

## 1. General Fund

- 1.1. The Council is currently forecasting a £2.8m overspend on the approved general fund budget (£376.3m). At this point of the financial year it is expected that the forecast overspend will be largely managed through management actions through the rest of the financial year.
- 1.2. The table below provides a summary of the current forecast position by directorate for 2019/20. Additional service details are provided for each Directorate in individual appendices.

Figure 1: General Fund Forecast Net Expenditure

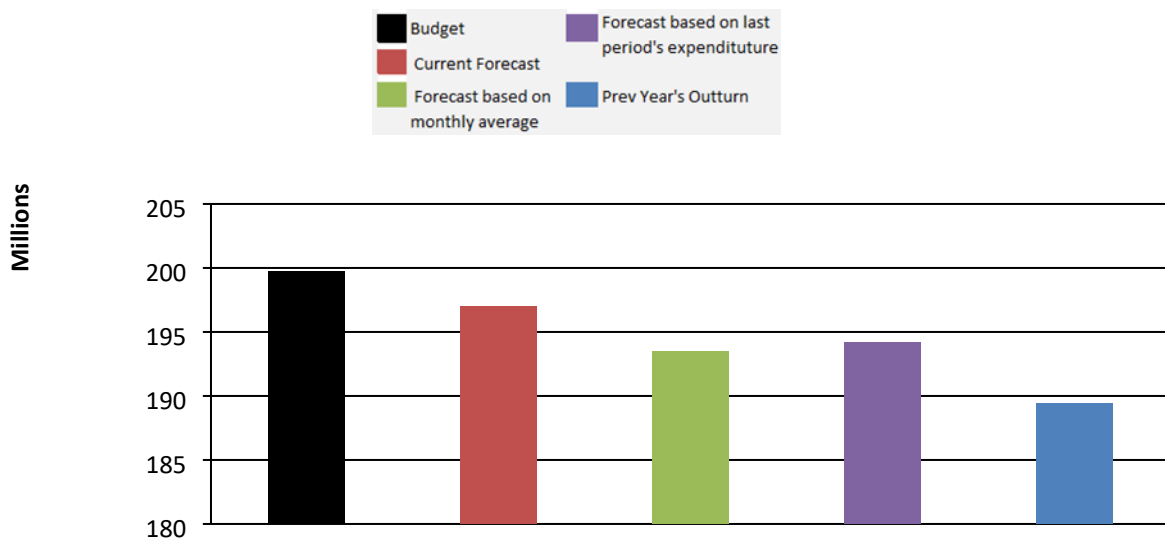
Approved Budget	Directorate	Revised Budget	Outturn	Variance	Variance as % of Net Budget
£m		£m	£m	£m	
226.6	People	226.9	229.7	2.8	1.2%
50.4	Resources	50.2	50.7	0.5	1.0%
64.3	Growth and Regeneration	62.6	62.5	-0.1	(0.1%)
<b>341.3</b>	<b>Sub-total</b>	<b>339.7</b>	<b>342.9</b>	<b>3.2</b>	0.9%
35.0	Other Budgets*	36.6	36.2	-0.3	(0.9%)
<b>376.3</b>	<b>Net Expenditure Total</b>	<b>376.3</b>	<b>379.1</b>	<b>2.8</b>	0.8%

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

- 1.3. The forecast overspend is predominantly within Adult Social Care (£2.2m) meanwhile assuming a level of the planned efficiency initiatives will be delivered in the service against the c£4m target. This forecast has worsened by £0.4m comparing to P2 (no net movement against P3), predominantly relating to hospital and front line team Adult Social Care has seen sharp increases in demand for residential care for over 65s linked with hospital discharges since May 2019. There are also increasing costs in providing residential support to transitioning young people to adulthood and providing support to working age adults in the communities. Contracting arrangements are being reviewed and options are being considered that include changing elements of the payment mechanism. However it must be stated that there is a concern that if the emerging trend for older adults continues, the ability to deliver a balanced budget by the end of the financial year will be unachievable.
- 1.4. The Education improvement budget is forecasting a risk of overspend of £0.5m. (no change compared to P2 & P3), and principally relating to Home-School Transport. This is a recurrent issue and was addressed by a temporary supplementary estimate in 2018/19. For 2019/20, the service is actively seeking solutions to permanently mitigate this pressure by procuring a new software system to get better management information and to improve route planning; participating in a Department for Education project looking at good practice in Home-School Transport; and jointing up with SEN Capital Strategy to help minimise the need for transport by having provision where it is needed.
- 1.5. The remaining forecast overspend is within Facility Management in the Resources Directorate. Savings delivery plans are proving challenging with increasing running cost pressures on the Council's operational buildings. The service is currently exploring options and developing mitigation plans.
- 1.6. At this point of the financial year a significant amount of budget for the wider council is still forecasted to be spent as a default by budget holders whilst the forecast based on monthly average spend indicates a lower spend profile. Significant efforts are being made by budget holder to improve the forecast accuracy. Further work is still needed on an ongoing basis to ensure that the assumptions match with recruitment plans and any potential vacancy factors are identified. Figure 2 below illustrate the difference between the budget holders' forecast on employees spend and the

extrapolated current monthly averages.

Figure 2: Employee cost run-rate comparison to management forecast



## 2. Ring-Fenced Accounts

### Housing Revenue Account

2.1. The HRA is forecasting a balanced position at year-end, comparing to the P2 forecast at £2.4m underspend. The service is putting plans in place to ensure the delivery of the repair and maintenance programme. There are recruitment and retention issues in the Construction industry generally, and the service is seeking to fill vacancies in order to ensure maximum deliverability of the planned programme.

### Dedicated Schools Grant

2.2. The total Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency for Academies is £356.9m for 2019/20. The DSG is currently forecasting an in year balance position with the planned drawn-down from carried forward balances / reserves at £1.7m, which has remained the same level against P2 forecast, but an £0.3m increase against P3 mainly due to early years forecast.

2.3. The approved budget for 2019/20 included use of funding for High Needs in advance (from 2020/21). The DSG brought forward a £1.9m surplus from the previous year. This position needs to be considered in the context of the approved High Needs budget for 2019/20 including £2.4m funding draw down from 2020/21 in advance and £2.5m transferred between blocks (primarily schools). the underlying position for High Needs is a shortfall of c.£5m. The plan for addressing this presently is to lobby government for more resources, to pursue the High Needs Transformation Programme to deliver service improvements and to take any opportunities that present themselves to transfer funding from other blocks or elsewhere and flex the DSG budget to best meet our needs

2.4. Regarding early years DSG income is based on actual take up of places. As the actual number of take up of placements in 2018/19 generated an underspend; if a similar level of participation is reflected in 2019/20 this will generate a £1m underspend in year. At this stage of the financial year, none of the participation data is yet available, It is, too early to determine whether participation levels will be at, below or above 2018/19 and the forecast will vary during the year, as this information becomes available.

2.5. Cabinet are asked to note the latest available DSG funding allocations from ESFA, which include an additional £0.717m in the High Needs block and a reduction of £0.176m for the Early Years block and transfers that will be actioned to reflect these funding changes.

2.6.

### Public Health

2.7. Public Health is forecasting to deliver a balance budget in 2019/20 which remains consistent with P2 and P3. The total grant receipt of £31.6m included a 2.5% reduction (£0.9m) this year. There is a risk that the agreed 2019/20 budget may be overspent to a value of £0.7m. This is being closely monitored and should this probability increase a supplementary estimate will follow requesting a drawdown of £0.7m from the ring fenced Public Health reserves this year.

## 3. Savings Programme

3.1. The savings / efficiency programme agreed by Council in 2018 included savings totalling £11.7m for 2019/20. There was also £6.1m of savings with largely one off activity carried forward from 2018/19 to 2019/20 which still require full delivery in 2019/20, therefore increasing the total savings delivery target for 2019/20 is £17.8m.

3.2. At P4 £4m of £17.8m savings are reported to be at risk where further work / mitigating actions may be required in order to deliver. Comparing to P2, this position has improved by £2m (remained same compared to P3), mainly relates to increased certainty in the delivery of savings on non-pay expenditure. Of the £4m savings that still at risk, £2.0m relates to the Adult Social Care Better Lives Programme and the remainder relates to Council-wide cross-cutting savings initiatives.

Figure 3: Summary of Delivery of Savings by Directorate

Directorate	2019/20 Savings £m	2019/20 Savings reported as safe	2019/20 Savings reported as at risk	
		£m	£m	%
People	8.98	6.90	2.09	23%
Resources & Cross-Cutting	4.20	3.27	0.92	22%
Growth and Regeneration	4.63	3.41	1.22	26%
<b>Total</b>	<b>17.81</b>	<b>13.58</b>	<b>4.23</b>	<b>24%</b>

3.3. Following approval of savings programme at Full Council, saving schemes at risk can be delivered or mitigated in a different way than initially expected. Where savings shortfalls are identified alternative propositions are developed. A summary of these changes request are set out below and Cabinet are asked to note the changes:

Figure 4: Change Requests

		2019/20	2020/21	2021/22	2022/23
Reference	Description	£000	£000	£000	£000
BE1	<b>To approve</b> the change to BE1. This was originally going to be delivered from savings through rationalisation of posts, but will now be delivered by alternative specific ongoing savings within the Directorate, including IT system changes, election budget reduction, and improved treasury management.	250	500		
IN25	<b>To note change</b> to IN25 saving by removing the proposal for charging admissions for Red Lodge and Georgian House Museums for savings purposes. The saving will therefore be delivered via increased income from events, sponsorship and self-financing of Bristol Film Office	60	19	35	21
IN30	<b>To note</b> change to IN30. Income from can do Bristol is changed to off-street parking income for 2019/20 recurrent delivery	20			
Total		330	519	35	21

3.4. 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 within budgets, until this is reallocated via a formal change control process the savings delivery tracker and forecast outturn will not be aligned.

## 4. Position of Reserves

- 4.1. The 2018/19 accounts closed with a surplus of £3.2m held in the general unallocated reserve subject to in-year spending decisions and emerging pressures and priorities. Based on the revised net budget for 2019/20 this surplus takes the general unallocated reserve balance just above the 6% policy threshold.
- 4.2. Outlined in Figure 5 below are priority one-off growth / investments requested totalling £3.2m and approval is sought for this allocation to be made from the above mentioned general unallocated reserve, which will reduce this reserve to the agreed level of £20m. Within the figure above, Cabinet is asked to note urgent virement decisions made under Mayors delegated authority (and subsequent Officer Executive Decision) from the general unallocated reserve in order to facilitate timely delivery. Further detail is found in Appendixes individual supplementary estimate requests and OEDs published.
- 4.3. As a result of the end of year position, during the first quarter of 2019/20 further reviews were carried out on the earmarked reserves (totalling £81.2m) to ascertain whether any of the obligations had been discharged, or were no longer required and could be released or redirected. Following this review £3.5m was identified. Figure 6 below summarise the one-off strategic spend during the 2019/20 financial year that are proposed to be funded by the redirection of earmarked reserve totally £3.5m and Cabinet approval is sought for this movement.

Figure 5: 19/20 proposed priority one-off growth / investment and funding

Strategic One-off Spend	Total One-off	Funded by	Funded by	Decision Route
	Requests	General Reserve	Redirection of Earmarked Reserves	
	£000	£000	£000	
Serious violence, contextual safeguarding and community tension	875	875		Supplementary estimates
Clean Streets proposal	845	845		Supplementary estimates
Ethical debt project	600	600		Cabinet Report 3rd September
Carbon Neutrality Funding	250	250		Supplementary estimates
Clean Air	312	150	162	Supplementary estimates
Bristol Family Cycling Centre	155	155		Supplementary estimates
Bristol Pound	50	50		Officer Exec Decision Published
Mental health and well being programme - Thrive	50	50		Officer Exec Decision to be published
Going for Gold	25	25		Officer Exec Decision to be published
Fair Saturday - Art & Culture Festival	25	25		Officer Exec Decision to be published
Holiday Hunger Appeal	25	25		Officer Exec Decision Polished
Avon Mutual - Regional Community Bank	150	150		Prior Cabinet Approval
Network and Cyber Security	1,000		1,000	Supplementary estimates
Bristol housing festival	150		150	Supplementary estimates
Western Powerhouse	50		50	Supplementary estimates
<b>Total Funded by 18/19 Underspend</b>	<b>4,562</b>	<b>3,200</b>	<b>1,362</b>	
Amount Held in abeyance in risk reserve in dealing with emerging revenue pressures in 2019/20	2,193		2,193	
<b>Total</b>	<b>6,755</b>	<b>3,200</b>	<b>3,555</b>	*

4.4. For approval, Figure 6 below sets out, the proposed redirection of existing earmarked reserves and a transfer of the balance of £2.2m to increase the risks reserve for emerging 2019/20 in year pressure that may not be fully contained.

Figure 6: Reallocation of earmarked reserves

Type	Analysis	Analysis(T)	Balance to be Released / reapplied	Mayoral Pledges	BHL / Weston Powerhouse	Cyber Security	Release to risk reserve
Technical	BX119	IFRS - Grants with no conditions	321,340				(321,340)
Risk	BX123	Operational Reserve	748,717				(748,717)
Risk	BX160	Education Risk Reserve (Contingency Released)	1,523,751			(1,000,000)	(523,751)
Risk	BX151	Future Risk (saving consultation reserve)	51,467	(51,467)			-
Service	BX072	Development Fund	228,838		(80,685)		(148,153)
Service	BX074	Housing Support	35,100		(35,100)		-
Service	BX125	Bristol Green Capital	94,000	(94,000)			-
Service	B2002	Future City Demonstrator	451,473				(451,473)
Service	B4004	Planning	11,412	(11,412)			-
Service	B4006	Transport	5,121	(5,121)			-
Service	B4007	Housing Delivery	84,215		(84,215)		-
<b>Total</b>			<b>3,555,434</b>	<b>(162,000)</b>	<b>(200,000)</b>	<b>(1,000,000)</b>	<b>(2,193,434)</b>

4.5. Other movements on reserves: it should be noted that In July £2.5m of funding was invested into Bristol Energy in line with the planned draw-down.

## Period 4 Budget Monitoring - Summary

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
<b>People</b>				
Adult Social Care	148,805	148,998	151,157	2,159
Children and Families Services	62,439	62,436	62,477	40
Educational Improvement	12,103	12,274	12,833	559
Public Health - General Fund	3,237	3,237	3,238	2
<b>Total People</b>	<b>226,584</b>	<b>226,945</b>	<b>229,705</b>	<b>2,760</b>
<b>Resources</b>				
Digital Transformation	12,130	12,168	12,168	0
Legal and Democratic Services	6,898	6,808	6,726	(82)
Finance	10,947	10,970	10,969	(1)
HR, Workplace & Organisational Design	10,568	10,390	10,205	(185)
Policy, Strategy & Partnerships	2,939	3,035	3,036	2
Commercialisation & Citizens	6,915	6,806	7,556	751
<b>Total Resources</b>	<b>50,396</b>	<b>50,176</b>	<b>50,660</b>	<b>484</b>
<b>Growth &amp; Regeneration</b>				
Housing & Landlord Services	11,600	11,597	11,533	(64)
Development of Place	1,277	1,285	1,282	(3)
Economy of Place	2,702	3,040	3,042	2
Management of Place	48,709	46,671	46,680	9
<b>Total Growth &amp; Regeneration</b>	<b>64,288</b>	<b>62,593</b>	<b>62,538</b>	<b>(56)</b>
<b>SERVICE NET EXPENDITURE</b>	<b>341,268</b>	<b>339,714</b>	<b>342,902</b>	<b>3,188</b>
Levies	857	857	860	3
Corporate Expenditure	34,174	35,323	34,978	(345)
Capital Financing	0	405	405	0
Insurance Fund	0	0	0	0
Corporate Revenue Funding	(376,299)	(376,299)	(376,299)	0
RELEASED FROM RESERVES	0	0	0	0
<b>TOTAL REVENUE NET EXPENDITURE</b>	<b>(0)</b>	<b>(0)</b>	<b>2,847</b>	<b>2,847</b>

## HOUSING REVENUE ACCOUNT SUMMARY

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
<b>Housing Revenue Account</b>				
Strategy, Planning & Governance	(102,687)	(102,687)	(103,569)	(882)
Responsive Repairs	26,192	26,192	26,895	703
Planned Programmes	18,095	18,095	18,983	887
Estate Management	9,408	9,408	8,699	(710)
Capital - Neighbourhoods HRA	0	0	1	1
HRA - Funding & Expenditure	11,745	11,745	11,745	0
HRA - Capital Financing	11,617	11,617	11,617	0
HRA - Year-end transactions	25,630	25,630	25,630	0
<b>Total Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## RING FENCED BUDGETS

	2019/20 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
Public Health	0	0	0	(0)
Dedicated Schools Grant	(0)	(0)	0	0
<b>Total Ring fenced budgets</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>