

**BRISTOL CITY COUNCIL  
CABINET  
4<sup>th</sup> July 2016**

**REPORT TITLE:** Financial report- 2015/16 outturn

**Ward(s) affected by this report:** All

**Strategic Director:**

**Report author:** Julie Oldale (Interim Service Director – Finance)

**Contact telephone no. & e-mail address:** Insert telephone no.  
Harry.Lawson@bristol.gov.uk

**Purpose of the report:**

To report on the Council's overall financial performance for the 2015/16 financial year

**RECOMMENDATION for the Mayor's approval:**

1. To note the Revenue and Capital outturn position set out in the report.
2. To note and ratify the movements to reserves set out in the report.
3. To note the Capital outturn position reflecting in year spending of £199.9m against an approved programme of £240.5m .
4. To note the Treasury Management position showing borrowings of £419.3m and investments of £145.7m as at 31 March 2016.

**Purpose of the report:**

To report on the Council's overall financial performance for the 2015/16 financial year.

## Financial Summary

1. The following table shows a summary as to how each Directorate performed against the revenue budget for the 2015/16 financial year.

|                                | <b>Revised Budget</b><br>£m | <b>Actual</b><br>£m | <b>Variance</b><br>£m |
|--------------------------------|-----------------------------|---------------------|-----------------------|
| People                         | 217.8                       | 226.2               | 8.4                   |
| Place                          | 21.7                        | 21.7                | (0.0)                 |
| Neighbourhoods                 | 44.4                        | 44.4                | (0.0)                 |
| Business Change                | 44.7                        | 44.7                | (0.0)                 |
| City Director                  | 4.8                         | 2.9                 | (1.9)                 |
| <b>Sub total Directorates</b>  | <b>333.4</b>                | <b>339.9</b>        | <b>6.5</b>            |
| Other Corporate Budgets        | 30.8                        | 24.2                | (6.6)                 |
| <b>Sub total</b>               | <b>364.2</b>                | <b>364.1</b>        | <b>(0.1)</b>          |
| Transfer to Earmarked Reserves | (3.3)                       | (3.2)               | 0.1                   |
| <b>Net Expenditure</b>         | <b>360.9</b>                | <b>360.9</b>        | <b>(0.0)</b>          |

2. The following table provides a summary of the Council's outturn position for its capital programme, reflecting in year spend of £199.9m compared to a programme budget of £240.5m.

|  | <b>Original Budget</b><br>£m | <b>Revised Budget 2015/16</b><br>£m | <b>Forecast QTR3</b><br>£m | <b>Outturn 2015/16</b><br>£m |
|--|------------------------------|-------------------------------------|----------------------------|------------------------------|
| People   | 46.1                         | 46.1                                | 45.6                       | 44.2                         |
| Place  | 116.6                        | 111.7                               | 83.0                       | 67.3                         |
| Neighbourhoods   | 3.8                          | 3.8                                 | 1.1                        | 0.8                          |
| Business Change  | 23.6                         | 23.9                                | 19.7                       | 19.7                         |
| City Director  | 5.5                          | 6.7                                 | 5.8                        | 4.8                          |
| HRA  | 48.3                         | 48.3                                | 42.7                       | 42.6                         |
| Other (Purchase of City Point & Inv in Bristol Energy Co.) | -                            | -                                   | -                          | 20.5                         |
| <b>Totals</b>  | <b>243.9</b>                 | <b>240.5</b>                        | <b>197.9</b>               | <b>199.9</b>                 |

3. The General Fund balance has been maintained at £20m with a small planned net decrease of £3.2m in usable earmarked reserves leaving a balance of £95.1m.

**BRISTOL CITY COUNCIL  
CABINET  
4<sup>th</sup> July 2016**

**REPORT TITLE:** Finance Report - Full Year Outturn

**Ward(s) affected by this report:** All

**Strategic Director:**

**Report Author:** Julie Oldale (Interim Service Director - Finance)

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**Purpose of the report:**

To report on the Council's overall financial performance for the 2015/16 financial year.

**RECOMMENDATION for Mayor approval:**

1. To note the Revenue and Capital outturn position set out in the report.
2. To note and ratify the movements to reserves set out in the report.
3. To note the Capital position reflecting in year spending of £199.9m against an approved programme of £240.
4. To note the Treasury Management position showing borrowings of £419.3m and investments of £145.7m as at 31 March 2016.

## **1. Overview and Context**

2015/16 was the second year of the Mayor's three year MTFs/Budget Plan, which saw the Council facing severe cuts to public spending and substantially reduced Government funding. This report shows that the Council has been able to deliver on its saving plans and balance its base budget in what continues to be a challenging fiscal environment. However, the Council still faces significant challenges to deliver the transformation required to cope with increased demands placed on Services in the future.

The following points should be noted;

- Overall General Fund revenue outturn was within the overall approved budget and was an improvement on the position reported at the end of December 2015;
- The balance on the General Fund/Strategic Reserve has been maintained at £20m in accordance with the Council's Reserves policy and Medium Term Financial Strategy (MTFS);
- A planned minimal drawdown from earmarked reserves of £3.2m with remaining balances of £95.1m set aside for specific schemes and to mitigate against future funding shortfalls.

- Income from housing rents and service charges exceeded spending, enabling a strengthening of the HRA general reserves from £54.1m to £61.8m whilst HRA Capital Receipts reserve increased by £9.2m to £39.8m.
- Capital spending in year was £199.9m compared to the budget of £240.5m. This was financed by a mixture of grants and council funding including Prudential Borrowing of £38.9m.

## **2. Revenue Position**

2015/16 was the second year of the Mayor's three year MTFS/Budget Plan.

Performance was monitored against budget on a quarterly basis throughout the year to enable resources to be re-directed toward corporate priorities in a timely manner should the need arise, whilst remaining within the overall budget.

The Council has delivered significant savings in year of £31m; with any part year effects in delivery being managed in year. The outturn position saw the Council keeping within budget whilst preserving reserves set aside for specific schemes and to mitigate future funding risks.

The outturn position has confirmed the structural pressure within the social care budgets within the People Directorate. Management actions were taken in year to mitigate the impact and work is ongoing within the People Directorate and corporately as part of the planning for the next medium term financial planning process.

The current financial strategy, consisting of the final year of the 2013-17 MTFS, will be sufficient to balance the Council's budget in 2016/17, if delivered in full. This includes the managed delivery of the planned savings of £35m and the containment of the identified structural pressure in social care. The Council has been consistent in stating that further savings will be required beyond the delivery of the current MTFS period and this was reported within the 2016/17 budget setting report to February Council.

The November 2016 Spending Review confirmed that funding cuts will continue up to the end of the current Parliament. Combined with incremental increases in costs due to inflation and demographic pressures, further significant savings will be required to balance the Council's budget over the period of the next medium term financial plan

A summary of the overall position for 2015/16 is shown in the table below:

|                                | <b>Revised<br/>Budget<br/>£m</b> | <b>Actual<br/>£m</b> | <b>Variance<br/>£m</b> |
|--------------------------------|----------------------------------|----------------------|------------------------|
| People                         | 217.8                            | 226.2                | 8.4                    |
| Place                          | 21.7                             | 21.7                 | (0.0)                  |
| Neighbourhoods                 | 44.4                             | 44.4                 | (0.0)                  |
| Business Change                | 44.7                             | 44.7                 | (0.0)                  |
| City Director                  | 4.8                              | 2.9                  | (1.9)                  |
| <b>Sub total Directorates</b>  | <b>333.4</b>                     | <b>339.9</b>         | <b>6.5</b>             |
| Other Corporate Budgets        | 30.8                             | 24.2                 | (6.6)                  |
| Sub total                      | <b>364.2</b>                     | <b>364.1</b>         | <b>(0.1)</b>           |
| Transfer to Earmarked Reserves | (3.3)                            | (3.2)                | 0.1                    |
| <b>Net Expenditure</b>         | <b>360.9</b>                     | <b>360.9</b>         | <b>(0.0)</b>           |

Overall, overspend within directorates totalled £6.5m (or 1.8% of budgets). This was counteracted by a £6.6m underspend in Corporate budgets largely attributed to capital financing savings as a result of re-profiling a number of capital schemes. The major variances by directorates are detailed in the following paragraphs:-

### **People**

As reported throughout 2015/16 there have been continued and significant demands on placement budgets across both Children's and Adults services.

The main areas of pressures in Adults were Residential and Nursing placements £2.8m, Homecare £1.6m, Community Support Services £4.4m, and Direct payments £2.1m. These costs were partially offset by receipt of Care Act grant (£1.4m), from the CCG relating to Mental Health aftercare costs (£1.9m), an underspend on staffing of (£1.4m), and an underspend in contracts for Strategic Commissioning contracts (£1.5m).

In Children's services the main areas of budget pressures were the increases in Special Guardianship placements £1.6m and Out of Authority placements £1.5m. There was also significant pressure in the 0-25 service of £2.2m.

To help mitigate the impact of these pressures, other budgets managed to deliver small underspends across the People Directorate.

### **Place**

The directorate broke even overall in 2015/16 but this masks significant overspends in the Property division during the year (£2.1M) and also in the Economy division (£0.8M), offset by unplanned surpluses in Transport (£2.8M) and in Planning (£0.3M). Within Property there was a £2.0m shortfall in the delivery of the MTFs savings target.

Under Transport the majority (£1.8M of the £2.8M) net underspend position is achieved through income surpluses and savings released in Parking Services. There were also savings in costs of Street lighting of £0.6m. The Economy Division's overspend of £0.8M was largely due to the additional cost of operating advertised opening hours at Museums of £0.4m and the cost of TQEZ investment team which will be retrospectively recovered from the LEP.

Under the Planning division there is a surplus of £0.3m and this is largely due to increased income from Planning search fees.

### **Neighbourhoods (Excluding ring fenced budgets)**

Within Neighbourhoods there were minor overspends including for waste transfer stations (£0.2m), public toilets (£0.2m) and at the household waste recycling centres (£0.1m). These were offset by underspends in grounds maintenance, cemeteries and crematoria where income exceeded budget and an underspend in the meals service.

### **Business Change**

The Directorate broke even overall in 2015/16 although there were areas of pressure and corresponding underspends.

The main areas of overspend relate to ICT Delivery (£2m), being additional Hardware/Software and Maintenance costs that were upfront investment costs of the Change Programme.

These costs have been offset by underspends in Integrated Customer Services of £1m, of which £0.5m relates to the unrequired bad debt provision and £0.8m in HR Services where income has exceeded budgets as a result of an increase in staff take-up of the holiday purchase scheme and salary savings. In addition, there have been small underspends in Policy, Strategy and Communications and Legal Services.

### **City Director**

There is a reported underspend of £1.9m that relates to the unspent element of the Bristol Futures Demonstrator grant of £2.2m, which the council has retained and moved to reserves, a Bristol Futures revenue underspend of £0.2m and a overspend in Electoral Services of £0.5m.

### **Other/Non-Directorate Budgets**

Other budgets includes provision for debt financing costs, interest and investment income, certain pension costs as well as general contingencies. There was an underspend on debt financing costs of £6.6m as a result of active treasury management and re-profiling the capital programme with the result of deferring the timing of borrowing.

### **Public Health**

In 2015/16 the Council received £30.9m Public Health Grant. This is a ring fenced grant and must be spent to support the funding of specific services and the delivery of Public Health outcomes. The delivery of these outcomes, alongside spend, is reported annually to the Department of Health.

Within the grant funded element of the service, a total of £1.2m has been carried forward in reserves for expenditure in the next financial year, as required within the grant conditions. This underlying underspend will be required to contribute toward funding additional services that meet the Public Health Outcomes Framework, as part of the Council's approved three year MTFS.

### **Housing Revenue Account (HRA)**

The Housing Revenue Account (HRA) is a separately maintained ring fenced account. The following is a summary of the HRA outturn position prior to any reserve adjustments being included.

|                                | <b>Gross Exp</b><br><b>£m</b> | <b>Gross Income</b><br><b>£m</b> | <b>Revised Net Budget</b><br><b>£m</b> | <b>Outturn</b><br><b>£m</b> |
|--------------------------------|-------------------------------|----------------------------------|--|-----------------------------|
| <b>Housing Revenue Account</b> | 124,339                       | 116,626                          | <b>(3,675)</b>                         | <b>(7,713)</b>              |

The key factors resulting in the variance to budget are:

- Slippage in the Capital Programme with major projects including new build, cladding of high rise blocks alongside the low rise cladding programmes. This was caused by various issues regarding the procurement of contracts and contractor's delays once on site. This reduced the requirement for a revenue contribution to capital by £11m;
- Overspend in repairs and maintenance of £3.4m due to an increase in the volume of response repairs that were not reflected in the original budget alongside an increase in standards of repairs and works to void properties due to a raised re-let standard.

The underspend at the year-end has been transferred to HRA Reserves.

### **Dedicated Schools Grant (DSG)**

In 2015/16, the Council received £167.0m Dedicated Schools' Grant, which is ring fenced and passported through to fund schools. Schools that have transferred to academy status receive their funding directly from the Department of Education.

During the year, the DSG High Needs block was overspent by £1.8m due to increased demand on top up payments. However, this was offset by underspends on the other DSG blocks resulting in a net underspend of (£0.1m) at the year end.

### **3. Capital Programme**

The Council spend on capital investment in 2015/16 was £199.9m compared to a forecast of £197.9m at the end of Quarter 3. The major areas of investment were:

- £44m invested in transport schemes including 'Metrobus', Bus Network, Cycling Network improvements, traffic management and infrastructure;
- £43m invested in the Council's housing stock;
- £38m invested in school buildings to provide additional primary places to meet increased demand;
- £20m invested in the Bristol Workplace Programme to provide an effective environment to support agile working and to deliver efficiency savings. This spend relates to the design and construction of effective working environments and the provision of technology solutions to enable agile working practices;
- £6.5m investment in Bristol Energy and Technology Services Limited, a wholly owned subsidiary of Bristol City Council;
- £5.5m Energy investment into solar schemes, district heating networks;
- £11m invested in the Arena project and surrounding infrastructure, land and building acquisitions;
- £9m City Point Temple Gate acquisition for Temple Quarter Enterprise zone;
- £4m Super Connected Cities - eligible small and medium-sized businesses within the City (including registered charities, social enterprises or sole traders) access to high-speed business internet connectivity; the roll out of phase 2 scheme to the wider network has recently commenced.



The following table sets out a summary of the major variances, capital programme changes and forecast spending by Directorate.

|                              | <b>Original Budget</b> | <b>Revised Budget 2015/16</b> | <b>Forecast QTR3</b> | <b>Outturn 2015/16</b> |
|------------------------------|------------------------|-------------------------------|----------------------|------------------------|
|                              | <b>£m</b>              | <b>£m</b>                     | <b>£m</b>            | <b>£m</b>              |
| People                       | 46.1                   | 46.1                          | 45.6                 | 44.2                   |
| Place                        | 116.6                  | 111.7                         | 83.0                 | 67.3                   |
| Neighbourhoods               | 3.8                    | 3.8                           | 1.1                  | 0.8                    |
| Business Change              | 23.6                   | 23.9                          | 19.7                 | 19.7                   |
| City Director                | 5.5                    | 6.7                           | 5.8                  | 4.8                    |
| HRA                          | 48.3                   | 48.3                          | 42.7                 | 42.6                   |
| Other (inc City Pt & Energy) | -                      | -                             | -                    | 20.5                   |
| <b>Totals</b>                | <b>243.9</b>           | <b>240.5</b>                  | <b>197.9</b>         | <b>199.9</b>           |

A detailed analysis of the variances between the outturn and budget is included as Appendix A.

Capital schemes by their nature are complex and subject to many dependencies, for example land purchase, planning issues, consultation, competing demands for limited specialist resources, procurement regulations, funding approvals etc. The Capital Board is established to oversee and improve the co-ordination of the Capital Programme, ensuring that projects are delivered within their allocation of funding and planned timescales. Responsible Officers are challenged on the projected variances by the Capital Board.

#### 4. Financial Standing/Reserves

The following table summarises the movement on reserves during 2015/16:

|                                   | <b>Opening Balance</b> | <b>In year Movement</b> | <b>Closing Balance</b> |
|-----------------------------------|------------------------|-------------------------|------------------------|
|                                   | <b>£m</b>              | <b>£m</b>               | <b>£m</b>              |
| General/Strategic Reserve         | (20.0)                 | -                       | (20.0)                 |
| Earmarked Reserves (General Fund) | (98.4)                 | (3.3)                   | (95.1)                 |
| Earmarked Reserves (Schools)      | (39.4)                 | 23.9                    | (15.5)                 |
| Housing Revenue Account           | (54.1)                 | (7.7)                   | (61.8)                 |

##### **General Fund/Strategic Reserve**

The purpose of the Council's General/Strategic Reserve is to cover emergency events such as unforeseen financial liabilities and natural disasters and should be maintained at a minimum level of between 3% and 5% of the Council's net revenue budget. The General Reserve is to support one off and limited on-going revenue spending.

General fund uncommitted, strategic revenue reserve is currently £20.m. This is unchanged during the year and consistent with the MTFs.

## **Earmarked Reserves**

The purpose of the Council's earmarked reserves are to meet identified spending commitments and future service commitments. These reserves are only used for the purpose for which they were created and are reviewed annually. The net decrease in Earmarked Reserves during the year was £3.2m.

The net decrease in Earmarked Reserves during the year was £3.2m. The table below summarises the year end position, grouping the reserves by reason/purpose.

| <b>Purpose/Reason</b>                   | <b>Opening Balance<br/>£m</b> | <b>Movement<br/>£m</b> | <b>Closing Balance<br/>£m</b> |
|---|-------------------------------|------------------------|-------------------------------|
| Capital Investment                      | (24.3)                        | 4.1                    | (20.2)                        |
| Business Transformation                 | (26.8)                        | 2.9                    | (23.9)                        |
| Risk Management                         | (10.7)                        | 1.3                    | (9.4)                         |
| Statutory/Ring-fenced reserves          | (7.3)                         | (2.1)                  | (9.4)                         |
| Financing/Technical accounting reserves | (6.6)                         | (0.2)                  | (6.8)                         |
| Service Specific Reserves               | (22.6)                        | (2.8)                  | (25.4)                        |
| <b>Total</b>                            | <b>(98.3)</b>                 | <b>(3.2)</b>           | <b>(95.1)</b>                 |

A full analysis of the Council's earmarked reserves is set out at Appendix B.

The major items carried forward/transferred to reserves were:

- **Capital Investment Reserve.** Net drawdown of £2m includes funding the investment in Bristol Energy Company (£6.5m), investment in a property fund to support homelessness (£0.5m) and a drawdown of £5m in respect of accounting adjustments relating to Schools PFI contracts.
- **Change Programme Investment.** A budgeted contribution was drawn down in line with the MTFs to meet Change Programme expenditure (invest to save) during the year.
- **Waste Management.** An agreed drawdown of £1.9m from Waste Reserves in 2015/16.
- **Public Health.** There is a statutory requirement to carry forward unspent ring-fenced Public Health Grant for investment in public health services - £1.5m.
- **Programmes and Projects.** An approved drawdown of £2m as a contribution towards the refurbishment costs of City Hall.

## Schools Balances

Schools Balances decreased by £24m from £39.5 to £15.5m during the year. There are commitments and plans to spend the carried forward Dedicated School Grant (DSG) which have been agreed by Schools Forum within the regulations controlling spend of the DSG.

## HRA Reserves

The following table provides a summary of the reserve adjustments made at the year end. This includes the transfer of the year-end surplus to reserves and a year-end adjustment relating to the HRA Earmarked Reserves. There has been a net increase across the HRA Reserves of £2.5m.

|                                      | <b>Opening<br/>Balance<br/>£m</b> | <b>Movement<br/>£m</b> | <b>Closing<br/>Balance<br/>£m</b> |
|--------------------------------------|-----------------------------------|------------------------|-----------------------------------|
| HRA Reserve                          | (39.6)                            | (9.9)                  | (49.4)                            |
| HRA Earmarked Reserves               | (14.5)                            | 2.2                    | (12.3)                            |
| HRA Major Repairs Reserve            | (7.0)                             | 5.2                    | (1.8)                             |
| <b>Total (Revenue)</b>               | <b>(61.1)</b>                     | <b>(2.5)</b>           | <b>(63.6)</b>                     |
| <i>HRA Capital Receipts Reserves</i> | <i>(30.6)</i>                     | <i>(9.2)</i>           | <i>(39.8)</i>                     |
| <b>Total HRA</b>                     | <b>(91.7)</b>                     | <b>(11.7)</b>          | <b>(103.4)</b>                    |

## 5. Treasury Management

The Council is required to report to Full Council a minimum of three times each year setting out:

- Treasury Management Strategy at the start of the year;
- A Mid-year Treasury Management Report update the Council on treasury management performance;
- An Annual Treasury Report after the year end providing details of actual performance compared to the strategy.

This report provides Cabinet with an update on performance during the last quarter of the year and the position as at 31 March 2016:

- No additional borrowing was undertaken in the last quarter of the year. The Council's debt at the end of the year was £419.3m with an average interest rate of 4.81%.
- Investments were £145.7m at the 31st March 2016 (£190.5m at 31st March 2014/15) at an average rate of 0.63% during 2015/16 (0.69% during 2014/15). The reduction in investments is primarily due to the Council using its own cash resources to fund the capital programme rather than taking out additional borrowing.

- The Council has complied with treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.

## 6. Outlook

The current MTFS describes the Council's financial plans for 2016/17, along with indicative figures for the period 2017/18 to 2019/20. These use current best estimates following analysis of the Government's spending plans. These indicate continued, significant, financial challenges facing the Council over the medium term.

The Government's "core spending power" figure indicates a flat cash settlement across the period 2016/17 to 2019/20. Despite this, the Council needs to be able to respond to increasing demands and pressures in a range of service areas, including:

- Demand Management, for example general increases in demand for services, e.g. children needing support and homelessness, increases in core costs such as the apprenticeship levy, cost pressures in Adult Social Care, including the National Living Wage. The introduction of the 2% Adult Social Care levy is a mechanism through which local authorities can help mitigate these pressures through to 2019/20;
- City-wide, such as maintaining an ageing city infrastructure, pressures in addressing the issues and outcomes of transport congestion, pressures to mitigate the impact of climate change, e.g. flooding. Additionally the need to enable business and economic growth across the City and a continuous need to fund and enable the delivery of affordable housing.

## **Consultation and scrutiny input:**

### **a. Internal consultation:**

Strategic Directors, Service Directors and the finance team.

### **b. External consultation:**

Not applicable

### **c. Audit Committee**

The Audit Committee will review the outturn as part of its review of the Council's draft financial statement at its meeting in July.

### **d. Resources Scrutiny Commission**

The Resources Scrutiny Commission will review the outturn statement as part of its work plan.

## **Other options considered:**

No other options are considered prudent at the present time.

## **Public sector equality duties:**

There are no proposals in this report which require either a statement as to the relevance of public sector equality duties or an Equalities Impact Assessment.

## **Environmental checklist / eco impact assessment**

Not applicable.

## **Resource and legal implications:**

### ***Finance***

#### **a. Financial implications – Service Director - Finance:**

As detailed in the report. All necessary adjustments and estimates have been made to ensure that the outturn reflects a true and fair view of the Councils revenue income expenditure and its reserves as at 31 March 2016.

#### **b. Financial (capital) implications:**

As detailed in the report.

#### **c. Legal implications:**

Not applicable

#### **d. Land and property implications:**

Not applicable

#### **e. Human resources implications:**

Not applicable

## **Background Reports**

The Council's budget 2015/16, approved by Council February 2015  
Budget Monitoring Reports prepared during the year  
The Council's Financial Statements as at 31 March 2016

## Explanation of Major Variations (Capital) against the approved budget

### People

|   | Re-profiling<br>£m |
|---|--------------------|
| Minor variations on the schools programme   | 0.4                |
| The original integrated Education Management System (IT solution) was delayed in 2014/15 through procurement availability and this coupled with changes in resources to manage the project, led to the delivery being delayed. However, the appointment of a Project Manager in the early part of 2015/16 has led to a renewed and revised solution leading to a contract being signed in January 2016 between BCC and Liquidlogic for the supply of the new Integrated Education Management System (IEMS). Education Case Management System project has been delayed from changes and resourcing of the project management team during the year, a revised project plan is now underway and spend is to be incurred during 2016/17 | 1.5                |
| <b>Total</b>  | <b>1.9</b>         |

### Neighbourhoods

|   | Re-profiling<br>£m |
|---|--------------------|
| A new capital investment strategy plan provides further management control on the high volume, small valued projects (70+) within the Parks programme. Some existing projects have been delayed by site suitability and new projects recently commenced will be completed in 2016/17.                               | 2.7                |
| Central Library lease for the Cathedral School is now in place releasing funds to assist with the digital cataloguing of books project continuing into 2016/17.<br>Libraries for the Future programme has the majority of the cost of building works and swipe card access to be undertaken in 2016/17 and 2017/18. | 0.3                |
| <b>Total</b>  | <b>3.0</b>         |

## Neighbourhoods – HRA

|   | <b>Re-profiling<br/>£m</b> |
|---|----------------------------|
| <p>The majority of HRA capital programme variances resulted from delays in the procurement of contracts for cladding of external blocks coupled with low rise cladding and by works slippage once contractors were on site.</p> <p>The repair response budget has been frozen for two years, however the standards of repairs, administration have improved alongside operational processes leading to better informed decisions thus reducing previous year's overspend in this area.</p> <p>Relets - Increase value of works to property and increased re-let standards has led to increased efficiencies thus reducing void costs.</p> | 5.7                        |
| <b>Total</b>  | <b>5.7</b>                 |

## City Director

|  | Re-profiling<br>£m |
|--|--------------------|
| Super Connected Cities (Gigabit Bristol) remaining work is for the delivery of the Bristol Connected Voucher scheme and has been extended into 2016/17.<br>Open Programmable City Region (extension of the Digital Platform network across the wider city) and the new Bristol Operations Centre to be based at Temple Street are in the very early planning stages of their project delivery. | 1.9                |
| <b>Total</b>   | <b>1.9</b>         |

## Place

|   | Re-profiling<br>£m |
|---|--------------------|
| <u>Arena Project</u><br>The start on site date has moved, BCC are now working to the building contractors programme and not the indicative programme, the bulk of the main expenditure works is later in the programme.<br>Implications are tender price inflation increases (factored into cost plan) and revised opening date for the Arena.<br>The £91m project cost, as outlined in the October cabinet paper, is adopting a target cost approach to the contract which means that the final cost will not be agreed with the contractor until summer 2016. | 20.1               |
| <u>Arena Island development</u><br>Acquisition of Cattle Market Road site and initial project costs have been incurred in 2015/16 and further investment proposals for the opening up of land to the east side of Bristol Temple Meads Station in readiness for development has recently been approved by Cabinet in March 2016.  | (6.7)              |
| <u>Property - Planned Structural &amp; Maintenance Programme</u><br>The main reason for the low spend in 2015/16 was from school based projects not starting on site during the school holidays, however a number of large school projects are ready to start in the summer of 2016.  | 0.8                |
| <u>Other project minor variances within the Major Projects service division</u><br>Schemes such as Kingswear & Torpoint flats, Gainsborough Square, South Bristol Housing scoping work, Filwood Green Business Park.  | 2.6                |



|   |             |
|---|-------------|
| <u>Transport</u>  |             |
| Metrobus – Ashton Vale to Temple Meads  | 5.4         |
| Metrobus – North Fringe to Hengrove – delays occurred from occupation and subsequent eviction at Stapleton Allotments at beginning of the year.   | 5.0         |
| Cycling Ambition Fund – planned work on cycling bridge was not undertaken due to unforeseeable escalation of costs and was no longer feasible to proceed within budget. Unspent grant has been agreed by the DfT to be used on other cycling projects in 2016/17. | 3.2         |
| A403 Highways Challenge Fund – DfT has agreed to expand scope of the project to encompass works in Avonmouth and Kingsweston Lane to commence in 2016/17.   | 0.6         |
| Minor variations to other transport projects.   | 0.5         |
| <u>Energy</u>   |             |
| Energy infrastructure   | 1.4         |
| Carbon Trust, Wind Turbines and Solar Energy  | 3.8         |
| Green Deal Grant  | 5.8         |
| Other Schemes   | 1.9         |
| <b>Total</b>  | <b>44.4</b> |

**Business Change**

|   | <b>Re-profiling<br/>£m</b> |
|---|----------------------------|
| Bristol Workplace re-profiled spend in-line with the revised timing of Temple Street Phase 2 refurbishment work due to tenants (KPMG) moving out later than originally planned and ICT development work spend being deferred to future years. | 7.4                        |
| Various ICT systems being delivered through the Change Programme to enable service efficiencies, spend is to be capitalised and classed as Intangible assets.   | (3.2)                      |
| <b>Total</b>  | <b>4.2</b>                 |

|                           |             |
|---------------------------|-------------|
| <b>Total re-profiling</b> | <b>61.1</b> |
|---------------------------|-------------|

## Earmarked Reserves

## Appendix B

| <b>Name of Reserve</b>               | <b>Opening Balance period 1st April 2015</b> | <b>Movement</b> | <b>Closing Balance 31st March 2016</b> |
|--------------------------------------|--|-----------------|--|
| Capital Investment Reserve           | (19.874)                                     | 2.037           | (17.837)                               |
| Business Transformation Reserve      | (15.721)                                     | 0.000           | (15.721)                               |
| Future Service Provision             | (12.000)                                     | 0.000           | (12.000)                               |
| Change Programme Investment          | (10.000)                                     | 2.953           | (7.047)                                |
| Public Health                        | (3.361)                                      | (1.518)         | (4.879)                                |
| Waste Management Reserve             | (3.068)                                      | 1.900           | (1.168)                                |
| Business Rate Appeals - volatility   | (2.797)                                      | (0.275)         | (3.072)                                |
| Port Shares                          | (2.500)                                      | 0.000           | (2.500)                                |
| Operational Reserve                  | (2.500)                                      | 0.068           | (2.432)                                |
| Enterprise Area Business Rate Growth | (2.399)                                      | 0.000           | (2.399)                                |
| City Deal Pooling Reserve            | (2.164)                                      | (0.562)         | (2.726)                                |
| Exempt Accommodation                 | (2.103)                                      | 0.000           | (2.103)                                |
| IFRS - Grants with no conditions     | (2.064)                                      | (0.206)         | (2.270)                                |
| Programmes & Projects                | (2.001)                                      | 2.000           | (0.001)                                |
| Development Fund                     | (1.747)                                      | 0.000           | (1.747)                                |
| Stoke Park Dowry                     | (1.478)                                      | 0.000           | (1.478)                                |
| Mayoral Commissions/City Director    | (1.300)                                      | 0.100           | (1.200)                                |
| Housing Support                      | (1.200)                                      | (0.195)         | (1.395)                                |
| Hengrove PFI Credit Sinking Fund     | (1.140)                                      | 0.000           | (1.140)                                |
| Loans Fund B/S                       | (0.872)                                      | 0.000           | (0.872)                                |
| Bristol Green Capital                | (0.705)                                      | 0.000           | (0.705)                                |
| Energy Management/Energy Company     | (0.635)                                      | 0.000           | (0.635)                                |
| Events Reserve                       | (0.633)                                      | 0.182           | (0.451)                                |
| Places                               | (0.602)                                      | 0.302           | (0.300)                                |
| Sports & Leisure Contracts           | (0.505)                                      | 0.505           | 0.000                                  |
| ABW/ERP development                  | (0.500)                                      | 0.000           | (0.500)                                |
| Parks                                | (0.500)                                      | (0.220)         | (0.720)                                |
| Miscellaneous Reserves below £0.5m   | (3.982)                                      | (3.823)         | (7.806)                                |
| <b>Grand Total</b>                   | <b>(98.351)</b>                              | <b>3.248</b>    | <b>(95.104)</b>                        |