 It is therefore the monitoring officer who is the final arbiter as to what is or is not likely to result in a resolution to exclude the public and press.
- 2.5 The role of the Monitoring Officer then changes from one of arbiter to one of advisor at the committee meeting itself as the final and actual decision of whether or not papers are exempt from public access is for the Committee or Cabinet to make, not the Monitoring Officer.
- 2.6 If a meeting makes a decision to remain in public session, the reports and papers previously marked 'not for publication' in the likelihood of them being exempt, would be made available to the public with immediate effect and then published in the normal way.
- 2.7 When information is required to be exempt, save in exceptional circumstances as determined by the Monitoring Officer in consultation with the chair, then the information should be contained within exempt appendices.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.

Overview and Scrutiny Management Board
13th March 2017



Report of: Shahzia Daya, Service Director, Legal and Democratic Services

Title: Mayor's Forward Plan (Standing Item)

Ward: City Wide

Officer Presenting Report: Andrea Dell, Service Manager, Policy, Scrutiny, Research and Executive Support

Contact Telephone Number: 0117 9222483

Recommendation

That the Board receive the current edition of the Mayor's Forward Plan of Key Decisions to help inform the Scrutiny Work Programme for 2016/17 and beyond.

Summary

The report provides the latest version of the Mayor's Forward Plan

The significant issues in the report are:

The Board will wish to identify any forthcoming Key Decisions that will require input from Scrutiny.



Background

1. The Mayor's Forward Plan is published monthly to give notice of key decisions that will be considered by the Cabinet, Health & Wellbeing Board or Learning City Partnership Board. A key decision is defined as one which;

- Will result in expenditure of £500K or over
- Will result in savings of £500K or over
- Be significant in terms of its effects on communities living or working in two or more wards in the city

2. The Overview and Scrutiny Management Board (OSMB) will wish to review the list of forthcoming Key Decisions to ensure any relevant items can be considered by Scrutiny.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.

Appendix A – Mayor's Forward Plan

Forward Plan



THIS DOCUMENT GIVES NOTICE OF
ANTICIPATED KEY DECISIONS TO BE TAKEN
AT CABINET AND OTHER MEETINGS

This update published 6 February 2017

Democratic Services

Contact: Ruth Quantock, Democratic Services Officer, email: ruth.quantock@bristol.gov.uk

Tel: 0117 92 22828

**BRISTOL CITY COUNCIL - FORWARD PLAN
INDEX OF PROPOSED KEY DECISIONS**

The Forward Plan gives notice of anticipated key decisions to be taken at Cabinet, Health and Wellbeing Board and Learning City Partnership Board meetings. It will be updated and published on the Council website www.bristol.gov.uk on a monthly basis.

Key Decision

Under the Council's constitution, the definition of a key decision is a decision which is likely to:

- 1) Result in expenditure of £500,000 or over.
- 2) Result in savings of £500,000 or over.
- 3) Be significant in terms of its effects on communities living or working in two or more wards in the city.

Non-key Decision

For additional information and completeness the Forward Plan also contains those items which are outside the definition of a key decision.

Cabinet Meetings

The Cabinet will normally meet on a Tuesday on a six weekly cycle. Meetings start at 4pm and are currently held at City Hall, College Green Bristol, BS1 5TR. Meetings of the Cabinet are open to the public with the exception of discussion regarding reports which contain exempt/confidential, commercially sensitive or personal information which will be identified in the Mayor's Forward Plan).

Reports submitted to the Mayor and Cabinet will be available on the council's website 5 clear working days before the date the decision can be made. If you would like a copy by email please contact democratic.services@bristol.gov.uk

Glossary:

HWB Health and Wellbeing Board
LCPB Learning City Partnership Board

Description of Exempt Information :- England, Part 1 of Schedule 12A of the local Government Act 1972

1	Information relating to any individual.
2	Information which is likely to reveal the identity of an individual.
3	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.
5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6	Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; Or (b) to make an order or direction under any enactment.
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime.

Cabinet Members

- Marvin Rees (Lab) - Mayor of Bristol
- Cllr Estella Tincknell (Lab) – Deputy Mayor (with special responsibility for Democracy, Culture, Policy, Strategy & Communications, International)
- Cllr Mark Bradshaw (Lab) – Cabinet Member for Transport
- Cllr Clare Champion-Smith (Lib Dem) – Cabinet Member for People
- Cllr Craig Cheney (Lab) – Cabinet Member for Finance, Governance and Performance
- Cllr Fi Hance (Green) – Cabinet Member for City Health and Wellbeing
- Cllr Asher Craig (Lab) – Cabinet Member for Neighbourhoods
- Cllr Claire Hiscott (Con) – Cabinet Member for Education and Skills
- Cllr Helen Holland (Lab) – Cabinet Member for Place
- Cllr Paul Smith (Lab) – Cabinet Member for Homes

The City Council's website www.bristol.gov.uk contains all supporting documents and decisions for formal meetings and lots more about the City Council.

Lead Officer	Title and summary of Decision	Meeting date	Decision taker	Scrutiny Remit
Caroline Twigg caroline.twigg@bristol.gov.uk	<p>International Strategy International strategy outlining strategic priorities for international engagement for the council, and how this links to city priorities and globally-reaching activities of other organisations a cross Bristol.</p> <p>Open</p>	Cabinet 7 Mar 2017	Marvin Rees	Overview and Scrutiny Management Board
Martyn Pursey martyn.pursey@bristol.gov.uk	<p>Alderman Moores – HRA development proposal Cabinet approval required to proceed to develop a procurement strategy and appoint a developer/contractor to construct around 140 new homes, of which around 40% will be new council homes. The project is a funded project within the HRA.</p> <p>Open</p>	Cabinet 7 Mar 2017	Councillor Paul Smith	Neighbourhoods Scrutiny Committee
Sarah Spicer sarah.spicer@bristol.gov.uk	<p>Bristol City Council’s Housing Delivery Plan - NEW Seek approval to adopt and implement Bristol’s Housing Delivery Plan: a new strategic plan to enable the delivery of new homes, with recommendations to implement changes and draw on funding to better facilitate the delivery of the target of 2000 new homes a year – 800 affordable, setting over-arching principles, targets and methods for delivery.</p> <p>Open</p>	Cabinet 7 Mar 2017	Marvin Rees	Neighbourhoods Scrutiny Commission

Lead Officer	Title and summary of Decision	Meeting date	Decision taker	Scrutiny Remit
Nick Hooper Nick.hooper@bristol.gov.uk	Local Housing Company Strategic Business Case Sets out for approval the strategic business case to establish a new Local Housing Company, which will develop new homes in the city Open	Cabinet 7 Mar 2017	Marvin Rees	Neighbourhoods Scrutiny Commission
Paul Sylvester paul.sylvester@bristol.gov.uk	Domestic abuse and Home Choice policy To agree changes to Home Choice policy, following 12 weeks consultation, on how victims of Domestic abuse are prioritised for housing Open	Cabinet 7 Mar 2017	Marvin Rees	Neighbourhoods Scrutiny Commission
Abigail Stratford abigail.stratford@bristol.gov.uk , Emily Price emily.price@bristol.gov.uk	Hengrove Park & Hartcliffe Campus Housing Delivery - NEW Proposal to agree the next steps to delivering housing development at Hengrove Park and Hartcliffe Campus. Part exempt 3	Cabinet 7 Mar 2017	Councillor Paul Smith	Neighbourhoods Scrutiny Commission
Di Robinson di.robinson@bri	Bristol Impact Fund - grants allocation The VCS Grants Prospectus was agreed by Cabinet in August '16	Cabinet 7 Mar 2017	Marvin Rees	Neighbourhoods Scrutiny

Lead Officer	Title and summary of Decision	Meeting date	Decision taker	Scrutiny Remit
stol.gov.uk	<p>as the guiding documents for BCC grant investment from July 2017. The Cabinet Report in March 17 will seek approval of the recommendations for investing the Bristol Impact Fund made by the allocations panel.</p> <p>Open</p>			Commission
Robert Orrett robert.orrett@bristol.gov.uk	<p>Callowhill Court – consolidation of leases - NEW</p> <p>Approval for the Council to merge the existing 26 long lease agreements currently held by Bristol Alliance from the Council, into a single new consolidated lease agreement, on the terms described in this paper, in order to enable the future redevelopment of Callowhill Court; and for the Strategic Director – Place to approve the contract terms.</p> <p>Part exempt 3</p>	Cabinet 7 Mar 2017	Councillor Helen Holland	Place Scrutiny Commission
Robert Orrett robert.orrett@bristol.gov.uk	<p>University of Bristol – Second Campus at Temple Meads East - NEW</p> <p>Approval for the Council to conclude a conditional contract to sell the freehold of about 7 acres (2.83 ha) of land comprising all of the Cattle Market Road site and the part of Arena Island not required for the Arena development; and for the Strategic Director – Place to approve the contract terms.</p>	Cabinet 7 Mar 2017	Marvin Rees	Place Scrutiny Commission

Lead Officer	Title and summary of Decision	Meeting date	Decision taker	Scrutiny Remit
	Part exempt 3			
Denise Murray denise.murray@bristol.gov.uk	Period 9 Budget monitoring report The period 9 finance report may bring forward recommendations to implement remedial action to address the in-year forecast financial deficit and make proposals to change the council's financial strategy and treasury management framework. If any recommendations are key decisions, these will be set out in the clearly within the report Open	Cabinet 7 Mar 2017	Councillor Craig Cheney	Resources Scrutiny Commission
Pete Woodhouse peter.woodhouse@bristol.gov.uk	Supported Bus Services Review - NEW Approval to award the supported bus service contracts in the appendices in accordance with the parameters agreed in the medium term financial plan. Open	Cabinet 7 Mar 2017	Councillor Mark Bradshaw	Place Scrutiny Commission
Tom Rhodes tom.rhodes@bristol.gov.uk	Preventing homelessness accommodation services for homeless families and adults (22+) To approve a commissioning plan for homelessness services, entailing around £5 million annual spend.	Cabinet 16 May 2017	Marvin Rees	People Scrutiny Commission

Lead Officer	Title and summary of Decision	Meeting date	Decision taker	Scrutiny Remit
	Open			
Mareike Schmidt mareike.schmidt@bristol.gov.uk	<p>ELENA programme (total value £140m) Multiple decisions pertaining to the various delivery strands within the ELENA programme have been through various Cabinets (October 2013, January 2014, July 2014 and October 2014) and scheduled for Cabinets in February 2015 and July 2015. The programme is now delivering and a final completion report is expected to come back to Cabinet in December 2016, after the programme close in June 2016 and the subsequent completion /outcome report being written over summer 2016.</p> <p>Open</p>	Cabinet 16 May 2017	Marvin Rees	Place Scrutiny Commission

Overview and Scrutiny Management Board

13th March 2017



Report of: Shahzia Daya, Service Director: Legal and Democratic Services

Title: Scrutiny Work Programme – 2016/17

Ward: City Wide

Officer Presenting Report: Andrea Dell – Service Manager, Democratic Engagement

Contact Telephone Number: 0117 92 22483

Recommendation

The Overview and Scrutiny Management Board (OSMB) are asked to note the Scrutiny work programme attached as appendix A.

Summary

This report provides details of the work programme 2016/17 that was unanimously agreed by the Scrutiny councillors at the work planning workshop on the 9th September 2016.

The significant issues in the report are:

As the parent committee with overall responsibility for scrutiny, the OSMB will regularly receive the programme. The work programme shows details for each Commission;

- Overview and Scrutiny Management Board
- Resources
- Place
- People
- Neighbourhoods.



Policy

1. Under the Local Government Act 2000, Bristol City Council is required to establish an Overview and Scrutiny function.
- 1.1. Councillors from the Overview and Scrutiny Management Board (OSMB) are responsible for agreeing a single Overview and Scrutiny work programme at the start of the Municipal Year

Consultation**Internal**

2. The work programme was discussed and agreed by the Scrutiny Members at the workshop.
- 2.1 The Mayor and Cabinet Members attended the workshop. The Mayor presented a number of priorities areas to be considered for the work programme and the Cabinet Members participated in the discussions.

External

3. The People Scrutiny Commission has the statutory responsibility for health scrutiny and therefore colleagues from the Bristol Clinical Commissioning Group were invited to participate in the workshop discussion.
- 3.1 Items suggested by the Bristol Youth Council (BYC) have been incorporated into the work programme

Context

4. At the Scrutiny workshop on the 9th September 16 Members were presented with a range of potential scrutiny items and a variety of background information. Members discussed and created a work programme, supported by senior officers from each directorate and scrutiny policy advisors.
- 4.1 Scrutiny Chairs can agree necessary changes to individual work programmes when required. All amendments will be recorded and presented to OSMB. OSMB retain overarching responsibility for the work programme.

Proposal

5. The Overview and Scrutiny Management Board (OSMB) are asked to note
 - a) The Scrutiny work programme attached as appendix A
- 5.1 The work programme will be presented to OSMB at regular intervals.

Other Options Considered

6. Not applicable.

Risk Assessment

7. Overview and Scrutiny plays a pivotal role in delivering local accountability. It is therefore essential to ensure there are effective overview and scrutiny arrangements in Bristol which can contribute positively to good governance, as well as potentially increase public confidence and involvement in the democratic process.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to -
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) The Scrutiny function plays an important part in assisting the Council in meeting its public sector equality duties and ensuring that the views of different communities and members of the public are taken into account in the development and delivery of services. Scrutiny work streams need to ensure that assessments of equalities impacts are an integral part of their work both in terms of scoping topics, gathering evidence and formulating recommendations.

Legal and Resource Implications

Legal

9. Legal Services have been involved in the formulation of the strategic priorities that will form

the basis of the work programme. They will continue to be consulted as appropriate.

Financial

(a) Revenue

10. Not applicable

(b) Capital

10.1 Not applicable

Land

11. Not applicable

Personnel

12. Not applicable.

Appendices:

Appendix A – Work programme

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.

People Scrutiny Work Programme Items	Neighbourhoods Scrutiny Work Programme Items	Place Scrutiny Work Programme Items	Business Change & Resources Scrutiny Work Programme Items	Overview & Scrutiny Management Board Work Programme Items
September 2016				
Performance monitoring	Annual Report from Director of Public Health Suggested methodology: Report to meeting (People commission invited to attend)	Local Flood Risk Management Strategy Suggested Methodology: report to meeting	Q1 Finance Monitoring for Business Change	Audit Referral re Public Engagement
Risk Register	Sexual Health Re-procurement (People commission invited to attend)	Residents Parking Schemes	Q1 Performance Report for Business Change	Cabinet Referral re the Elimination of the Gender and Race Pay Gap
BCC Adult Social Care Strategic Plan	Mental Health & Neighbourhoods (already agreed by Chair)	Q1 Performance Report	Business Change Directorate Risk Register	BCC International Strategy (Place)
Children Services Improvement Plan Year 2	Risk Register		Quarterly Update re Outcomes of Legal Cases (will be part of performance report) - TBC	Mayor's Response re Cabinet Referral - Budget Timetable and Mayor's Forward Plan
Bristol's Strategy for Children, Young People and Families & Children and Family Partnership work programme (N'ds Commission invited to attend)	NPs positioning briefing (no paper or dem services deadlines) to determine dates and format of further NP scrutiny through the municipal year			Scrutiny Work Programme - standing item
				Mayor's Forward Plan – standing item
				Scrutiny Resolution and Full Council Motion Tracker – standing item
				Protocol for dealing with exempt items
				Delivering the Corporate Plan – Outturn Performance Report for 2015/16
				Performance Indicators – Agreeing the best approach
				Q1 Financial Monitor

People Scrutiny Work Programme Items	Neighbourhoods Scrutiny Work Programme Items	Place Scrutiny Work Programme Items	Business Change & Resources Scrutiny Work Programme Items	Overview & Scrutiny Management Board Work Programme Items
October 2016				
The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22 (1 of 2)	The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22	The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22	The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22	
Models of Health and Social Care a) Better Care, b) Three tier model (to be preceded by an informal briefing regarding good practice in involving disabled people in service design and evaluation and co-production).	Budget Analysis for Neighbourhoods	Public Transport Information Strategy	Up-date: - Member's ICT Issues	
Re-commissioning Bristol Youth Links	Playing Pitch Strategy	Resilience Strategy		
	Herbicide Safe Alliance			
	Young People's Housing Pathway Plan			
November 2016				
The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22 (2 of 2)	Housing Delivery - positioning update paper	Joint Spatial Plan (WoE Joint Scrutiny)	Business Change Finance Information (extracted from Cabinet Report)	The draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22
Annual Safeguarding Adult's Report	Libraries of the Future – update to Scrutiny	Joint Transport Study (WoE Joint Scrutiny)	In-depth Review: Bristol Workplace Programme (BWP). - To include up-date on Romney House Situation	Mayor's Forward Plan – standing item
Corporate Parenting Panel Annual report	Urban Parishes (information item)	Up-date on previous Transport Inquiry Day Recommendations	BCC Procurement - up-date	Scrutiny Resolution and Full Council Action Tracker – standing item
Annual Safeguarding Children's Report		MetroBus (WoE Joint Scrutiny)		Scrutiny Work Programme - to approve the outcomes from the workshop
Bristol as City of Sanctuary and Supporting refugees and asylum		Supported Bus Services		Democratic Engagement

People Scrutiny Work Programme Items	Neighbourhoods Scrutiny Work Programme Items	Place Scrutiny Work Programme Items	Business Change & Resources Scrutiny Work Programme Items	Overview & Scrutiny Management Board Work Programme Items
seekers, including unaccompanied minors / care leavers				
Home Care update		Cabinet Member Q&A Session		Preparing for Future Devolution Deals
23rd Nov - Meeting in common with South Gloucestershire Health Scrutiny Committee to receive an update on the University Hospitals Bristol response to the Verita Independent Report.				
December 2016				
Briefing workshop (ahead of Feb Inquiry Day) School places and admissions, to include information on exclusions and the Integrated Education and Capital Strategy (All Councillors invited to attend)	**No Neighbourhoods meeting in December**	Q2 Performance Monitoring	Business Change Finance Information (extracted from Cabinet Report) - to include ICT Spending Pressure	Budget Scrutiny
		Directorate Risk Register	Q2 Performance Report for Business Change. To include - Quarterly Update of Outcomes of Legal Cases	Democratic Engagement Select Committee Terms of Reference
1st December – Meeting in common with South Gloucestershire Health Scrutiny Committee and North Somerset Health Committee: Bristol, North Somerset and South Gloucestershire Sustainability and Transformation Plan (STP) (Neighbourhoods Scrutiny Councillors invited to attend)		Update on the Council's property portfolio	Debt Collection – what is/isn't being collected	Mayor's Forward Plan – standing item
		Cabinet Member for Place - Q&A Session		Scrutiny Work Programme - standing item
		Place Financial Monitoring -		Scrutiny Resolution and Full

People Scrutiny Work Programme Items	Neighbourhoods Scrutiny Work Programme Items	Place Scrutiny Work Programme Items	Business Change & Resources Scrutiny Work Programme Items	Overview & Scrutiny Management Board Work Programme Items
		Period 6 (extracted from Cabinet Report)		Council Action Tracker – standing item
January 2017 – Note two OSM Meetings (5th and 19th)				
Update on the Crisis Line	Neighbourhood Partnerships	<i>Meeting Cancelled</i>	<i>Meeting Cancelled</i>	5 th Jan - Companies' Business Plans (to include exempt information)
Annual Education Performance – All Key Stages	Review of the Housing Revenue Account Business Plan			19 th Jan - Budget Scrutiny – to consider and endorse the draft response to Cabinet
Performance monitoring Q2	Voluntary and Community Sector			
Commissioning approach	Supermarkets dealing with waste - update on current position			
Page 144	Finance Update (to include the context of Actions and Objectives set out for Neighbourhoods in the Corporate Strategy and Business Plan)			
	Performance Information - Q2			

February 2017				
3rd Feb – Inquiry Day School place planning and school admission arrangements (all Cllrs invited to attend)	Review of Parks - positioning statement	Air Quality (N'ds SC invited to attend)	Business Change Finance Information (P8 extracted from Cabinet Report) - to include ICT Spending Pressure	Elimination of the Gender and Race Pay Gap
27th Feb Meeting in common with South Gloucestershire Health Scrutiny Committee to receive an update on the University Hospitals Bristol response to the Independent Review of Children's Cardiac Services in Bristol and a Review of pre-	Local Housing Company Strategic Business Case	Cultural Strategy - Plus up-date on the Dec 15 Culture Inquiry Day Recommendations	Procurement & Social Value Policy – Up-date	Feedback Regarding Budget Process

operative, perioperative and postoperative care in cardiac surgical services.				
	Housing Delivery Plan	Cabinet Member Q&A Session (Cllr Tincknell)	Channel Shift	Scrutiny Structures and Ways of Working
	Budget Issues (to include an assessment of the impact of budget decisions on Neighbourhoods)	Community Assets - Overview		Scrutiny Resolution and Full Council Action Tracker – standing item
	Bristol Waste Company			Inquiry Day Recommendation Tracker
				Scrutiny Work Programme - standing item
				Mayor's Forward Plan – standing item

March 2017

Performance monitoring Q3	Performance Information - Q3	Climate Change and Energy Security Framework	Resources Finance Information (extracted from Cabinet Report) - to include ICT Spending Pressure	Independent Review of Green Capital
Risk Register	Risk Register	Energy Services	Q3 Performance Report for Resources – Quarterly Update re Outcomes of Legal Cases	Independent Review into the Council's Financial Position
Mental health working group action plan updated (Neighbourhoods Scrutiny Cllrs invited to attend)	Finance Update	Warm Up Bristol	Resources Directorate Risk Register	Financial Monitors – P8 and P9
Plans for improving the experience that people and organisations have of S136 of the Mental Health Act (previously titled the use of Police custody as a place of safety)	Local Council Tax Reduction Scheme	ELENA Programme Update	Legal Services – Business Model (TBC)	Process for Dealing with Exempt Material
<i>Home Care Update – written</i>	MUGA at Manor Farm – Briefing	Heat Networks	Capturing Commercialisation	Mayor's Forward Plan – standing

<i>update for information</i>				item
	Neighbourhood Partnerships	Performance Monitoring	Change Governance and Support	Scrutiny Work Programme - standing item
			Business Rate Retention	Minutes and action sheets from meetings December 16 to February 17 – <i>note unavailable at previous meetings due to time constraints</i>
<p>New meeting date required for a joint meeting with the Neighbourhoods Scrutiny Commission:</p> <ul style="list-style-type: none"> The Health and Wellbeing Board work programme (to be presented by the Chairs of the Board) Introduction to the Mental Health and Wellbeing Strategy, to include an update on the Mental Health Summit and the Freedom of Mind festival (Young People's Mental Health) 				Scrutiny Structures and New Ways of Working – Hot House Proposal
				Decision Pathway
April 2017				
Joint Health Scrutiny Committee – Sustainability and Transformation Plan	Parks	Joint Spatial Plan <i>Suggested methodology: report to meeting (WoE Joint scrutiny)</i>	Capital Programme	Financial Monitor
	Tree Services	Joint Transport Study <i>Suggested methodology: report to meeting (WoE Joint scrutiny)</i>		Future of Performance Reporting
	Trial of Glyphosate -Free Weed Treatment - Report back	Colston Hall		Annual Performance Report (note – provisional item)
		Arena Update (WoE JS also looking at this)		Update from the Devo Working Group
		North Fringe and Cribbs Patchway New Neighbourhood		Scrutiny Structures and New Ways of Working

May 2017

- 2 x May meetings;
- 1 x meeting in common with South Gloucestershire Health Scrutiny Committee
 - 1 x People Scrutiny Committee

Meeting in common (with South Gloucestershire Health Scrutiny Committee)
 - Health Providers - Quality Account reports
 - Other health updates
 (Members to highlight required information)

Education themed meeting
 Learning City Board Work programme

Visit to the Bottle Yard Studios and Filwood Green Business Park (TBC)

Update on the Employment and Skills strategy (to include information on work experience)

SENCO responsibilities, SEND reforms and High Needs funding – the impact on pupils and their learning

Alternative Learning update report (including information on exclusions)

Briefing note - Update on work related to Bristol as City of Sanctuary and Supporting refugees and asylum seekers, including unaccompanied minors / care leavers

June 2017

Targeted Youth Services Plan - update following consultation	Performance Information - Q4			Financial Monitor
Children Services Improvement Plan Year 2	Risk Register			
Youth Offending Team update (to include information about CYP in Gangs)	Finance Update			
Bristol Community Links – update following consultation				
Family Hubs (Early Help and Children’s Centres) - update following consultation				
Items to be scheduled				
Further scrutiny of the Sustainability and Transformation Plan (STP)	Provisional - TBC by Strategic Director - Briefing on Information, Advice and Guidance Review	Long Ashton Park and Ride - Management	Income Generation - review of outcomes following KPMG review	<i>Provisional item</i> – Update (s) from the Future of Devolution Working Group
Update on Children Centre’s	VCS	Property Item/s Postponed (December) <ul style="list-style-type: none"> - Revenue Generation and Asset Sales - BCC’s strategic principles for management of its investment property 	Change Programme (ICT Projects/benefits realisation) (TBC if rescheduled)	<i>Provisional item</i> – Update (s) from the Democratic Engagement Select Committee
Jan / Feb 2018 - Meeting in common with South Gloucestershire Health Scrutiny Committee to receive a one year update on the University Hospitals Bristol response to the Independent Review of Children's Cardiac Services in Bristol and a Review of pre-operative, perioperative and postoperative care in cardiac surgical services.	Libraries	Bristol Transport Plan		Outcome of the external review of elections (note – report may also be shared with the Democratic Engagement Select Committee)

<i>Update visit prior to this also to be arranged.</i>				
		City Centre Movement Strategy and City Centre North East Spatial Framework		Green Capital – Maintaining the Momentum (<i>suggested date summer 2017</i>)
		MetroWest (WoE Joint Scrutiny)		Inquiry Day Outcomes – update reports to come back to OSM with a view to being referred onto the Mayor
				Budget Setting Timeline 2017/18
				Update Regarding the Elimination of Gender and Race Pay Inequalities (<i>suggested date summer 2017</i>)

Overview and Scrutiny Management Board
13th March 2017



Report of: Shahzia Daya, Service Director, Legal and Democratic Services

Title: The New Decision Pathway

Ward: City Wide

Officer Presenting Report: Kevin Slocombe, Head of Mayor's Office and Andrea Dell, Service Manager, Democratic Engagement

Contact Telephone Number: 0117 9222483

Recommendation

That Members consider and comment on the revised Decision Pathway.

Summary

The Decision Pathway has been designed to help determine the route of ideas/proposals/reports to ensure they are shared across the organisation with the Mayor, Councillors and officers prior to decision or approval to proceed.



Context

The Decision Pathway has recently been revised following a request from Mayor Rees that the role of elected Members be strengthened in decision-making processes.

The pathway is based on the following principles;

- Members are at the heart of decision making
- The Mayor is the owner of when/where decisions are taken
- There is early engagement
- The focus is on citizens and the city not just the council
- Information is accessible
- There is an options appraisal
- Unless business-as-usual, a statutory requirement, urgent or already in train with the Mayor and Cabinet, all work going forward is considered as a new idea

Key Stages

The key stages of the pathway can be summarised as follows;

- Option Generation – where ideas/proposals are received from officers, Councillors etc.
- Debate & Development – where options are developed via consultation with relevant stakeholders
- Officer Assessment – where officers technically assess options (e.g. detailed costs, legal, deliverability etc.) and make recommendations to members
- Briefing & Evaluation – where Members & officers finalise their recommendations to the Mayor
- Public notification & decision – where the Mayor approves the recommendation and it is placed upon the Forward Plan for decision making & implementation

Role of Scrutiny

The role of Members has been strengthened in the new Decision Pathway as there is now an expectation that Scrutiny be involved very early on in the process both through generating and submitting ideas, but also by getting the opportunity to have early sight of decisions when they are in their formative stages. As per previous iterations of the Decision Pathway, Members are also able to consider and comment on ideas or decisions when they have been fully formed and are nearing the end of the process. The opportunities for Scrutiny to engage with the decision pathway are shown on the diagram at appendix A. Also attached, for information purposes, is the previous iteration of the Pathway (please see appendix B)

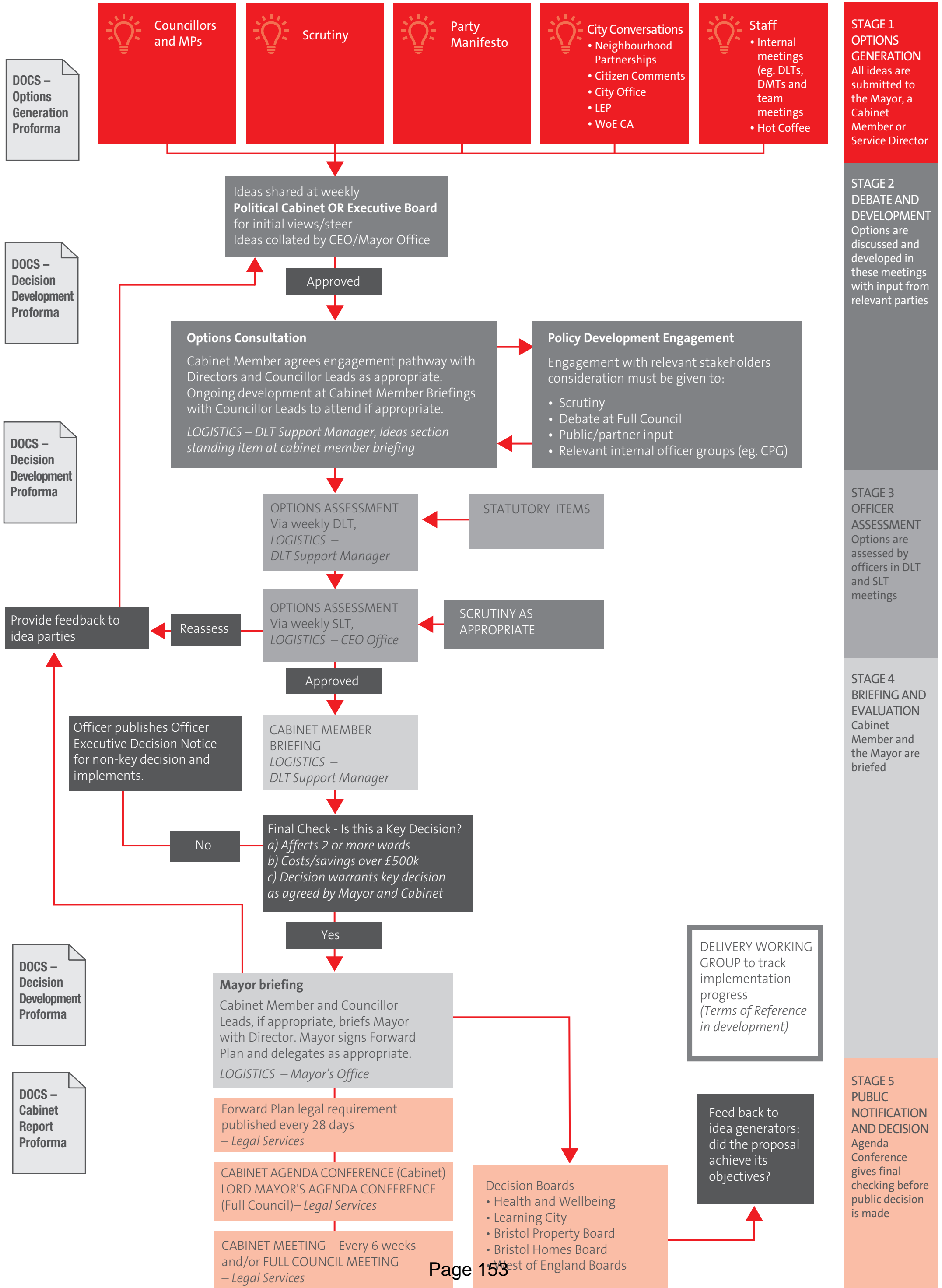
Appendix A – New Decision Pathway

Appendix B – Former Decision Pathway (for information purposes)

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Background Papers: None.

Decision Pathway v10



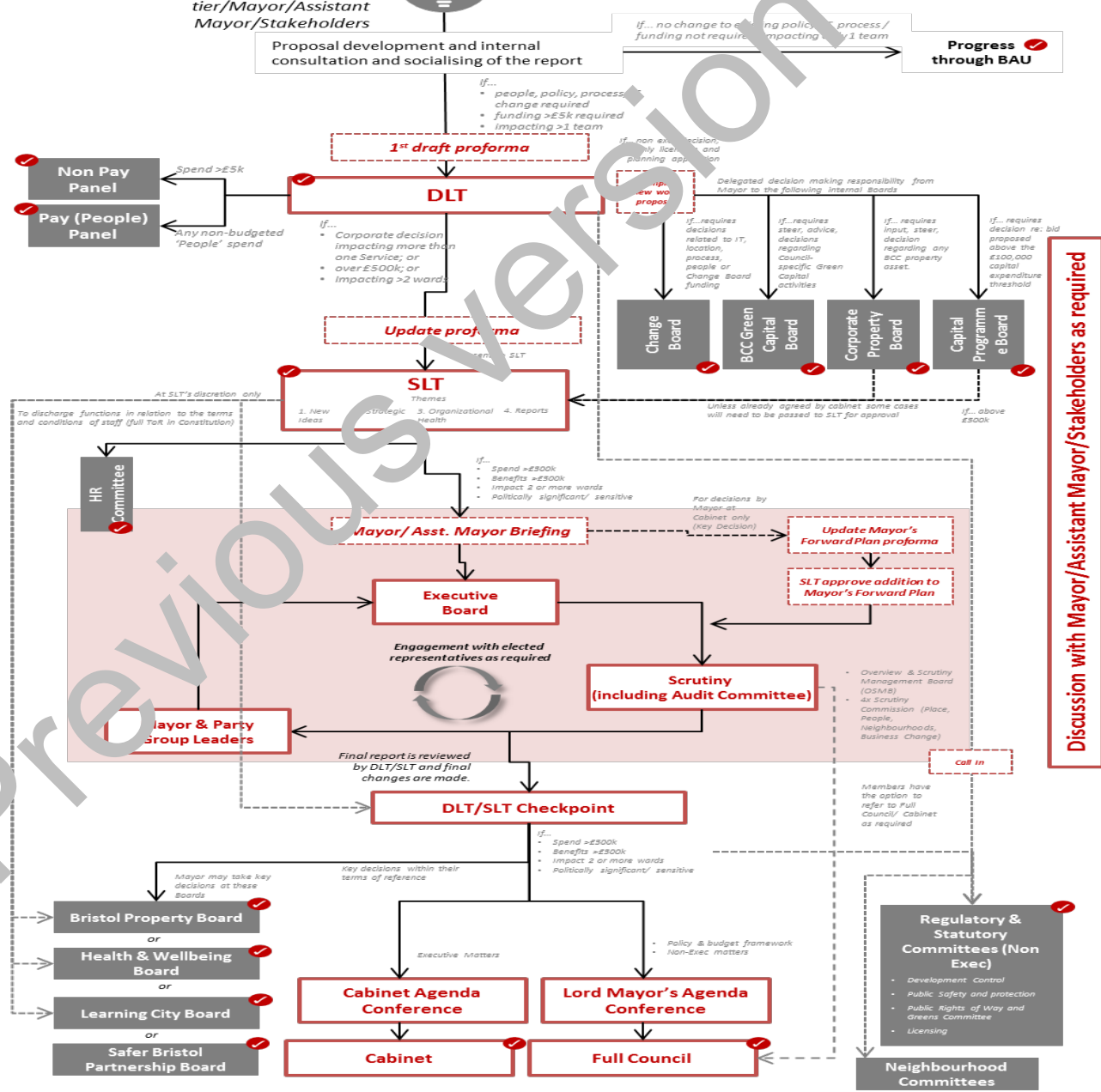


- Introduction
- Governance Structure
- Decision Pathway**
- Key Contacts
- Frequency and description of all key meetings

Decision Pathway

New idea
Officer discusses idea/proposal/decision with 3rd tier/Mayor/Assistant Mayor/Stakeholders

Aim – To Enhance transparent and efficient decision-making across BCC



Discussion with Mayor/Assistant Mayor/Stakeholders as required

Overview and Scrutiny Management Board 13th March 2017



Report of: Andrea Dell, Statutory Scrutiny Officer

Title: Scrutiny Structures and New Ways of Working – Hothouse Proposal

Ward: City Wide

Officer Presenting Report: Andrea Dell, Statutory Scrutiny Officer

Contact Telephone Number: 0117 9222483

Recommendation

At the Overview and Scrutiny Management Board (OSMB) meeting on 9th February, Members agreed that the current Scrutiny structure and ways of working required review and requested that the . It was agreed that the Hothouse approach be used for carrying out this review supported by external technical experts.

This papers sets out the broad proposals for taking this forward in March and April 2017 in order to agree a new structure for Scrutiny and new ways of working to be implemented at the start of the 17/18 Municipal Year.

Members are asked to review the proposed recommendations and agree the overarching approach.

Background;

OSMB Members, at the meeting on 9th February 2017, Members considered a report regarding ‘Scrutiny Structures and Ways of Working’ which suggested that a review be conducted to ensure Scrutiny continues to operate in the most effective way. The report can be found here:

[Scrutiny Structures and New Ways of Working](#)

The following key points were highlighted;

- The Scrutiny Structures report was published before the release of the Bundred report into financial management at Bristol City Council which made a number of references to scrutiny and members involvement in decision making.
- Consideration should therefore be given to the Bundred Financial report in informing the review of scrutiny
- All members were in agreement that the current ways of working were not delivering outcome based scrutiny or the most efficient way of carrying out scrutiny activity and that a review was required
- Members had a wide range of differing views about how best to deliver scrutiny in the future and that facilitation would be required to reach a collective viewpoint and that external technical experts should be engaged with this process.
- It was agreed that Scrutiny would use the hothouse process, which is a technique for developing and agreeing solutions to difficult issues.

Definition of the Hothouse Approach

A hothouse is an agile innovation process that is designed to solve complex challenges in a reduced timescale. It works by bringing stakeholders together to identify the overarching question that needs to be resolved, then addressing key elements via a series of intensive ‘sprints.’ The aim of the session is to ensure that by the end, all issues will have been worked through and attendees will have reached a consensus about the best way forward.

Proposed Programme of Activity

The following programme for conducting the review is proposed

Workshop 1 - What do we want to achieve from Scrutiny for the citizens of Bristol?

- The role of Scrutiny and the role of Councillors in Scrutiny - lead by external facilitators (LGA/CfPS)
- Examples of best practice and different ways of working in Scrutiny - lead by external facilitators (LGA / CfPS / officers and members from other local authorities
- What are the outcomes Bristol Scrutiny wants to achieve for the citizens of Bristol?

HOTHOUSE: How can we achieve the maximum benefit for the citizens of Bristol in Scrutiny with the resources we have available?

- Hot house to bring together members of Scrutiny, Scrutiny team and all other interested stakeholders

- It is anticipated that this may require two sessions to develop the necessary outcomes

Workshop 2 – Bristol’s proposed new scrutiny offer

- Members to relay the proposals for the structure and ways of working to the external facilitators from workshop 1.

Timing

The Bundred Financial report is on the agenda for the 13th March OSMB meeting. It is proposed that the workshops from scrutiny take place swiftly after this and before the end of April so that the outcomes can be implemented in time for the new municipal year. This would allow for any changes to the Constitution to be fed into the Constitutional Working Group.

- Workshop 1 – propose week commencing 20th March
- Hothouse – proposed week commencing 27th March and week commencing 3rd April
- Workshop 2 – proposed week commencing 10th April

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Background Papers: None.

Overview and Scrutiny Management Board

13th March 2016



Report of: Zoe Willcox, Service Director Planning

Title: Review of European Green Capital 2015

Ward: Citywide

Officer Presenting Report: Alex Minshull, City Innovation, Sustainability and Civil Protection Service Manager

Contact Telephone Number: 0117 922 4453

Recommendation

The Overview and Scrutiny Management Board are asked to note two Reviews of Bristol's year as European Green Capital:

1. "The Story of Bristol's Green Capital Year" produced by Bristol 2015 Ltd – Document 1
2. "Review of Bristol 2015 European Green Capital Year" an independent report to Bristol City Council – Document 2

Summary

Bristol's aspiration to be a green capital was first set out in 2003 in the Bristol Community Strategy: "Bristol; a green capital in Europe – creating sustainable communities and improving the quality of life".



Bristol was awarded the title of European Green Capital 2015, in recognition of the successful improvements to the environment of the city. As part of this a programme of events and activities was run throughout 2015. Document 1 presents the activities of the year. It was produced by Bristol 2015 Ltd and published spring 2016.

In May 2016, Bristol's incoming Mayor, Marvin Rees, promised an independent review of the city's year as European Green Capital to learn from its experience. This report was published in December 2016. This is Document 2.

Links to the documents are provided and the summary from the independent report (document 2) is included in the body of this report.

Bristol is well placed to continue to improve quality of life in the city and realising the City Council's aspirations, such as the goal for the city to be entirely run on clean energy by 2050.

Bristol 2015 Story of the Year

1. Bristol 2015 Ltd produced a review of report of the activities of the year. This was part of their contract with Bristol City Council and in turn met the Council's obligations to the European Commission for reporting on the year.
2. The report is available on-line at:
<https://www.bristol2015.co.uk/citywide-review/> or
<http://bristol-review.s3-website-eu-west-1.amazonaws.com/#p=1>
3. Much of the data included in that report was reported to Overview and Scrutiny Board on 2nd March 2016.
https://democracy.bristol.gov.uk/Data/Overview%20&%20Scrutiny%20Management%20Board/201603021800/Agenda/0302_9.pdf

Independent Review of Bristol 2015 European Green Capital Year

4. The independent review was undertaken by Steve Bundred, of the Local Government Association. It was published on 21st December 2016.
5. The full report with appendices is available on line at:
<https://www.bristol.gov.uk/bristol-green-capital>.
6. The following text is the summary of that report, written in the first person by Mr Bundred.

Summary

i. On 14 June 2013 the European Commission (EC) awarded Bristol the status of European Green Capital 2015. This status did not come with a grant from the Commission but there was an undertaking by the City Council to contribute £1m towards the cost of developing a programme of specific projects to mark the award and to assist in raising funds from other sources, including the private sector. In the event, a cash total of £10.3m was raised, including the council contribution, albeit £8.5m of this total came from publicly funded bodies. A number of private sector partners also entered into contractual commitments to deliver £2.3m of contributions in kind, bringing the total to £12.6m. There was in addition considerable voluntary effort in support of the core programme.

ii. I was appointed in October 2016 by Bristol City Council (BCC) to undertake a review of aspects of the delivery of Bristol's European Green Capital 2015 programme. I have been assisted throughout by officers of the Local Government Association and have received full co-operation from past and present officers and members of Bristol City Council, the Board of Bristol 2015 Ltd and its private and voluntary sector partners engaged in the delivery of the programme. I am grateful to all concerned for their support. The evidence base on which I have reached my conclusions, including the names of those I have interviewed, is set out in Appendix A. However, this is my report and others bear no responsibility for its conclusions.

iii. The terms of reference for my review are set out in Appendix B. They did not require me to examine any financial transactions of Bristol 2015 Ltd (the Company) which was chosen as the delivery vehicle for the programme, or of the City Council. It is important to emphasise that my review was not prompted by any concern about such transactions. All relevant questions in this regard were resolved by the Council prior to my appointment. Instead the focus of my review has been on learning from successes.

iv. I have nevertheless felt it necessary to comment on a few aspects of the year which did not go as well as they might have done. Some elements of both the governance and specifics of the programme gave rise to adverse public comment and political controversy both during the year and afterwards, provoking hurt and disappointment among those feeling unjustly criticised and leaving others to feel their legitimate concerns were not properly dealt with. I believe that the best interests of the city now require a clear line to be drawn under these issues.

v. In summary, I have concluded as follows:

a. Against any measures, and especially by reference to its original objectives, the programme was an undoubted success. Complex and often creative events were delivered as planned. Many people participated. The management of individual projects and of the programme as a

whole was well organised. Funders were satisfied. The European Commission was pleased with the outcome. And the profile and reputation of the city were greatly enhanced.

b. The original objectives of the Green Capital programme, as evidenced in the bid approved by the European Commission, were not specific. The Commission's emphasis was on knowledge transfer across the European Union (EU), while the Council's focus was on promoting inward investment in the City for economic development purposes. I acknowledge the obvious suitability of the bid for European Green Capital status, as evidenced by its success, but consider that it would have been preferable for the City Council, in whose name the bid was submitted, to be clearer about its objectives at the outset and to have thought about these in broader terms.

c. Reflecting the experience of previous winners of the award, the programme was originally conceived as being modest. But, for very laudable reasons, it became more ambitious at a late stage. This had significant consequences. Most notably it meant that the contents of the programme were mainly driven by the willingness of others to fund specific projects rather than an objective assessment of the needs of the city.

d. It also meant that insufficient thought had been given to the resources and skill mix that would be needed within BCC to support the programme. For future initiatives of this kind there should be early consideration of the pressures they will impose on Council staff and the additional support that will be required.

e. Partnership working with the private sector is not straightforward. Before embarking on other projects of this kind, BCC needs to develop a more sophisticated understanding of the benefits its partners expect to gain from their involvement and the requirements or conflicts this may create.

f. In future, there also needs to be more thought given to the engagement of partners on an on-going basis and the wider implications of diverting existing resources to provide support for major new projects.

g. Although there were existing partnerships in place at the time Bristol was awarded the title of European Green Capital 2015, once the planned programme had become more ambitious the decision to create Bristol 2015 Ltd as an arms-length company tasked with delivering it was right. It reflected good practice and experience drawn from elsewhere. It also had a Board that was representative of key public, private and voluntary sector partners.

h. The Company did an excellent job in plugging gaps created by the initial lack of specific objectives and insufficient consideration by the Council of planned legacy deliverables or the way in which they would be assessed. However, in future the Council should take greater responsibility for these matters so that the brief to the delivery vehicle is less open to interpretation.

i. Bristol 2015 Ltd fully accepted and complied with its responsibility to account for the use of public funds, but considered it unnecessary to go beyond this when faced with requests for additional information to be made public.

j. The nature of the additional accountability demands that Bristol 2015 Ltd would be subject to, despite its arms-length status, was foreseeable and should have been made clearer to all concerned at an earlier stage. For future arrangements of this kind the letter of appointment of company directors should specify their responsibilities in this respect.

k. The mechanisms put in place by BCC to ensure proper oversight and accountability of Bristol 2015 Ltd were proportionate and robust. They were in line with what I would have expected to see and have been endorsed by the Comptroller and Auditor General (C&AG).

l. The elected Mayor was a director of the Company, but not a Council appointee. In my view, few people would be able to distinguish between the Mayor's public and private roles in serving on the Board of a company created by the Council, to which he had originally been appointed by the Council as Chair, receiving most of its income from the Council and contracting with it to fulfill a public purpose. In future, if the Mayor is to serve on the Board of a similar body there must be greater clarity about his role.

m. The Mayor's membership of the Board had both advantages and disadvantages. In my view, the former outweigh the latter but this is a finely balanced judgement. For the future more careful consideration should be given to these issues.

n. The same careful consideration should be given to the role of the Council's chief executive to avoid any perceived or actual conflict of interest, although in agreeing to the appointment of the then City Director as chief executive of the Company, the Council did take legal advice and acted upon it.

o. There was, and often still is, some confusion about the extent to which private companies in receipt of public funds may be subject to the provisions of the Freedom of Information Act 2000 (FOI). In future, arms-length company directors should be made aware of guidance from the Office of the Information Commissioner (OIC) on this matter, issued in July 2015, and should be encouraged to draw it to the attention of partners and suppliers. Where there is legitimate room for doubt about the applicability of FOI, the Council and its arms-length bodies should adopt a presumption in favour of transparency. I believe the avoidance of FOI responsibilities can never be a legitimate objective of a public body.

p. The stance taken by both the Council and the Company in responding to FOI and similar requests for greater transparency unwittingly created suspicions that there was something to hide. In truth, these suspicions were wholly unfounded, as the Council has subsequently established.

q. Earlier and more detailed planning by the Council might have enabled elements of the programme to be more representative of Bristol's diversity and more inclusive of disadvantaged groups, but as the programme was largely driven by funders this is far from certain.

r. Moreover, initial planning was driven by the EC's focus on knowledge transfer and the Council's emphasis on economic development. Inclusivity became an objective of the programme but was initially confused with empowerment and was an underlying consideration rather than a principal driver.

s. Despite this, both the Council and the Company acknowledged the need to promote inclusivity. This was reflected in the composition of the Board and the approach taken to delivery of the programme, especially in relation to matters such as the education programme and the award of grants to small businesses and community groups.

t. The factors that give rise to exclusion are complex and inter-linked. The Council should give thought and devote more resources on an ongoing basis to, for example, addressing the barriers that prevent members of excluded groups from attending meetings or engaging with civic life in other ways. This requires a paradigm shift within BCC.

u. Some opportunities were missed to engage minority communities and disadvantaged groups to a greater extent. This has also been accepted by both BCC and the Company Board. But the programme was nevertheless far more inclusive than some of its critics have acknowledged. Many elements of it were uniquely imaginative and long-lasting.

v. The task of assessing the legacy of such programmes is inherently difficult, but was made more so by insufficient thought having been given to this at a very early stage within BCC. For

similar future initiatives an attempt should be made by the Council to produce a formal assessment of the baseline from which progress might be measured and a plan prepared on how legacy impacts will be captured and reported.

w. Nevertheless, there will be a formal assessment of the legacy at a later stage as there is a contractual commitment to produce a five year assessment report.

x. This will show that in practice considerable thought was given to ensuring that supported projects would have continuing benefits. There is therefore much evidence of a positive legacy for the Council and the city from what was in general a very successful, popular and rewarding European Green Capital year.

vi. In conclusion, I would like to thank Mayor Marvin Rees and Bristol City Council for inviting me to undertake this review. I would also like to offer my own congratulations to Bristol City Council, Bristol 2015 Ltd and all those directly concerned in its delivery for the success of Bristol's European Green Capital 2015 programme. Bristol has made a huge contribution over many years to advancing understanding and concern about environmental matters within the UK and beyond. I hope this continues to be the case for many years to come.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.

Overview and Scrutiny Management Board 13th March 2017



Report of:	Andrea Dell, Statutory Scrutiny Officer
Title:	Independent Review of Bristol City Council's Financial Deficit in 2016/17
Ward:	City Wide
Officer Presenting Report:	Anna Klonowski, Chief Executive and Denise Murray, Section 151 Officer
Contact Telephone Number:	0117 9222483

Recommendation

That Members consider and comment on the attached Independent Review of Bristol City Council's Financial Deficit in 2016/17.

Background

In 2016/17 Bristol City Council needed to make additional savings of around £30m. Following his election in May 2016, Mayor Marvin Rees commissioned an independent report to understand how the council had arrived at this position and to make recommendations of moving forward.

Summary of Findings

The report finds that the underlying financial pressures were not of the council's own making. Mr Bundred cites large cuts to government grant income, legislative changes and the increasing cost and unavoidable demand for council services.

The report also says that there has been a collective failure of leadership in achieving past savings and in how the council managed the process. It notes that many improvements have been made in the past six months and that people can be confident in the council's proposed budget plans for 2017/18, but highlights a number of serious issues.

It acknowledges that the council has more recently taken many steps to put things right, with regular and stronger financial reporting, more involvement of elected members and changes in senior management. This includes recruiting a new permanent Director of Finance and making them a full member of the council's Senior Leadership Team.

Mr Bundred's report concludes with 12 formal recommendations across a broad range of topics. They include strengthening the council's Finance department, improving the council's approach to writing reports and business cases, managing documents and making specific departments accountable for savings.

Also listed are the need to improve management culture over the next three to five years, keep backbench and opposition councillors better informed, and maintain more frequent financial reporting to Cabinet, something which has been a regular feature during the past financial year.

Next Steps

The Mayor has welcomed the report and confirmed that all of Mr Bundred's recommendations will be acted upon. He has also requested that the Local Government Association undertake a further review in order to increase understanding about how the overspend happened and identify any additional actions that may be necessary to safeguard against similar issues in the future.

The Council's Section 151 Officer is leading on the council's response to the report which will incorporate the actions from the follow-up review.

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Background Papers: None.

Appendix A – Independent Review of Bristol City Council's Financial Deficit in 2016/17 – Executive Summary

Appendix B - Independent Review of Bristol City Council's Financial Deficit in 2016/17 – Main Report

Report to Bristol City Council:

Review of 2016/17

Forecast Budget Deficit

Executive Summary

Issued by
Steve Bundred
9 February 2017

Report to Bristol City Council

Review of 2016/17 Forecasted Deficit

Executive Summary

- a. Following the Mayoral and Council elections in May 2016, analysis of the Council's 2015/16 outturn and routine financial monitoring at the end of month 3 (June) in the 2016/17 financial year indicated that Bristol City Council (BCC) was facing a budget deficit of £29.1m. This was reported formally to Cabinet on 6 September 2016 and I was appointed in October 2016 to undertake an independent review of the causes and to make recommendations for improvement in financial management and reporting to promote better transparency and accountability. The Terms of Reference of my Review are set out in Appendix A. They emphasise as part of the context a significant turnover of senior officers within the Council over recent years.
- b. My review has taken the form of an examination of documents and interviews with key personnel. I have been assisted throughout by officers of the Local Government Association and have received full co-operation from officers, the Mayor and members of Bristol City Council and consultants appointed to assist it. I am grateful to all concerned for their support. My review has however been handicapped by the fact that many of those holding key positions during the period it has been necessary for me to examine have since left the Council and have therefore been unavailable for interview.
- c. This is my report and others bear no responsibility for its findings and recommendations.
- d. My Terms of Reference required me to focus on ten key areas listed as the bullet points in Appendix A. In essence, these instructed me to report and comment on the following issues:
 - Change Programme Reporting
 - Review and Understanding of Delivery Risks and Implementation Plans
 - Cost Drivers and Reasons for Spending Pressures
 - Business Cases and Assumptions Supporting the Change Programme
 - Budget Review Processes
 - Foreseeability of 2015/16 and 2016/17 Budget Problems
 - Mitigation of 2015/16 Budget Pressures
 - First Quarter Mitigation of 2016/17 Budget Pressures
 - The Voluntary Severance Programme
 - Improving Reporting and Transparency
- e. The Change Programme referred to was the bringing together of organisational development activity dating back to 2012 and was aimed at securing significant cost savings. I have structured my report by dealing in turn with each of the issues itemised in the bullet points at paragraph d. This has necessarily involved some repetition, for which I apologise. But I also consider that my review has raised important wider issues concerning the management culture within the Council and the quality, role and status of the Council's Finance function which I have addressed in an additional Key Messages section.
- f. In summary, I have concluded as follows:
 - (1). The underlying financial pressures facing Bristol City Council in the early part of 2016/17 were not of the Council's own making. They arose from a combination of large reductions in Government grant income, legislative changes, cost increases especially in relation to the provision of adult social care, and unavoidable additional demand for Council services.
 - (2). These pressures were similar to those facing most, if not all, large local authorities in

- England and were well documented in reports to the Mayor and BCC Members.
- (3). But Bristol did not address these problems early enough or with sufficient rigour.
 - (4). The Council's Medium Term Financial Strategy in 2014/15 provided for three different savings streams. Together they were intended to deliver recurring savings of £112m by the end of 2016/17 but fell short of this ambition.
 - (5). By far the largest element of the planned savings was the Single Change Programme designed to secure £64m in savings over a three year period. It failed to do so.
 - (6). The detailed Business Case for the Change Programme appears to have been written some months after it began and is flawed in important respects. It cannot properly be described as a Business Case. Moreover, I have been unable to ascertain which if any Members saw it.
 - (7). The governance arrangements in respect of the Change Programme had many positive features but its strengths were outweighed by its weakness. For example:
 - The size of the Change Board responsible for overseeing the Programme, with over 30 members, was far too large.
 - The absence of any central role for the Finance directorate meant that
 - o financial information presented to the Change Board could not be relied upon;
 - o budget monitoring reports to Cabinet were presented on a different basis to Change Programme updates; and
 - o the Change Board was wholly disconnected from the Council's budget preparation process.
 - It would have been helpful for periodic independent review of claimed savings to have been built into the governance arrangements from an early stage.
 - (8). The Change Programme was primarily managed as an organisational development programme with a stronger focus on the delivery of projects than on the realisation of savings.
 - (9). There were business plans for specific savings initiatives and these were considered by the Change Board but they varied in quality, were often stated only at a very high level and were not consistent in the depth of analysis and detail underpinning them.
 - (10). Reporting on the performance of the Change Programme, both internally to the Change Board and formally to the Mayor and elected council Members, was inadequate in important respects. For example:
 - Reported savings were not reconciled with information derived from the Council's financial systems;
 - Reports were mostly lacking in analysis or advice, and often difficult to follow; and
 - Reports did not properly explain delivery risks or accurately reflect performance.
 - (11). Reports on the progress of the Change Programme were consistently over-optimistic throughout 2014 and 2015, even in the face of contrary knowledge within the Council, to the extent that Members were undoubtedly misled.
 - (12). The Mayor and BCC Members were not alerted to the significance of key information contained within the reports presented to them, including the implications of the likely non-delivery of planned savings being rated as amber or red.
 - (13). Senior officers did not understand the implications of slippage in the delivery of the Change Programme and seemed unaware of key assumptions within the budgets which authorised them to incur expenditure.

- (14). Business plans presented to the Change Board and to Cabinet seeking authority to incur expenditure on saving initiatives were seldom accompanied by implementation plans. In most cases, no such plans existed or were lacking in substance.
- (15). Monitoring of the investment on savings projects was not robust and expenditure has been under-estimated in corporate reports. It is currently believed that £33.5m provided centrally to fund Change Programme initiatives will be overspent by £3.4m, despite £14.1m of redundancy costs having been met from other central reserves.
- (16). There was a lack of transparency over how this expenditure was reflected in budget reports.
- (17). There was no prioritisation of how funds made available for investment in savings programmes should be allocated.
- (18). The risk of double counting of savings that might be attributed to more than one project was not acknowledged or dealt with until a late stage.
- (19). Officers consistently misjudged the complexity of delivery of savings initiatives, and hence the risks associated with agreed Change Programme savings, and failed to revisit the original business case when these risks materialised.
- (20). There is a distinction to be drawn between savings being managed by Directorates and those being managed centrally as part of the Change Programme. Planned savings allocated to Directorates were mostly, but not in all cases, delivered. Where responsibilities were clear they were taken seriously.
- (21). Failure to deliver planned savings in 2014/15 and 2015/16 exacerbated the pressure on the Council's 2016/17 budget.
- (22). The outturn for both 2014/15 and 2015/16 was balanced only as a result of non-recurring savings. In both years, the most important of these was a saving in capital financing costs, mainly resulting from a large underspend on the capital budget.
- (23). The actions taken in the latter part of 2015/16 and the first quarter of 2016/17 to mitigate budget pressures were largely panic measures. There were no delivery plans for these measures which are now capable of being assessed, but they proved effective.
- (24). On 4 August 2015, the Change Board was told that only £23.2m of the planned £64m Change Programme savings had been secured. At that stage, substantial non-delivery of the £112m agreed MTFs savings was wholly predictable.
- (25). Of the claimed £23.2m Change Programme savings for 2016/17, secured by 4 August 2015, £21.1m was accounted for by the restructure programme. This had originally been intended to deliver savings of £28m.
- (26). The restructure programme had also been intended to deliver £22.0m of these savings in 2014/15. In fact it secured only £15.8m in that year, not all of which was attributable to the General Fund.
- (27). Throughout the latter part of 2015 and the early part of 2016 there was a growing awareness among senior Council officers that the Change Programme was not delivering and that the pressures on the 2016/17 budget would be acute. Directorates, assisted by external consultants, sought to produce the savings options needed to bridge the anticipated budget gap but failed to identify sufficient options to do so.
- (28). A number of the measures that were identified were not included in the papers issued for public consultation on the 2016/17 budget because they were considered to be politically sensitive.
- (29). Review by Members and by senior officers of the spending and savings proposals and assumptions underpinning the Mayor's 2016/17 budget proposals was inadequate:

- The council failed to consider the risk involved in not undertaking a full review of the Medium-Term Financial Strategy (MTFS).
 - Although there was some review of the 2016/17 budget assumptions this was overly focused on new spending pressures.
 - There was no effective review of the key budget assumption concerning delivery of previously agreed savings.
- (30). However, the imbalance in the 2016/17 budget was foreseeable and was in fact foreseen. Senior officers were aware from 19 January 2016 of a likely budget gap of £43m and knew by 19 February 2016 that assumed savings in 2014/15 and 2015/16 totalling £18.9m and reflected in the base budgets for 2016/17 had not in fact been delivered.
- (31). By 8 March 2016 officers believed there was a budget gap of £54.3m, or £28m-£35m after allowing for all the available measures to address it, but Members were not informed of this and continued to receive reassuring reports throughout March and April 2016.
- (32). There was a tacit understanding within the Senior Leadership Team (SLT) that contentious decisions should not be asked of politicians before the Mayoral and Council elections scheduled for May 2016.
- (33). The 2016/17 budget, approved by the Council on 16 February 2016, assumed that all previously agreed savings had been delivered in full. This assumption was false.
- (34). The 2016/17 budget also included unallocated savings totalling £32.1m, a large proportion of which were, in addition, unidentified.
- (35). At no stage did the Council's corporate risk register adequately reflect either the probability or the impact of the non-delivery of planned savings.
- (36). By the beginning of the 2016/17 financial year senior officers were assuming, but did not inform Members, that a balanced outturn in that year would most probably be achieved through the use of reserves. This can at best be described as artful.
- (37). Informal reporting to the Mayor and Members works reasonably well and has got better in recent months. But formal reporting still needs to be further improved. For example:
- During the period covered by my review reports to Members were often opaque and displayed a tendency to "bury information in big reports".
 - Financial reporting has not in the past been timely enough, though budget monitoring is now being reported monthly.
 - The quality of reporting has been poor, with reports often devoid of analysis or advice, though this too has greatly improved in recent months.
- (38). Over a sustained period of time, officers did not display the degree of professionalism that the Mayor and BCC Members were entitled to expect.
- (39). There were other serious weaknesses in the administration and management of the Council during the period covered by my review. Good progress has been made in addressing some of them but there are remaining issues which the new chief executive will need to consider. For example:
- There are still weaknesses in basic administration and document management.
 - Reporting at officer level continues to place excessive reliance on lengthy PowerPoint presentations which are difficult to follow for those not present.
 - Internal communications have improved, but from a very low base. The Council remains silo based and this problem has in the past been exacerbated by strained personal relationships among senior officers.

- The Council has not in the past had a healthy management culture. During the period covered by my review there was a widespread belief that SLT did not want to hear bad news.
 - I have also seen evidence of high levels of stress and basic discourtesies and have heard reports of bullying, though the latter are not recent.
- (40). Addressing these difficult cultural issues will not be easy and it will take three to five years for any necessary changes to be embedded.
- (41). The Council also has a very weak Finance function and has experienced frequent staff changes at senior level. During the 2016/17 budget preparation process three different people held the post of s.151 officer. This was a significant contributory factor to the Council's financial difficulties.
- (42). A part of the weakness within the Finance Directorate arises from deficiencies in staff skills and understanding of their role.
- (43). This lack of understanding of the role of Finance extended beyond the Finance Directorate. It is therefore welcome that the Council's s.151 and monitoring officers are now full members of SLT.
- (44). The problems which prompted my appointment resulted from a serious collective failure of leadership.
- g. I must emphasise that individuals who may be identifiable from my report and who may feel that they are being unfairly criticised, implicitly or explicitly, have not been given a right of reply. My report and any action flowing from it needs to be read in that light. In particular, it would be wholly wrong for any individual to be singled out for censure, not simply because they have not been given an opportunity to put their case to me, but more importantly because I am in no doubt that the sequence of events described in this report represents a collective failure of leadership within the Council for which several people, including elected politicians, bear responsibility.

Recommendations

I am conscious too that much has changed within the Council over the last six months. The new Mayor, his colleagues and senior BCC Officers are more open about the difficulties they face and this has made it possible to take the steps needed to address them. The financial administration of the Council has improved so that Members may have confidence in the 2017/18 budget recommendations to be considered by the Council on 21 February 2017. I commend the Council for the progress it has made in a very short period of time. I nevertheless make the following recommendations for further action:

- (1). For future significant savings programmes, especially any involving projects which embrace more than one Directorate, the Council should ensure stronger governance arrangements and clearer Member oversight (paragraph 45).
- (2). Wherever possible, the Council should ensure that responsibility for the delivery of specific savings initiatives is allocated to Directorates so that ownership of savings programmes and accountability for them is clear (paragraph 66).
- (3). The Council should adopt a more disciplined, centrally driven approach to business cases supporting investment decisions or savings projects. There should be a standard template of what constitutes an acceptable business case and a standard procedure through which the template must be completed and approved (paragraph 65).
- (4). The Council should take steps to build on recent improvements in the quality of reporting and document management. Where necessary guidance should be issued, or training provided, to report authors emphasising the importance of clarity, transparency, analysis and advice (paragraph 121).
- (5). Members should be less tolerant of poor quality reports than they appear to have been in the past (paragraph 120).
- (6). Where they do not already exist, arrangements should be made for report authors to receive feedback from Member or senior officer discussion of their reports as a matter of routine (paragraph 113).
- (7). Relevant officers should be reminded of their responsibilities to keep backbench and Opposition Members properly informed (paragraph 125).
- (8). The incoming chief executive should be invited to consider and report on the steps needed to improve the management culture within the Council, recognising that any necessary changes will take three to five years to embed. There should be an emphasis on greater openness, professionalism, delegation, mutual respect and better internal communication, but with fewer large and lengthy meetings (paragraph 129).
- (9). The Council should take further steps to improve the quality of its Finance function, modernise its role and enhance its status. Relevant outstanding recommendations of the review commissioned in December 2015 should be actioned as a matter of urgency (paragraph 130).
- (10). The previous recommendation that the Council should “Develop a Competency Framework and agree the way forward re Assessment and Development centres” in relation to its Finance staff is overdue and should be given priority (paragraph 134).
- (11). This should be actioned alongside a review of the role and requirements of Business Partners as part of the current review of the Finance Directorate structure (paragraph 134).
- (12). The more timely reporting of budget monitoring information that has now been introduced should continue into the future. If the Council opts to return to quarterly budget monitoring and the first quarter report cannot be considered in July, there should be routine reporting in June or July of the position as at the end of May (paragraph 118).

- i. In conclusion, I would like to thank Mayor Marvin Rees, Interim Chief Executive Stephen Hughes and Bristol City Council for inviting me to undertake this review. I would also like to offer particular thanks to Beth White in the Chief Executive's office without whose tireless efforts in locating documents, assembling paperwork, obtaining responses to my queries and arranging meetings it would have been impossible for me to complete it. Despite the scale and depth of the difficulties dealt with in this report, the progress I have witnessed within the Council over recent months is reassuring. I wish the Council and the City well for the future.



Steve Bundred
9 February 2017