

1. General Fund

1.1. The Council is currently forecasting that the outturn position will be as per the revised budget.

1.2. Table 1 provides an overview of the Council's current forecast position for the 2018/19 financial year. Additional service detail is provided for each Directorate in individual appendices. The Directorate reporting reflects the revised organisational structure and budgets previously held under "Communities" have been transferred to the other Directorates. Budgets have also been revised following Cabinet approval to re-allocate the saving target for fees and charges income budgets and corporate contingencies as per the P7 budget monitor report.

Table 1: General Fund Forecast Net Expenditure

Approved Budget* £m	Directorate	Revised Budget £m	Outturn £m	Variance £m	Variance as % of Net Budget
207.830	Adults, Children and Education (ACE)	232.351	231.917	(0.434)	(0.2%)
59.547	Growth and Regeneration	58.021	58.412	0.391	1.0%
47.881	Resources	51.156	51.308	0.152	0.3%
315.258	Sub-total	341.529	341.849	0.109	0.1%
40.973	Other Budgets**	21.913	21.598	(0.316)	(1.4%)
356.232	Net Expenditure Total	363.441	363.234	(0.207)	0%

*Approved budget restated to reflect organisational restructure as per Table 2 below.

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

Table 2: Movements in Approved Budget at Service Level to reflect Organisational Restructure

Service	Approved Budget by Full Council £m	From	To
Public Health and Safer Bristol	3.439	Neighbourhoods	ACE
Trading with Schools	0.873	People	Resources
Citizen Services	3.884	Neighbourhoods	Resources
Facilities Management	3.948	Place	Resources
Revenue and Benefits	4.721	Neighbourhoods	Resources
Companies Lead	0.980	People	Resources
Policy, Strategy and Comms	2.833	City Director	Resources
Executive Office	2.654	City Director	Resources
Waste	28.987	Neighbourhoods	Growth & Regeneration
Homes & Landlord Services	11.437	Neighbourhoods	Growth & Regeneration
Library Services	3.623	Neighbourhoods	Growth & Regeneration
Parks and Green Spaces	2.360	Neighbourhoods	Growth & Regeneration
Bristol Investment Fund	3.516	Neighbourhoods	Growth & Regeneration
Neighbourhood and Communities	1.505	Neighbourhoods	Growth & Regeneration
Bristol Operations Centre	0.101	Neighbourhoods	Growth & Regeneration
Regulatory Service/s	0.087	Neighbourhoods	Growth & Regeneration

	Approved Budget by Full Council £m	Changes £m	Current Approved Budget £m
Adults, Children and Education	204.408	3.422	207.830
Neighbourhoods	63.644	(63.644)	0.000
Place/Growth & Regeneration	12.114	47.433	59.547
Resources	29.611	18.270	47.881
City Director	5.487	(5.487)	0.000
Sub-total	315.264	(0.005)	315.259
Other Budgets**	40.968	0.005	40.973
Net Expenditure Total	356.232	0.000	356.232

2. Ring-Fenced Accounts

Housing Revenue Account

2.1. There is a forecast underspend on the HRA of £5.743m due to staff vacancies, an underspend on some repairs and maintenance budgets due to poor contractor performance. The forecast underspend has increased by £1.4m since P7 due to continual issues with the external contractor and a further £0.8m salary costs being capitalised.

Dedicated Schools Grant

2.2. The total Dedicated Schools Grant (DSG), including amounts recouped by the Education and Skills Funding Agency for Academies, is £346.6m for 2018/19 and £1.0m deficit carried forward from prior year.

2.3. The DSG is currently forecasting an in year underspend of £1.4m. The cumulative position on High Needs is a forecast £1.0m deficit and the long term sustainability of the High Need budget is being discussed with Schools Forum. The underspent areas include £0.3m for de-delegated funds which are treated as ring-fenced for maintained schools. The largest underspend is in the Early Years Block, based on pupil numbers as at May 2018, though the final financial position will only be known once the details of the October 2018 and January 2019 pupil censuses are known.

Public Health

2.4. The original Public Health business plan for 2018/19 assumes a drawdown of ring-fenced reserves of £1.8m in order to deliver the business plan. Public Health forecast a balance year end position; however this must be seen in the context of a 2.6% reduction (£0.9m) in the grant funding allocated by Public Health England in 2018/19.

2.5. The service is exploring the mechanisms by which this will be delivered whilst continuing to deliver a sustainable offer that meets the core priorities of the funding for 2018/19 and beyond. Its restructure of the service is almost complete. Next steps are planned to include a review of commissioned contracts. At P8 the anticipated drawdown from reserves for 2018/19 is forecast to be £0.9m plus a further £0.9m to cover redundancies.

3. Savings Programme

3.1. To balance the 2018/19 budget, savings totalling £34.5m were approved by Full Council. There was also £8.7m of savings from 2017/18 which whilst were mitigated as one off in 2017/18 still remain as an ongoing saving requirement for delivery in 2018/19. £1.7m of savings targets have been written off in 2018/19 as they are undeliverable.

3.2. There remains a risk regarding £8.6m of savings where further work / mitigating actions are required in order to deliver, of this £6.2m relates to savings within Adult Social Care, £0.5m for reduced education Services grant and £0.5m for review of fees and charges and £0.4m for Facilities Management saving target. Table 3 provides a breakdown of the realisation of the planned 2018/19

savings by directorate.

Table 3: Summary of Delivery of Savings by Directorate

	2018/19 Savings £m	2018/19 Savings reported as safe £m	2018/19 Savings reported as at risk	
			£m	%
Adults, Children and Education	11.520	4.577	6.943	60.3
Resources	13.600	12.354	1.246	9.2
Growth and Regeneration	8.820	8.418	0.402	4.6
Total	33.940	25.349	8.591	25.3

3.3. Members should note that delivery of savings is based on Directors assessment of whether the savings agreed by Council have been delivered and whilst other areas of underspends and income generation is being realised with budgets, until this is reallocated via a change control process the savings delivery tracker and forecast outturn will not be aligned.

4. Capital Programme

4.1. The following table sets out the forecast Capital Outturn position for 2018/19 by Directorate, with further detail provided in Directorate Appendices. The current forecast assumes that the average monthly spend for the remainder of the year will be £22m which is significantly higher than the average of £9m to date.

Table 4: Capital Forecast Outturn position for 2018/19 by Directorate

Approved Budget £m	Directorate	Revised Budget £m	Forecast Outturn £m	Variance £m
33.500	Adults, Children and Education	27.456	27.171	(0.284)
148.375	Growth and Regeneration	82.647	78.195	(4.452)
11.655	Resources	10.787	10.208	(0.580)
193.530	Sub-total	123.390	118.074	(5.316)
3.870	Corporate	2.500	2.500	0
47.000	Housing Revenue Account	39.209	39.544	0.335
244.400	Total	162.599	157.618	(4.981)

5. Debt Management

5.1. As at 30/11/2018, there was £17.8m outstanding sundry debt owed to Bristol City Council that has been outstanding for longer than three months (not including Housing Rent, Council Tax or Business Rates). This is an improvement of £0.4m on the previous month's level.

5.2. There are still approximately 24,000 invoices outstanding, though two thirds of these relate to individuals for Adult Social Care. The largest invoices outstanding are: £1.4m PFI charge to Bristol City College outstanding since June 2015 and £0.5m to NHS England for Sexual Health services which has been outstanding since May 2018.

6. Reserves

Overall Revenue Reserves Position

6.1. The opening revenue reserves are £107.4m, made up of £87.4m earmarked reserves and £20m general reserves. Current net drawdowns of earmarked reserves are £24.6m.

Table 5: Summary of movement in revenue reserves

	Opening balance	Forecast Net Drawdown	Closing Balance
Earmarked Reserves	(87.420)	26.127	(61.293)
General Reserves	(20.000)	(1.571)	(21.571)
	(107.420)	24.556	(82.865)

Earmarked Reserves

6.2. Opening earmarked reserves at 1st April 2018, were £87.4m in setting the budget for 2018/19 there was a budgeted net drawdown from reserves of £12.4m, made up of a £7.5m contribution from MRP clawback and a drawdowns of £19.9m, giving an expected year-end balance of £75.0m

6.3. The current forecast contributions are in line with the budgeted £7.5m. Drawdowns from earmarked reserves are slightly higher than budgeted. This is expected as at the end of 2017/18 additional contributions to reserves were made where income was received in advance or planned expenditure was delayed until this financial year. The decision not to progress with the Arena capital project has resulted in a forecast revenue reversion of £12m which will be funded from reserves.

Table 6: Summary of Forecast year end position

	Opening balance	Forecast Net Drawdown	Closing Balance
Capital Investment	(22.479)	4.506	(17.973)
Risk Management	(21.239)	8.865	(12.374)
Ring-Fenced	(14.642)	1.670	(12.971)
Financing/Technical	(13.600)	7.059	(6.541)
Service Specific	(15.460)	4.027	(11.434)
	(87.420)	26.127	(61.293)