



Committee Report

PURPOSE: Final Decision Report

Key or non-key decision: Key decision affects 2 or more wards

COMMITTEE: Strategy and Resources Committee

DATE: 16 September 2024

TITLE: P4 Finance Outturn Report 2024/25

Ward(s) City Wide

Officer presenting the report: Tony Kirkham

Job title: S151 Officer

Committee Chair: Cllr Tony Dyer

Executive Director lead: Paul Martin: Chief Executive Officer

Proposal origin: Other

Purpose of Report:

1. The council's Revenue and Capital budget for 2024/25 was agreed by Full Council on 28 February 2024. This report presents information and analysis to the Strategy and Resources Committee on the council's financial performance against that approved budget and its forecast use of resources for the financial year 2024/25.
2. This report informs the Strategy and Resources Committee on the delivery of planned savings for the financial year 2024/25.
3. This report also serves as a mechanism for any finance approvals or adjustments that are required on the council's approved budget.

Evidence Base:

1. The council's annual revenue and capital budget is managed across a number of areas and at Period 4 the 2024/25 full year financial position is forecast as follows:

1.1. General Fund Revenue Budget

No change since P3. The original Revenue budget for 2024/25 as agreed by Full Council was £533.7 million. The P4 total forecast service variation from that original budget is £38.5 million. It is expected that this can be partially offset by £16.2 million of forecast contingent budget for inflation and optimism bias currently held corporately so that the total net forecast revenue overspend at P4 remains as £22.3 million (4.2% of original approved budget). Work continues to identify ways to mitigate this overspend in full before year end 2024/25.

1.2. General Fund Savings

No change since P3. £34.0 million of savings were approved and planned for delivery within the 2024/25 budget. In addition, there are £11.3 million of savings undelivered in 2023/24 which carry forward in to 2024/25 for delivery. These combine with an additional £1.8 million of savings identified and committed as part of business case approvals to date and the reversal of £1.0 million prior year non-recurrent savings to produce an overall savings plan target for 2024/25 of £48.1 million.

Of these, £31.5 million (65%) are currently forecast to be delivered with £16.6 million (35%) at risk of non-delivery in year.

1.3. General Fund Risk and Opportunities

No change since P3. £10.5 million of weighted net risk is assessed across the directorates' logs of emerging risks and opportunities. These are a combination of costs, savings delivery, income generation and other funding opportunities. Work continues to identify ways to mitigate this underlying additional risk in full.

1.4. Housing Revenue Account

The Housing Revenue Account (HRA) gross expenditure budget of £151.0 million is reporting a net outturn overspend of £12.5 million (8.3%). This reflects a deterioration of £3.2 million since P3.

1.5. Dedicated Schools Grant

The Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency for Academies, is £491.7 million.

The forecast outturn position is an overspend or deficit of £13.0 million (2.6%) in-year. This reflects a deterioration of £2.2 million since P3. The total 24/25 closing net balance on the DSG deficit reserve is forecast to be £50.1 million.

1.6. Public Health

No change since P3. The Public Health (PH) budget is £36.4 million and no variance to budget is forecast.

1.7. Capital Programme

No change since P3. The Capital Programme forecast outturn is £433.2 million against the revised budget for 2024/25 of £439.6 million (including Corporate Contingency budget of £12.3m). This forecast reflects a net underspend of £6.4 million (1.5%) and is comprised of £7.0 million underspend on the General Fund and £0.6 million overspend on the HRA.

2. Detailed finance reports are presented to the Strategy and Resources Committee on a quarterly basis. These quarters typically occur at periods 2, 5, 8 and 12. Other periods constitute exception reporting periods and this means that detail is provided by exception where a significant movement in forecast is predicted. Period 4 is an exception reporting period. Movements in full year revenue forecasts for both the HRA and the DSG at Period 4 are significant enough for additional detail to be reported by exception. Supporting appendices are, therefore, provided in these cases.

Officer Recommendations:

That the Committee notes:

1. The council's unchanged General Fund forecast outturn revenue overspend of £22.3 million at P4 2024/25 against the council approved budget of £533.7 million.
2. The unchanged performance on delivery of savings (Appendix A1, Section 3, Tables 2a and 2b).
3. The unchanged additional weighted net risk of £10.5 million per the risks and opportunities register

(Appendix A1, Section 4, Tables 3a and 3b)

4. The council's outturn position of £12.5 million overspend within the Housing Revenue Account to be transferred to the HRA general reserve at the year end (Appendix A1, Section 5.2).
5. The council's outturn position of a net £13.0 million overspend in the Dedicated Schools Grant following the application of the DfE's 24/25 Safety Valve combined with contribution from the General Fund and that a total £50.1 million is forecast to be carried forward at the year end in the DSG deficit reserve (Appendix A1, Section 5.3).
6. The unchanged breakeven position on Public Health services (Appendix A1, Section 5.4).
7. The unchanged breakeven position on the Bristol Harbour Fund. (Appendix A1, Section 5.5).
8. The council's unchanged forecast underspend of £6.4 million against the Capital Programme revised budget 2024/25, comprised of £7.0 million underspend on the General Fund and £0.6 million overspend on the HRA. (Appendix A1, Section 6).

Corporate Strategy alignment:

1. The Corporate Strategy underpins the council's budget.

City Benefits:

1. Cross priority report that covers whole of council's business

Consultation Details:

1. N/A

Background Documents:

[Agenda Document for Full Council, 28/02/2024](#), pages 33-344

Revenue Cost	See Above	Source of Revenue Funding	Various
Capital Cost	See Above	Source of Capital Funding	Various
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Professional comments section:

1. Finance Advice: The resource and financial implications are set out in the report.

Finance Business Partner:

Jemma Prince, Finance Business Partner – Planning, Reporting and Strategy, 27 August 2024.

2. Legal Advice: The report, including the detail set out in the Appendices, will assist the Committee to monitor the budget position with a view to meeting the Council's legal obligation to deliver a balanced budget.

Legal Team Leader:

Nancy Rollason, Head of Legal Service, 23 August 2024.

3. Implications on IT: There are no IT implications arising from the process of financial reporting. It should be noted that across Digital Transformation departments there is significant financial risk arising from unfunded IT contract inflation impacting most IT systems in the council. Work is underway to mitigate this insofar as possible, but it is likely that up to £350k of pressure will be moved from the council's financial risk log to formal forecasts for Period 5 onward.

The council's overall financial position is likely to have indirect implications for IT and digital, including

stopping new projects and curtailing or slowing delivery of some existing projects once additional corporate spending controls are put in place. Projects addressing critical financial, statutory or major service failure risk will be prioritised.

IT Team Leader: Tim Borrett, Director: Policy, Strategy and Digital, 20 August 2024.

4. HR Advice: The report recommendations have no direct HR implications, though any overspend mitigations relating to the Council's employees will be subject to consultation, government notification requirements and the Council's Managing Change Policy.

HR Partner: James Brereton, Head of Human Resources, 22 August 2024.

APPENDICES

Appendix A – Further essential background / detail on the proposal Appendices A1-A3	YES
Appendix B – Equality Impact Assessment (EqIA)	NO
Appendix C – Environmental Impact Assessment	NO
Appendix D – Risk assessment	NO
Appendix E – Exempt Information	NO
Appendix F – Details of consultation carried out - internal and external	NO