

1. General Fund

- 1.1. The Council is currently forecasting that the outturn position will be £0.1m underspend by the end of March. It is therefore expected that at the year-end expenditure will be in line with the 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.

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	322.352	231.886	(0.466)	(0.2%)
59.685	Growth and Regeneration	58.016	58.162	0.150	0.3%
47.743	Resources	51.098	51.606	0.508	0.9%
315.259	Sub-total	341.466	341.654	0.193	0.1%
40.973	Other Budgets**	21.974	21.653	(0.321)	(1.5%)
356.232	Net Expenditure Total	363.440	363.307	(0.129)	0.0%

*Approved budget restated to reflect organisational restructure.

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

2. Ring-Fenced Accounts

Housing Revenue Account

- 2.1. The HRA forecast is currently £6.303m below target. £3.5m of the variance represents delays in delivering repair and maintenance programmes in accordance with the 30-year business plan and should be considered a timing delay rather than an underspend in the usual sense.
- 2.2. There are also reductions being forecast in the delivery of the HRA capital programme, and this may contribute to a further reduced revenue contribution to capital, which will be fully reviewed as part of the period 10 forecast.

Dedicated Schools Grant

- 2.3. The total Dedicated Schools Grant (DSG), including amounts recouped by the Education and Skills Funding Agency for Academies, is £347.7m for 2018/19 and a £1.0m deficit carried forward from prior year.
- 2.4. The DSG is currently forecasting an in year underspend of £1.4m. The DSG brought forward a £1m deficit from previous year so is forecast to carry forward a £0.4m surplus at the year end. Within the DSG there remains significant pressure on high needs with a forecast £1.0m deficit. The long term sustainability of the High Need budget is a matter of ongoing concern.
- 2.5. 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

- 2.6. The original Public Health business plan for 2018/19 delivered a balanced year end position. This position incorporated a 2.6% reduction (£0.9m) in the grant funding allocated by Public Health England in 2018/19 and assumed a drawdown of ring-fenced reserves of £1.8m.

2.6 In order to deliver an offer which is sustainable beyond 2018/19 the service has, by Q3 of this financial year, developed and implemented a new service model which aims to deliver the statutory public health responsibilities of the authority more efficiently and cost effectively. The Public Health team will offer public health advice and support to all parts of the authority and to external partners (such as the NHS) through business partnering arrangements for key services and it will decrease the number of commissioned Public Health services.

3. Savings Programme

- 3.1. To balance the 2018/19 budget, savings totalling £34.5m were approved by Full Council. There were also £8.7m of savings from 2017/18 which whilst were mitigated as one off in 2017/18 had an ongoing saving requirement for delivery in 2018/19. £2.1m of savings targets have been subject to change controls, written off in 2018/19 and mitigated via alternative sources as approved by where appropriate by Cabinet. These include the libraries saving and those relating to the Education Services Grant.
- 3.2. There remains a risk regarding £4.0m of this year's savings where further work / mitigating actions may be required in order to deliver. Of this, £2.0m relates to savings within Adult Social Care, £0.5m for review of fees and charges and £0.4m for Facilities Management saving target. Table 2 provides a breakdown of the realisation of the planned 2018/19 savings by directorate.

Table 2: 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	9.242	2.278	20
Resources	13.600	12.304	1.296	10
Growth and Regeneration	8.820	8.368	0.452	5
Total	33.940	29.914	4.026	12

- 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 are being realised within budgets, until these are 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 £23.7 which is significantly higher than the average of £8.7m to date But is not uncommon for the final quarter of the year. In 2017/18 the expenditure at P9 was 60% of the final outturn position.

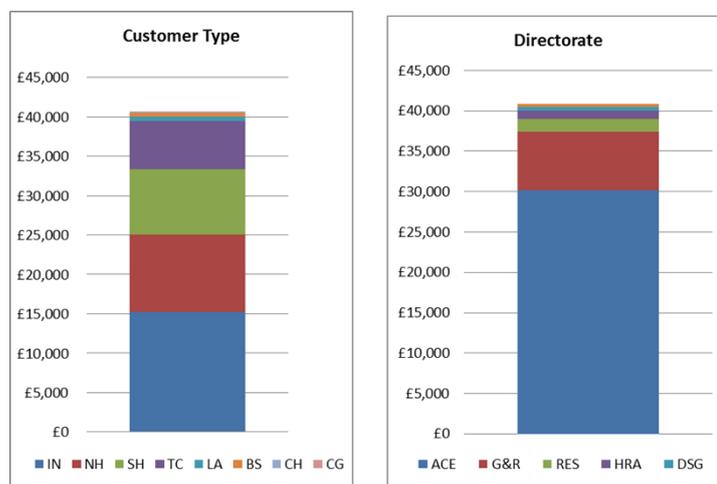
Table 3: Capital Forecast Outturn position for 2018/19 by Directorate

Approved Budget £m	Directorate	Revised Budget £m	Budget Spent to date %	Forecast Outturn £m	Variance £m
33.500	Adults, Children and Education	27.456	56	26.923	(0.532)
148.375	Growth and Regeneration	82.647	47	70.975	(11.673)
11.655	Resources	10.787	31	8.548	(2.240)
193.530	Sub-total	123.390	47	106.446	(14.445)
3.870	Corporate	2.500	3	5.340	2.840
47.000	Housing Revenue Account	39.209	53	37.819	(1.389)
244.400	Total	162.599	48	149.605	(12.994)

5. Debt Management

5.1. As at 31/12/2018, there was £40.6m outstanding sundry debt owed to Bristol City Council, not including Housing Rent, Council Tax or Business Rates. Of this £23.4m has been outstanding for longer three months, the largest single area of this debt making up £9m relates to individual's assessed contributions to packages of adult social care. Although the overall amount of aged debt has increased by £7.2m during the year, this is mainly due to a few large invoices for the NHS contribution to the Better Care fund and School PFI contributions – all of which are anticipated to be paid. At P9 the 30 highest value outstanding invoices are all for amounts over £75k and account for £19.4m of the total aged debt value.

Chart 1 Breakdown of debt by Customer type and Directorate.



Key	Customer Type		Directorate
IN	Individuals	ACE	Adults Children and Education
NH	National Health Authority	G&R	Growth and Regeneration
SH	Schools	RES	Resources
TC	Trade Customers	HRA	Housing Revenue Account
LA	Local Authorities	DSG	Dedicated Schools Grant
BS	Maintained Schools		
CH	Charities		
CG	Central Government		

- 5.2. The largest contributor to the aged debt is the NHS with a total of £9.8m – of which £8.6m relates to their contribution to the Better Care Fund. The second largest area of debt is for schools with £8.5m and relates mainly to PFI charges. Several schools owe a combined £5.5m for PFI charges which are being repaid in instalments to coincide with their process for reclaiming these funds and the school year. It is anticipated that these invoices will be paid in full.
- 5.3. There are currently 2,400 invoices outstanding from Trade debtors with a value of £3.8m, of which 840 invoices (worth £0.8m) are over a year old. Of the other high value invoices outstanding there are 18 invoices of over £50k relating to Adult Social Care service users or their estates worth £1.4m in total. The remaining 23 invoices over £50k amount to £2.8m and are all less than 1 year old.
- 5.4. There are a further 280 invoices valued between £5k and £50k worth £2.9m in total, with 260 of these being for individuals making up £2.7m of the outstanding debt.
- 5.5. Finally – there are 23,600 invoices each valued at less than £5k which account for £10m of outstanding debt and the vast majority of these invoices are for Adult Social Care individual service users. Officers will continue to take appropriate actions to reduce these debts.
- 5.6. The percentage value of invoices paid in P9 was 83% which is also in line with the trend of the previous year whereby payments in December were typically lower than the rest of the year with peaks of 92%/91% seen in March and September reflecting the end of the financial year and start of the academic year.

6. Reserves

Overall Revenue Reserves Position

6.1. The opening revenue reserves are £104.4m, made up of £87.4m earmarked reserves and £20m general reserves. The current planned net drawdown of earmarked reserves is £25.6m. This includes a contribution of £500k to a reserve ring fenced for planned activity being explored in delivering the Bristol Bond which has been delayed and now due to report in April 2019. .

Table 4: Summary of movement in revenue reserves

	Opening balance	Forecast Net Drawdown	Unmitigated Overspend	Closing Balance
Earmarked Reserves	(87.420)	25.627	0	(61.793)
General Reserves	(20.000)	0	0	(20.000)
	(107.420)	25.627	0	(81.793)

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.

6.4. The forecast drawdown on the capital investment reserve includes £6.5m investment (as at p09) in Bristol Energy in line with the business plan agreed by Cabinet in 2017 and financed by recovery of previously overprovided for minimum revenue provision.

Table 5: 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)	3.527	(11.934)
	(87.420)	25.627	(61.793)