



# Committee Report

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**PURPOSE:** Final Decision Report

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

**COMMITTEE:** Strategy and Resources Committee

**DATE:** 18 November 2024

**TITLE:** P6 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. 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 which means that detail is provided by exception where a significant movement in forecast is predicted.
3. This report informs the Strategy and Resources Committee on the delivery of planned savings for the financial year 2024/25.
4. 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 6 the 2024/25 full year financial position is forecast as follows:

### **1.1. General Fund Revenue Budget**

The original Revenue budget for 2024/25 as agreed by Full Council was £533.7 million. The P6 total forecast service variation from that original budget is £35.2 million. It is expected that this will 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 P6 is £18.9 million (3.5% of original approved budget).

In-year measures to reduce financial pressure this year and ongoing include the establishment of panels with the specific aim of focusing control on spend, procurement and contracts, the workforce and debt recovery.

### 1.2. **General Fund Savings**

£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 £1.7 million of savings identified and committed as part of business case approvals to date and the reversal of £1.7 million prior year non-recurrent savings to produce an overall savings plan target for 2024/25 of £48.7 million. Of these, £35.7 million (73%) are currently forecast to be delivered with £13.0 million (27%) at risk of non-delivery in year.

### 1.3. **General Fund Risk and Opportunities**

An underlying additional £5.6 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.

### 1.4. **Housing Revenue Account**

The Housing Revenue Account (HRA) gross expenditure budget of £151.0 million is reporting a net outturn overspend of £14.2 million (9.4%). This reflects an improvement in position of £0.5 million since P5.

### 1.5. **Dedicated Schools Grant**

The Dedicated Schools Grant (DSG) revised budget, including amounts recouped by the Education and Skills Funding Agency for Academies, is £491.4 million.

The forecast outturn position remains unchanged since P5 with a current in-year overspend to £31.6 million against the revised gross budget which, following application of the Safety Valve combined with contribution from the General Fund, brings the forecast net deficit at the close of 2024/25 to £15.0 million (3.1% of revised gross budget).

The unmitigated total carry forward deficit is £90.2 million. Mitigated, this equates to a net £52.1 million.

### 1.6. **Public Health**

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

### 1.7. **Bristol Harbour Authority**

The Bristol Harbour Authority budget is £0.6 million and no variance to budget is forecast.

### 1.8. **Capital Programme**

1.8.1 The Capital Programme forecast outturn is £337.5 million against the revised budget for 2024/25 of £371.7 million (including Corporate Contingency budget of £10.9m). This forecast reflects a net underspend of £34.2 million (9%) and is comprised of £15.5 million underspend on the General Fund and £18.7 million underspend on the HRA.

1.8.2 SCIL budget allocation of £5.0 million will be utilised to support the Investment in the 'New Cut' harbour wall works to repair and strengthen the River Avon New Cut retaining walls.

### 1.9. **Urgent Key Decisions**

Approval was given by the Chief Executive in consultation with the Chair of Strategy and Resources Committee to spend £1,021,500 to assist 22,700 free school meals food vouchers for the October and Christmas 2024 school holidays.

#### **Officer Recommendations:**

That the Committee notes:

1. The council's General Fund forecast outturn revenue overspend of £18.9 million at P6 2024/25 against the council approved budget of £533.7 million.
2. The performance on delivery of savings (Appendix A1, Section 3, Tables 3a and 3b).
3. The additional weighted net risk of £5.6 million per the risks and opportunities register (Appendix A1, Section 4, Tables 4a and 4b)
4. The council's outturn position of £14.2 million overspend within the Housing Revenue Account to be transferred to the HRA general reserve at the year end (Appendix A1a, Section 5.3).
5. The council's outturn position of a £31.6 million overspend (net £15.0m) in the Dedicated Schools Grant and that this brings the carry forward deficit to £90.2 million. Following the application of the DfE's 24/25 Safety Valve combined with contribution from the General Fund a total £52.1 million is forecast to be carried forward at the year end in the DSG deficit reserve (Appendix A1, Section 5.4).
6. The breakeven position on Public Health services (Appendix A1, Section 5.5).
7. The breakeven position on the Bristol Harbour Fund. (Appendix A1, Section 5.6).
8. The council's forecast underspend of £34.2 million against the Capital Programme revised budget 2024/25, comprised of £15.5 million underspend on the General Fund (including £8.1 million underspend on corporate contingency and adjustments) and £18.7 million underspend on the HRA. (Appendix A1, Section 6).
9. That SCIL budget allocation of £5.0 million will be utilised to support the Investment in the 'New Cut' harbour wall works to repair and strengthen the River Avon New Cut retaining walls. (Appendix A1, Section 6.4).
10. The urgent key decision by the Chief Executive in consultation with the Chair of Strategy and Resources Committee to approve spend of £1,021,500 to assist 22,700 free school meals food vouchers for the October and Christmas 2024 school holidays. (Appendix A3)

That the Committee approves:

1. Revisions to the revised Capital Budget to incorporate the reprofiling of up to £18.7 million HRA budget into future years following the £18.7 million forecast underspend at P6.

#### **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

<b>Revenue Cost</b>	See Above	<b>Source of Revenue Funding</b>	Various
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<b>Capital Cost</b>	See Above	<b>Source of Capital Funding</b>	Various
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <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, 29 October 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:** Husinara Jones, Team Manager/Solicitor, 22 October 2024.

**3. Implications on IT:**

There are no IT implications arising from the process of financial reporting. 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:** Gavin Arbuckle, Head of IT Operations, 24 October 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, 23 October 2024.

## APPENDICES

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