

Bristol City Council

Period 6 2024/25 - Finance Monitoring Revenue Report

1. REVENUE SUMMARY POSITION

- 1.1. The council budget for 2024/25 was agreed by Full Council on 28 February 2024. This report relates to the Period 6 full year forecast for 2024/25 (September 2024 extrapolated). It is an exception report and as such focuses on key financial issues for the council including movements since Period 5 as reported to October's committee. No significant variances have been identified or accelerated by budget holders beyond those issues highlighted in this report.
- 1.2. The council operates directorate cash limited budgets and Executive Directors are responsible for ensuring that appropriate action is taken to contain both revenue and capital spending in line with each directorate's overall budget limit. Budget holders forecasting a risk of overspend which can potentially be brought back in line with their budget should, in the first instance, set out in-service risks and opportunities for mitigation. Where these opportunities are considered undeliverable, or pressures cannot be contained across the directorate, the budget scrutiny process will be triggered.
- 1.3. Whilst the council is structured by directorate with Executive Directors being appointed by directorate and being responsible for revenue and capital cash limited budgets by directorate, the council's governance arrangements are based on a committee system. Consequently, in order to support effective management and control under this committee model, financial information and analysis by committee is provided in parallel to that by directorate within the main report. Appendices are set out by committee so that, subsequent to review at Strategy and Resources Committee, they may follow on for review by the appropriate policy committee.
- 1.4. At Period 6, the council is forecasting an end of year overspend of £18.9 million against its current approved General Fund budget of £533.7 million.
- 1.5. Over and above this £18.9 million overspend, there are emerging risks and opportunities within each of the service directorates that require further verification. These are consequently excluded from the forecast but are captured within the report. These risks (of £21.9m) and opportunities (of £16.3m) present a total weighted additional net risk of £5.6 million.
- 1.6. This £5.6 million net risk is predominantly driven by a net emerging risk within the Adults and Communities directorate (£7.1m) offset by a net emerging opportunity in the Corporate directorate (£1.5m).
- 1.7. The budget included delivery of embedded plans for £45.3 million savings (a further £3.4m savings have been added to this target since the start of the current year). Any slippage to these budgeted savings programmes which is not recoverable in-year also represents a risk to the forecast outturn which it will be necessary to mitigate.
- 1.8. The forecast outturn on the Housing Revenue Account (HRA) is currently adverse with a £14.2 million (9.4%) overspend against the approved gross budget of £151.0 million. Further detail can be found in paragraph 5.3 and Appendix A2.

- 1.9. The forecast for the Dedicated Schools Grant (DSG) is currently an overspend of £31.6 million (6.4%) against the revised gross budget of £491.4 million. Following application of the Safety Valve combined with contribution from the General Fund, the net deficit to be carried forward at the close of 2024/25 is forecast to deteriorate in-year by £15.0 million (3.1% of revised gross budget) to £52.1 million (unmitigated this is £90.2 million). Further detail can be found in paragraph 5.4.
- 1.10. The forecast outturn on the Public Health Grant is in line with budget at P6.
- 1.11. The forecast outturn on the Bristol Harbour Authority account continues to report no forecast variance to budget at P6.
- 1.12. Reflecting corporate ownership of both the forecast budget overspend and the additional emerging net risk, the council has recently implemented in-year measures to reduce this financial pressure. These measures include the establishment of panels with the specific aim of focusing control on spend, procurement and contracts, the workforce and debt recovery.

2. GENERAL FUND REVENUE POSITION

- 2.1. The assessment at Period 6 shows the Council's scheduled General Fund forecasting a risk adjusted overspend of £18.9 million. This is a 3.5% adverse variance on the approved gross budget of £533.7 million.
- 2.2. Table 1a below provides an overview of the council's P6 forecast position for the 2024/25 financial year by directorate.

Table 1a: P6 2024/25 Summary Full Year General Fund Revenue Forecast By Directorate

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Children & Education							
15 - Children and Families Services	98,735	102,949	125,180	21,828	402	22,231	21.6%
16 - Education, Inclusion and Skills	26,400	25,602	27,125	2,028	(504)	1,523	6.0%
1B - Transformation – Our Families Programme	0	0	0	(84)	84	(0)	-100.0%
Total Children & Education	125,136	128,551	152,305	23,772	(18)	23,754	18.5%
Adults & Communities							
14 - Adult Social Care	165,380	185,032	192,688	6,941	715	7,656	4.1%
36 - Communities and Public Health - General Fund	6,471	6,471	6,331	0	(140)	(140)	-2.2%
57 - Commissioning, Contracts Quality and Performance (Adults)	24,672	13,794	13,635	(394)	235	(159)	-1.2%
Total Adult & Communities	196,523	205,296	212,654	6,548	810	7,357	3.6%

Growth & Regeneration							
37 - Housing & Landlord Services	22,943	23,585	26,886	4,707	(1,405)	3,301	14.0%
46 - Economy of Place	4,009	3,883	3,880	20	(23)	(3)	-0.1%
47 - Management of Place	(4,543)	(6,747)	(6,747)	(0)	0	(0)	0.0%
4A - Management - G&R	(3,628)	(1,222)	(1,222)	0	0	0	0.0%
4B - Property, Assets and Infrastructure	42,986	41,730	41,666	15	(80)	(64)	-0.2%
Total Bristol Harbour Authority	(621)						
Total Growth & Regeneration	61,146	61,229	64,463	4,742	(1,508)	3,234	5.3%
Resources							
21 - Policy, Strategy and Digital	21,245	20,988	21,124	305	(169)	136	0.6%
22 - Legal and Democratic Services	16,375	16,358	16,497	225	(87)	139	0.8%
24 - Finance	8,788	8,849	9,771	611	312	923	10.4%
25 - Workforce & Change	3,247	3,359	2,969	(334)	(56)	(390)	-11.6%
26 - Strategic Transformation	110	65	65	0	0	0	0.0%
Total Resources	49,765	49,620	50,427	807	0	807	1.6%
SERVICE NET EXPENDITURE	432,570	444,696	479,848	35,868	(716)	35,152	7.9%
X2 - Levies	3,693	3,693	3,693	0	0	0	0.0%
X3 - Corporate Expenditure	56,406	42,611	37,997	(4,614)	0	(4,614)	-10.8%
X4 - Capital Financing	26,768	27,871	26,871	(1,000)	0	(1,000)	-3.6%
X6 - Year-end Transactions	0	356	356	(0)	0	(0)	0.0%
X9 - Corporate Allowances	14,283	14,493	3,893	(10,600)	(0)	(10,600)	-73.1%
Total Corporate	101,151	89,024	72,810	(16,214)	(0)	(16,214)	-18.2%
TOTAL REVENUE NET EXPENDITURE	533,721	533,721	552,658	19,654	(717)	18,938	3.5%

2.3. Table 1b below provides an overview of the council's P6 forecast position for the 2024/25 financial year by committee (combining General Fund revenue with Ring Fenced Accounts). Where a committee's forecast movement in the period is significant (greater than £1.0 million) then additional service detail is provided, by exception, in an appendix for the relevant committee.

Table 1b: P6 2024/25 Summary Full Year General Fund Revenue and Ring-fenced Accounts Forecast By Committee

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Children and Young People							
15 - Children and Families Services	98,735	102,949	125,180	21,828	402	22,231	21.6%

APPENDIX A1

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
16 - Education, Inclusion and Skills	26,400	25,602	27,125	2,028	(504)	1,523	6.0%
1B - Transformation – Our Families Programme	0	0	0	(84)	84	(0)	-100.0%
Total Children and Young People	125,136	128,551	152,305	23,772	(18)	23,754	18.5%
Dedicated Schools Grant							
Total Dedicated Schools Grant	491,736	491,354	506,356	15,049	(47)	15,002	3.1%
Total Dedicated Schools Grant	491,736	491,354	506,356	15,049	(47)	15,002	3.1%
Adult Social Care							
14 - Adult Social Care	165,380	185,032	192,688	6,941	715	7,656	4.1%
57 - Commissioning, Contracts Quality and Performance (Adults)	24,672	13,794	13,635	(394)	235	(159)	-1.2%
Total Adult Social Care	190,052	198,826	206,323	6,548	950	7,497	3.8%
Public Health and Communities							
36 - Communities and Public Health - General Fund	6,471	6,471	6,331	0	(140)	(140)	-2.2%
3B - Communities and Public Health - Other Grants	0	0	0	0	0	0	0.0%
47 - Management of Place	7,890	7,730	7,730	(0)	0	(0)	0.0%
Total Public Health and Communities	14,360	14,201	14,061	(0)	(140)	(140)	-1.0%
Public Health Grant							
34 - Public Health Grant	0	0	0	0	0	0	0.0%
Total Public Health Grant	0	0	0	0	0	0	0.0%
Homes and Housing Delivery							
37 - Housing & Landlord Services	22,943	23,585	26,886	4,707	(1,405)	3,301	14.0%
Total Homes and Housing Delivery	22,943	23,585	26,886	4,707	(1,405)	3,301	14.0%
Housing Revenue Account							
Total Housing Revenue Account	150,982	150,982	165,222	14,781	(541)	14,240	9.4%
Total Housing Revenue Account	150,982	150,982	165,222	14,781	(541)	14,240	9.4%
Transport and Connectivity							
46 - Economy of Place	100	16	15	20	(20)	(0)	-2.2%
47 - Management of Place	(12,783)	(15,035)	(15,035)	(0)	0	(0)	0.0%
4B - Property, Assets and Infrastructure	0	0	0	0	0	0	0.0%
Total Transport and Connectivity	(12,683)	(15,019)	(15,020)	20	(20)	(0)	0.0%
Environment and Sustainability							
46 - Economy of Place	743	742	742	0	0	0	0.0%
4B - Property, Assets and Infrastructure	46,809	45,781	45,787	(10)	15	6	0.0%

APPENDIX A1

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Environment and Sustainability	47,552	46,523	46,529	(10)	15	6	0.0%

Economy and Skills							
46 - Economy of Place	1,421	1,160	1,157	0	(3)	(3)	-0.2%
47 - Management of Place	351	558	558	(0)	0	(0)	0.0%
4A - Management - G&R	(3,628)	(1,222)	(1,222)	0	0	0	0.0%
4B - Property, Assets and Infrastructure	120	143	146	0	3	3	1.9%
Total Economy and Skills	(1,737)	639	639	(0)	0	(0)	0.0%

Bristol Harbour Authority							
Total Bristol Harbour Authority		0	0	0	(0)	0	0.0%
Total Bristol Harbour Authority	0	0	0	0	(0)	0	0.0%

Strategy and Resources - Service							
21 - Policy, Strategy and Digital	21,245	20,988	21,124	305	(169)	136	0.6%
22 - Legal and Democratic Services	16,375	16,358	16,497	225	(87)	139	0.8%
24 - Finance	8,788	8,849	9,771	611	312	923	10.4%
25 - HR, Workplace & Organisational Design	3,247	3,359	2,969	(334)	(56)	(390)	-11.6%
26 - Strategic Transformation	110	65	65	0	0	0	0.0%
46 - Economy of Place	1,745	1,965	1,965	(0)	0	0	0.0%
4B - Property, Assets and Infrastructure	(3,943)	(4,194)	(4,266)	25	(98)	(73)	1.7%
Total Bristol Harbour Authority	(621)	Moved to Ring-fenced Account					
Total Strategy and Resources - Service	46,947	47,391	48,125	832	(98)	734	1.5%

SERVICE NET EXPENDITURE	1,075,288	1,087,032	1,151,426	65,698	(1,304)	64,394	5.9%
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Strategy and Resources - Corporate							
X2 - Levies	3,693	3,693	3,693	0	0	0	0.0%
X3 - Corporate Expenditure	56,406	42,611	37,997	(4,614)	0	(4,614)	-10.8%
X4 - Capital Financing	26,768	27,871	26,871	(1,000)	0	(1,000)	-3.6%
X6 - Year-end Transactions	0	356	356	(0)	0	(0)	0.0%
X9 - Corporate Allowances	14,283	14,493	3,893	(10,600)	(0)	(10,600)	-73.1%
Total Strategy and Resources - Corporate	101,151	89,024	72,810	(16,214)	(0)	(16,214)	-18.2%

TOTAL REVENUE & RINGFENCED NET EXPENDITURE	1,176,439	1,176,056	1,224,236	49,484	(1,304)	48,180	4.1%
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LESS Ring-fenced Budgets:

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000		£'000	£'000	%

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Housing Revenue Account	(150,982)	(150,982)	(165,222)	(14,781)	541	(14,240)	9.4%
Total Dedicated Schools Grant	(491,736)	(491,354)	(506,356)	(15,049)	47	(15,002)	3.1%
Total Public Health Grant	0	0	0	0	0	0	0.0%
Total Bristol Harbour Authority	0	0	0	0	0	0	0.0%
Total Ring-fenced Budgets	(642,718)	(642,336)	(671,578)	(29,829)	587	(29,242)	4.6%
TOTAL REVENUE NET EXPENDITURE (EXC RINGFENCED)	533,721	533,721	552,658	19,654	(717)	18,938	3.5%

2.3. Adults, Communities and Public Health Directorate

Adult Social Care

2.3.1 Adult Social Care (ASC) is forecasting an overspend of £7.4 million on a net budget of £198.8 million (3.8% of the net budget). The main variances relate to cost pressures in relation to individual care and support packages. Cost pressures in adults purchasing budget reflect increased demand, inflationary costs, and increased acuity for service users.

2.3.2 In summary, Period 6 the movement relates to:

- A net increase of £0.1 million to £17.1 million overspend associated with individual care packages and support.
- An adjustment of £0.6 million to savings to be achieved in this financial year through spend control measures.
- An increase in employee costs of £0.5 million with a projected underspend now of £1.4 million and other net underspends across the service of £4.5 million.

2.3.3 At this stage in the financial year there still remains a degree of uncertainty with forecasts. Several key risks and opportunities which are likely to materialise during the remainder of the financial year may impact on the final position.

Communities and Public Health

2.3.4 At the end of Period 6 the Communities and Public Health General Fund is forecasting a favourable variance of £0.1 million.

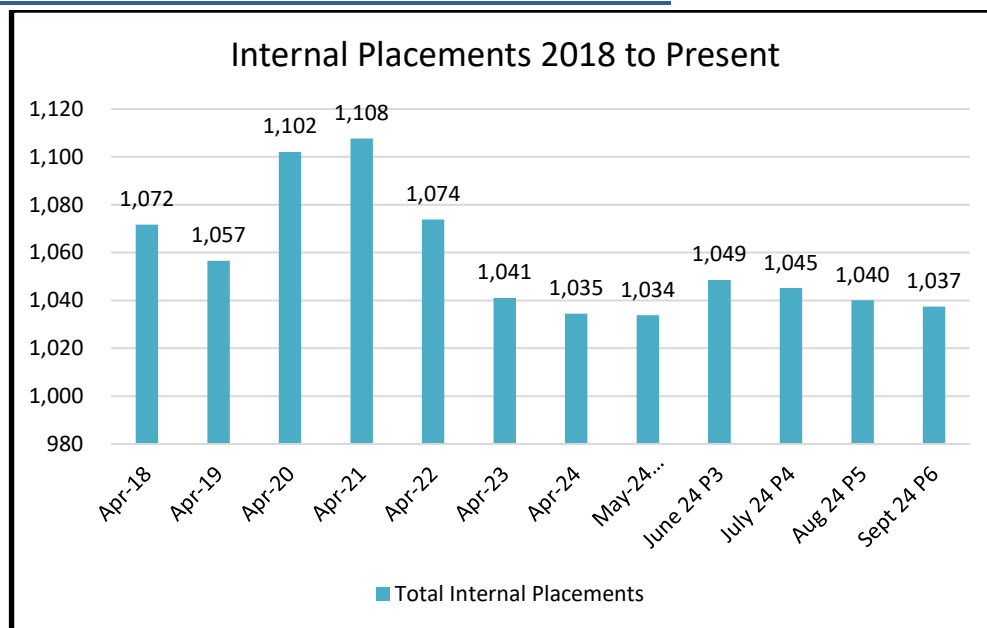
2.4. Children and Education Directorate

2.4.1. The Children and Education directorate is forecasting an adverse variance of £23.8 million at Period 6 on a budget of £128.6 million. This represents a forecast overspend of 18.5%.

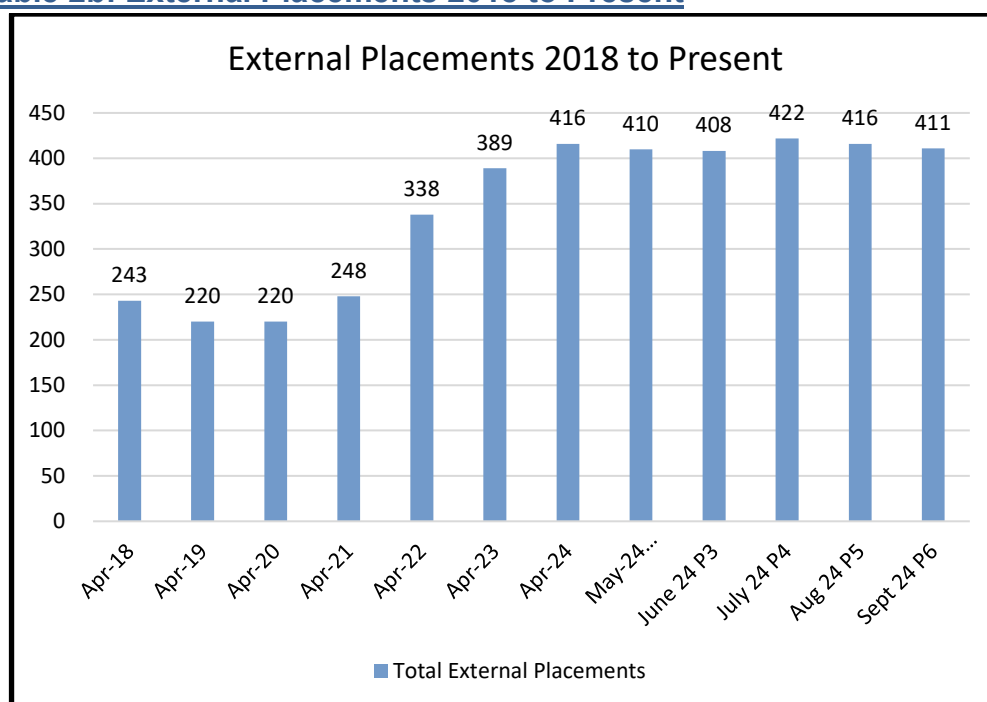
Children and Families Service

- 2.4.2. The Children and Families service is forecasting an overspend of £22.2 million against a budget of £102.9 million, representing 21.6%. This is due to escalating numbers and associated high unit costs of children and young people in care of the local authority that require Out of Authority, Independent Foster Care (IFA) or Un-registered External Placements. The availability of suitable Internal Placements has reduced over the last twelve months resulting in more reliance being placed on the more expensive External Placement market.
- 2.4.3. The forecast overspend demonstrates an adverse movement when compared to the previous period due to growth in the number of out of authority placements, which is mitigated through reductions in other types of external placements due to step down, reunification, and/or ceasing placements. Despite the reduction in numbers there is growth in the spend on Internal placements due to higher unit costs, and other non-placement budgets have seen their forecasts vary due to increased agency staff costs and for expenditure incurred on Autism Intensive Service.
- 2.4.4. The charts below demonstrate the reduction in Internal placements (Table 2a) and growth, noting the decline seen in the last two periods reported for this year, in External including Independent Foster Agency (IFA) placements (Table 2b) in recent years.

Table 2a: Internal Placements 2018 to Present



Internal Placements includes Foster Care, Adoption, Responsibility Orders (RO), Special Guardianship Orders (SGO), and Children’s Homes

Table 2b: External Placements 2018 to Present

External Placements includes External Supported Accommodation (ESA), Independent Foster Agency (IFA), Out-of-Authority (OOA), Parent and Baby units, Secure, Un-Registered, and Agency Placements

Educational Improvement

- 2.4.5. The Education Improvement Division is currently forecasting an overspend at P6 of £1.5 million against a budget of £25.6 million, representing 6%, due to pressures associated with volumes of children and young people requiring Home to School Transport.
- 2.4.6. The forecast demonstrates a favourable movement when compared to the previous period due to a reduction in the anticipated growth for Home to School Transport requirements for the 2024/25 academic year cohort.

2.5. Resources Directorate

- 2.5.1. The Resources Directorate is reporting a £0.8 million pressure against a revised budget of £49.6 million (1.6%). There has been no movement in the overall Resources forecast since Period 5. However, it should be noted that the insurance forecast overspend has increased by £0.4 million, which is offset in full by favourable movements across the other Resources divisions.
- 2.5.2. The net position for risks and opportunities is a £(0.4) million opportunity. This includes a net opportunity of £(0.7) million across Revenues and Benefits and a £(0.1) million opportunity within Human Resources, which are partly offset by a further £0.4 million risk in relation to insurance if planned mitigation is not achieved.

2.6. Growth and Regeneration Directorate

- 2.6.1. The Growth & Regeneration Directorate is forecasting a £3.2 million (5.2%) overspend against its revised net expenditure budget of £61.6 million. This relates to the need to provide temporary accommodation for people experiencing homelessness in the city.
- 2.6.2. The forecast overspend does, however, indicate a £(1.5) million favourable movement when compared to the previous period. £(1.4) million of this is due to revised assumptions regarding the application of the Homelessness Prevention Grant combined with an updated subsidy loss forecast (revised down) based on current trends.
- 2.6.3. Savings opportunities continue to be worked through in order to mitigate this forecast £3.2 million overspend.
- 2.6.4. Other in-year pressures within Growth and Regeneration largely relate to delivering savings associated with the Property Transformation Programme. The directorate has worked to balance these pressures through increasing accommodation supply, reducing the costs associated with the council's estate and use of Clean Air Zone funding where appropriate.

3. SAVINGS PROGRAMME – SUMMARY

- 3.1. The General Fund savings programme for 2024/25 agreed by Council and included in the General fund budget is £34.0 million (per Budget Report Appendix 8). This comprises 24/25 savings of £24.0 million and £10.0 million carried forward from prior years still requiring delivery. In addition to this £34.0 million there were an additional net £11.3 million of savings undelivered at 2023/24's full year outturn (P12 Provisional Outturn Report, Appendix 2, Category D) which also carry forward in to 2024/25 for delivery as well as £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. Consequently, a total net £48.7 million savings will be tracked in the current financial year.

Table 3a: Summary of Savings Delivery by Directorate

Directorate	Total savings due in 24/25 per savings tracker £m	Business cases previously agreed £m	Changes approved by DE during 24/25 £m	One-off savings in 24/25 £m	Rollover of undelivered savings from previous year £m	Net - savings as per Budget 24/25 £m	2024/25 Savings reported as safe		2024/25 Savings reported as at risk	
							£m	£m	£m	%
Children's & Education	6.902	-	0.000	(0.697)	(0.890)	5.315	4.207	2.695	39%	
Adults, Community & Public Health	16.388	(0.255)	0.000	-	(5.124)	11.009	7.570	8.818	54%	
Resources (& Shareholding)	2.791	(0.215)	0.000	(0.100)	(0.701)	1.775	2.799	(0.008)	0%	
Growth & Regeneration	12.301	(1.281)	0.000	(0.870)	(4.553)	5.597	10.838	1.463	12%	
Corporate (All)	10.300	-	0.000	-	-	10.300	10.300	0.000	0%	
Total	48.681	(1.751)	-	(1.667)	(11.267)	33.996	35.714	12.968	27%	

Table 3b: Summary of Savings Delivery by Committee

Committee	Total savings due in 24/25 per savings tracker £m	Business cases previously agreed £m	Changes approved by DE during 24/25 £m	One-off savings in 24/25 £m	Rollover of undelivered savings from previous year £m	Net - savings as per Budget 24/25 £m	2024/25 Savings reported as safe		2024/25 Savings reported as at risk	
							£m	£m	£m	%
Children and Young People	6.902	-	0.000	(0.697)	(0.890)	5.315	4.207	2.695	39%	
Adult Social Care	16.388	(0.255)	0.000	-	(5.124)	11.009	7.570	8.818	54%	
Public Health and Communities	0.613	-	0.000	(0.600)	(0.538)	(0.525)	0.461	0.152	25%	
Homes and Housing Delivery	3.650	(1.281)	0.000	-	(0.282)	2.087	4.454	(0.804)	-22%	
Transport and Connectivity	4.446	-	0.000	(0.370)	(0.885)	3.191	3.491	0.955	21%	
Environment and Sustainability	0.000	-	0.000	-	-	0.000	0.000	0.000	0%	
Economy and Skills	0.296	-	0.000	-	(0.086)	0.210	0.145	0.151	51%	
Strategy and Resources	16.387	(0.215)	0.000	-	(3.463)	12.709	15.386	1.001	6%	
Total	48.681	(1.751)	-	(1.667)	(11.267)	33.996	35.714	12.968	27%	

3.2. As at P6, £35.7 million (73%) of savings are considered safe and £13.0 million (27%) are reported at risk and are being monitored and reviewed for delivery or in-year mitigation where possible. A number of these saving delivery risks are captured in the forecast outturn above and or directorates' risk and opportunities logs. It should, however, be noted that not all risks are formally acknowledged in the outturn and as such this may represent a small underlying additional risk.

3.3. Savings tracker change requests – the following savings were amended in P6:

3.3.1. Savings ID/name: GR007 'Temporary accommodation need' and GR009 'Increase direct lets with private sector landlords.' These Growth and Regeneration savings relate to the 'Tackling homelessness' programme. The savings target has increased from £6.0 million to £6.8 million for stretch savings being explored which will deliver savings due in future years and potential further pressure reduction in 24/25 and beyond.

4. RISKS AND OPPORTUNITIES

- 4.1. There are other financial risks and opportunities to the Council which have been identified and could materialise during the financial year. These are not reflected in the forecast. They are a combination of costs, savings delivery, income generation and funding opportunities.
- 4.2. The table below summarises the risk and opportunities shown in the directorate appendices. This shows additional emerging net risk to General Fund full year forecast outturn of £5.6 million.

Table 4a: Summary Risks and Opportunities by Directorate

Total Net Risks / (Opportunities)	P6		
	Total Net Risk £'000	Total Net Opportunity £'000	Net Risk / (Opportunity) £'000
Directorate			
8 - Adults & Communities	7,187	0	7,187
9 - Children & Education	0	0	0
2- Resources	820	(1,269)	(449)
4 - Growth & Regeneration	13,889	(13,493)	395
Corporate	0	(1,500)	(1,500)
TOTAL	21,895	(16,262)	5,633

Table 4b: Summary Risks and Opportunities by Committee

Total Net Risks / (Opportunities)	P6		
	Total Net Risk £'000	Total Net Opportunity £'000	Net Risk / (Opportunity) £'000
Committee			
Children and Young People	0	0	0
Adult Social Care	6,869	0	6,869
Public Health and Communities	867	(467)	400
Homes and Housing Delivery	1,880	(2,610)	(730)
Transport and Connectivity	5,186	(6,843)	(1,656)
Environment and Sustainability	2,156	(2,818)	(663)
Economy and Skills	99	(383)	(284)
Strategy and Resources	5,318	(5,353)	(35)
Total	22,375	(18,475)	3,900
Less Ringfenced budgets:	(480)	2,213	1,733
Total (excluding ringfenced):	21,895	(16,262)	5,633

5. RING-FENCED BUDGETS

5.1. There are a number of funds held by the council where the council must ensure that the income or grant is ringfenced and only spent in specific service areas. The four main activities that are ringfenced through legislation and/or government funding rules and covered in this P6 report are the HRA, DSG, Public Health, and Bristol Harbour Authority.

5.2. Table 5 below provides an overview of the council's P6 forecast position for the 2024/25 financial year.

Table 5: P6 2024/25 Summary Full Year Ring-Fenced Fund Forecast

Period 6 Budget Monitoring - Summary	Approved budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Housing Revenue Account	150,982	150,982	165,222	14,781	(541)	14,240	9.4%
Total Dedicated Schools Grant	491,736	491,354	506,356	15,049	(47)	15,002	3.1%
Total Public Health Grant	0	0	0	0	0	0	0.0%
Total Bristol Harbour Authority		0	0	0	0	0	0.0%
Total Ring-fenced Budgets	642,718	642,336	671,578	29,829	(587)	29,242	4.6%

5.3. Housing Revenue Account (HRA)

5.3.1. The Housing Revenue Account (HRA) is a self-financing account and the Council will ensure it continues to manage within the resources available, including levels of HRA reserves. The HRA does not directly impact on the council's wider General Fund budget. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.

5.3.2. The HRA is currently forecasting an adverse outturn of £14.2 million against its approved budget of £151.0 million. The main drivers of this forecast position are adverse variances of:

- £2.2 million for Income - due mainly to lower service charge income and lower rental income due to more void properties.
- £0.8 million increase in Repairs & Maintenance expenditure. This is mostly due to a backlog of works from previous years.
- £8.7 million overspend on Supervision and Management. This is mostly due to additional staff costs for compliance with the Housing and Consumer standards, additional insurance costs and additional security costs due to the delay to the

fire alarm project. Further details on the Waking Watch adverse variance can be found in Appendix A2.

- £1.4 million additional depreciation charge.
- £1.8 million assets write off.
- £0.3 million additional council tax charges for void properties.
- £0.8 million increase in forecast impairment provision.

5.3.2. These overspends are expected to be partially offset by favourable variances of £1.0 million against energy costs in communal areas, and additional interest receivable of £0.8 million. Any overspend reported at the year end 31 March 2025 will be contained within the HRA general reserves.

5.4. Dedicated Schools Grant (DSG)

5.4.1. 2024-25 gross allocation for Dedicated Schools Grant (DSG) approved budget of £491.7 million was approved at Full Council in February 2024 (net amount £220.1 million after deduction for academies recoupment, NNDR and direct funding of high needs places by Education and Skills Funding Agency (ESFA)).

5.4.2. The DSG budget is subject to ESFA revisions during the year for academy conversion recoupment and changes to validated pupil and place data determined from termly headcount and other data collections. The revised budget notified in July 2024 is £491.4 million.

5.4.3. Against the revised budget, the DSG is forecasting to overspend by £31.6 million in 2024/25. However, following mitigations due to Safety Valve contributions from the Department for Education (DfE) and Bristol City Council, the revised mitigated overspend is £15.0 million, representing a 3.1% forecast overspend on the DSG.

5.4.4. The forecast overspend is due to both the increasing numbers of children and young people with Education Health and Care Plans (EHCPs) being placed in high-cost Independent Non-Maintained Schools resulting from a current lack of sufficiency of local maintained provision and also delays in the development of new local provision so that some of this new provision will not now become available for use until 2025/26.

5.4.5. Early Years is forecasting a net in-year overspend of just over £0.3 million, however this position includes a forecast pressure of £0.6 million demand for top up funding on SEND.

5.4.6. Schools Block and the High Needs Transformation programme are forecasting an in-year balanced position.

5.4.7. Bristol City Council formally joined the Safety Valve programme at the end of 2023/24, and the DSG ended the year with an £18.5 million in-year overspend. Whilst the forecast overspend in the DSG is continuing to grow, the Safety Valve programme is developing mitigations to meet demand for SEND support within available funding.

Table 6: Period 6 - DSG Summary Full Year Forecast

Bristol Dedicated Schools Grant 2024/25	2023/24 b/fwd	Gross DSG Funding 2024/25	P6 Gross DSG Forecast	In-Year Variance P6	Forecast c/wd
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	£m	£m	£m	£m	£m
Schools	(2.311)	344.380	344.380	0.000	(2.311)
De-Delegation	(0.464)	0.000	(0.001)	(0.001)	(0.465)
Central School Services Block	0.000	2.696	2.779	0.083	0.083
Early Years	(0.262)	54.904	54.897	(0.006)	(0.268)
High Needs Block	62.647	89.374	120.911	31.536	94.183
High Needs Transformation	(0.982)	0.000	0.000	0.000	(0.982)
DSG Funding	0.000	(491.354)	(491.354)	0.000	0.000
Total (Unmitigated)	58.628	0.000	31.612	31.612	90.240
Safety Valve	(21.520)	0.000	(16.610)	(16.610)	(38.130)
Net Total	37.108	0.000	15.002	15.002	52.110

5.5. The Public Health Grant

5.5.1 Public Health (PH) Grant of £36.4 million was awarded for 2024/25 by Department of Health and Social Care (DHSC). At the end of Period 6 Public Health is reporting no variance to budget.

5.6. Bristol Harbour Account

5.6.1 The Bristol Harbour Account funding has, for the main part, been disaggregated from the Management of Place division in Growth and Regeneration. It is currently forecasting no variance to budget.

6. CAPITAL SUMMARY

6.1. The Capital programme budget comprises £162.2 million for General Fund (excluding corporate and other technical adjustments budget totalling £10.9m) and £198.6 million for the HRA. The forecast variation against budget at Period 6 is a £26.1 million underspend, representing a £7.4 million underspend on General Fund (4.6% of the GF Total), plus £8.1 million underspend on corporate contingency and adjustments, and a £18.7 million underspend on the HRA (9.4% of the HRA Total).

Table 7a: P6 2024/25 Capital Programme Forecast Summary By Directorate

Approved Budget (Feb 24)	Budget Changes up to P6	Directorate	Revised Budget	Actual Spend to date	Budget Spend to date	P6 Forecast Outturn	Forecast to Budget Variance
£m	£m		£m	£m	%	£m	£m
42.5	(23.9)	Childrens & Education	18.6	5.5	30%	16.6	(2.0)
7.8	0.3	Adults & Communities	8.1	2.2	27%	7.5	(0.6)
151.1	(21.7)	Growth and Regeneration	129.4	34.0	26%	125.3	(4.1)

2.7	1.6	Resources	4.3	0.8	19%	4.3	0.0
2.6	(0.8)	Bristol Harbour Fund	1.8	0.5	25%	1.1	(0.7)
206.7	(44.5)	GF service Total	162.2	43.0	27%	154.8	(7.4)
358.0	(164.4)	Housing Revenue Account	198.6	58.9	30%	179.9	(18.7)
358.0	(164.4)	HRA service Total	198.6	58.9	30%	179.9	(183.7)
564.7	(208.9)	HRA & GF Service Total	360.8	101.9	28%	334.7	(26.1)
12.0	(1.1)	Corporate Contingencies & Funds	10.9	1.0	9%	2.8	(8.1)
576.7	(210.0)	Capital Programme Grand Total	371.7	102.9	28%	337.5	(34.2)

Last Year 2023/24 Comparison at end of Period 6

298.1	(205.0)	Capital Programme Grand Total	286.7	78.4	27%	283.8	(2.9)
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Table 7b: P6 2024/25 Capital Programme Forecast Summary By Committee

Approved Budget (Feb 24)	Budget Changes up to P6	Policy Committee	Revised Budget	Actual Spend to date	Budget Spend to date	P6 Forecast Outturn	Forecast to Budget Variance
£m	£m		£m	£m	%	£m	£m
42.5	(23.9)	Children and Young People	18.6	5.5	30%	16.6	(2.0)
3.8	(1.8)	Adult Social Care	2.0	0.0	0%	2.0	0.0
9.6	1.7	Public Health and Communities	11.3	3.2	28%	8.1	(3.2)
385.8	(166.2)	Homes and Housing Delivery	224.6	64.0	28%	203.0	(21.6)
49.6	(1.8)	Transport and Connectivity	47.8	17.2	36%	50.0	2.2
12.8	(0.8)	Environment and Sustainability	12.0	2.6	22%	12.1	0.1
15.4	6.2	Economy and Skills	21.6	6.7	31%	21.2	(0.4)
57.2	(23.4)	Strategy and Resources	33.8	3.7	11%	24.5	(9.3)
576.7	(210.0)	Capital Programme Grand Total	371.7	102.9	28%	337.5	(34.2)

6.2. The Capital programme recommends the re-profiling of up to £18.7m within the HRA following the significant changes in the HRA forecast from Period 5 to Period 6.

6.3. The material forecast changes are summarised below and within the Homes and Housing Committee Appendix A2 -

6.3.1 HRA2 - New Build and Land Enabling (budget re-profile £15.0m).

Slippages/underspend:

6.3.1.1 Lawrence Weston (£1.1m) – Forecast slippage based on estimated final cost now that the scheme is coming to a completion.

6.3.1.2 Brentry (£0.4m) – Forecast slippage due to anticipated further delays whilst discussions and review with the contractors is ongoing.

6.3.1.3 Filwood Cinema (£0.9m) - Re-profiling of spend after receipt of updated delivery plan from the contractor to realign the forecast to the most updated position of work progress.

- 6.3.1.4 96-98 West Street (£1.1m) – Forecast slippage based on the latest cashflow from contractors.
- 6.3.1.5 Marshall Walk (0.4m) – Forecast slippage as dispute with the MMC contractor around vesting is causing delays to the programme.
- 6.3.1.6 Airport Rd (£0.7m) – Underspend forecast based on estimated final cost now that the scheme is coming to a completion.
- 6.3.1.7 Hengrove Apartments (£3.8m) – Forecast slippage based on the latest cashflow from contractors.
- 6.3.1.8 Hengrove Future Phases (£3.0m) – Forecast removed as BCC is not proceeding with the scheme.
- 6.3.1.9 EDAROTH (£1.8m) - Forecast slippage based on the latest cashflow from contractors.
- 6.3.1.10 Baltic Wharf (£2.0m) - Removal of previously forecast deposit payments as BCC is not proceeding with the scheme.
- 6.3.1.11 Small variances on miscellaneous other schemes summing up to a net slippage of £0.9 million.

Reprofile project budget from future period/overspend:

- 6.3.1.12 Greville (£0.7m) - Budget reprofiled from future year based on an updated cashflow received from the contractors.
- 6.3.1.13 Bell Close (£0.4m) - overspend forecast based on an updated cashflow received from the contractors. This overspend will be contained and managed within the overall New Build and Land Acquisition budget in the HRA Capital programme.

Any overspend on individual projects will be contained and managed within the HRA Capital programme.

6.3.2. HRA1 – Home Improvement Programme - HIP (budget re-profile £3.7m).

Slippages:

- 6.3.2.1. £1.7 million slippage forecast on Night Storage Replacement. This reflects reduced target installation numbers on shelving ground source heat pump project.
- 6.3.2.2. £2.4 million slippage forecast on HIP Contingency Budget to reflect plan to not spend any money from this pot in the current financial year.
- 6.3.2.3. £0.4 million slippage on Planned Programmes (Windows) due to postponement of work on Hillsborough until next financial year.
- 6.3.2.4. £0.3 million slippage on Energy efficiency works (Easiforms) on account of delays to project works owing to the ongoing issues around access to the properties.
- 6.3.2.5. £0.4 million slippage on Stock Conditions Surveys (for Damp & Mould) on account of reduction in current year work programme owing to QA concerns.
- 6.3.2.6. Small variances on miscellaneous other schemes summing up to a net slippage of £0.2 million.

Overspend:

- 6.3.2.7. £1.7 million overspend on Fire Alarm Installations arising from additional blocks added to the programme to curb high Waking Watch Costs. Any additional spend incurred will require further approvals and will be funded by grant income from the Waking Watch Relief Fund and this overspend will be contained and managed within the overall Housing Investment Fund budget in the HRA Capital programme.

6.4. The capital programme, as approved in February 2024, identified £10.6m of emerging priorities to be financed from a range of resources, including £5.002 million of Strategic Community Infrastructure Levy (SCIL). It should be noted that this SCIL allocation will be

utilised to support the Investment in the 'New Cut' harbour walls, works to repair and strengthen the River Avon New Cut Retaining Walls in the vicinity of the Langton Street Pedestrian Bridge (the Banana Bridge) between the Bath Bridge Roundabout and the Bedminster Bridge Roundabout. This will support the proposed growth identified in the Whitehouse Street Framework by ensuring that York Road and Clarence Road are supported such that additional pedestrian and cycle infrastructure can be provided in addition to a potential new footbridge linking Whitehouse Street to Clarence Road.

7. OTHER DECISIONS

7.1. **Urgent Key Decision No. 037 – Household Support Fund 6 (2024 school holidays free school meals vouchers)**

Following the announcement on 2 September 2024 by the Secretary of State for Work and Pensions that the Household Support Fund (HSF) is to be extended by a further 6 months 1 October 2024 to 31 March 2025, approval was given by the Chief Executive in consultation with the Leader of Bristol City Council, to spend £1,021,500 to assist 22,700 free school meals food vouchers for the October and Christmas 2024 school holidays (representing a total of 3 weeks). Further details are included in Appendix A3.