

Bristol City Council

Quarter 1 (Period 2) 2023/24 - Finance Monitoring Report

1. REVENUE SUMMARY POSITION

- 1.1. The Council budget for 2023/24 was agreed by Full Council 21 February 2023. This report provides information and analysis at Quarter 1 (May/Period 2 extrapolated) on the Council's financial performance against the approved budget and forecast use of resources for the financial year.
- 1.2. The Council operates Directorate cash limited budgets and Executive Directors are responsible for ensuring that savings are delivered on a recurrent basis and appropriate action is taken across the directorate to contain revenue and capital spending in line with the directorate's overall budget limit approved by Council. If mitigating proposals cannot be identified in the Directorate, alternative mitigations will need to be identified across the Council to facilitate a Supplementary Estimate whilst ensuring a balance position is achieved for 2023/24.
- 1.3. At Quarter 1 (Q1) (Period 2 (P2)), the Council is forecasting an end of year result in line with the current approved General Fund budget of £483.5m.
- 1.4. There are, however, emerging risks and opportunities within each directorate area that are developing and require further verification. These are excluded from the forecast above but are captured in the report below and in each of the separate appendices. These risks and opportunities present a total weighted additional net risk of £15.2m.
- 1.5. This £15.2m net risk is for the main part driven by emerging risks within the Adult Social Care directorate as well as within the Children and Families and Educational Improvement service areas.
- 1.6. The forecast assumes delivery of the embedded savings plans of £35.5m on the basis of the dedicated focus through the top-4 prioritised transformation programmes being expected to deliver against these targets. Slippage of any of these programme areas would also represent a pressure risk to the forecast outturn.
- 1.7. The forecast outturn on the Housing Revenue Account (HRA) is currently favourable at £1.7m (1.2%) of approved gross budget of £137.4m. Further detail can be found in paragraph 6.2 and appendix A6.
- 1.8. Detailed analysis is underway and remains in its infancy to ascertain the revised Dedicated Schools Grant (DSG), forecast position post the 2022/23 outturn, recent panel decisions and deliverability of proposed mitigations for 2023/24. In the interim period, the forecast for the DSG will remain in line with the unmitigated forecast in the DSG deficit management plan at £18.7m adverse (4.1% of gross revised budget of £453.2m), this is mainly driven by the historic trends in the High Needs Block accelerating. As per the unmitigated deficit management plan, a continuation of this trend would result in the cumulative deficit at year end on the DSG to be £58.3m. Further detail can be found in paragraph 6.5 and appendix A7.
- 1.9. The forecast outturn on the Public Health Grant is in line with budget.
- 1.10. Corporate ownership of the adverse emerging risk and opportunities forecast is now required, with clear management action to alleviate the indicated emerging risks. This will include:
- 1.11. Executive Directors' renewed focus on ensuring delivery, on a recurrent basis, of the savings that have been agreed by Council and their setting out, for the next formal reporting period (Quarter 2), the in-service mitigation options being developed or pursued.

- 1.12. The Council continues to progress work on the DFE's Delivering Better Value in SEND Programme and the DSG Deficit Management Plan to address the DSG deficit challenges.
- 1.13. Reflecting the emerging risk identified at Q1 in the risk & opportunities, corporate risk item 15 around 'Possible In-Year Financial Deficit' has been upgraded to a score of 21 (high risk impact).

2. GENERAL FUND REVENUE POSITION

- 2.1 Table 1 below provides an overview of the Council's Q1 forecast position for the 2023/24 financial year. Additional service detail is provided for each Directorate in individual appendices.

Table 1: Q1/P2 2023/24 Summary Full Year General Fund Revenue Forecast

SERVICE NET EXPENDITURE SUMMARY	2023/24 - Full Year				
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	% Outturn Variance
	£000s			£000s	
8 - Adult & Communities					
14 - Adult Social Care	166,508	185,937	185,937	0	0.0%
36 - Communities and Public Health - General Fund	5,853	5,853	5,853	0	0.0%
3B - Communities and Public Health - Other Grants	0	0	0	0	0.0%
Total 8 - Adult & Communities	172,362	191,791	191,791	0	0.0%
9 - Children & Education					
15 - Children and Families Services	89,051	88,382	88,382	0	0.0%
16 - Educational Improvement	21,644	21,978	21,978	0	0.0%
1B - Transformation – Our Families Programme	0	0	0	0	0.0%
Total 9 - Children & Education	110,695	110,360	110,360	0	0.0%
2 - Resources					
21 - Digital Transformation	16,116	16,318	16,318	0	0.0%
22 - Legal and Democratic Services	14,575	14,606	14,606	0	0.0%
24 - Finance	6,142	6,558	6,556	(3)	0.0%
25 - HR, Workplace & Organisational Design	3,155	3,174	3,174	(0)	0.0%
26 - Management - Resources	181	184	184	0	0.0%
28 - Policy, Strategy & Partnerships	4,891	4,786	4,788	2	0.0%
Total 2 - Resources	45,061	45,627	45,626	(1)	0.0%
4 - Growth & Regeneration					
37 - Housing & Landlord Services	20,559	20,459	20,459	0	0.0%
46 - Economy of Place	2,885	2,755	2,755	(0)	0.0%
47 - Management of Place	(1,890)	(1,779)	(1,810)	(31)	1.7%
4A - Management - G&R	(170)	(170)	(170)	0	0.0%
4B - Property, Assets and Infrastructure	40,011	40,222	40,221	(0)	0.0%
Total 4 - Growth & Regeneration	61,395	61,487	61,456	(31)	-0.1%
SERVICE NET EXPENDITURE	389,512	409,265	409,233	(32)	0.0%
X2 - Levies	11,071	11,071	11,071	0	0.0%
X3 - Corporate Expenditure	49,634	31,696	31,696	0	0.0%
X4 - Capital Financing	23,866	23,866	23,866	0	0.0%
X9 - Corporate Allowances	9,440	7,635	7,635	0	0.0%
Corporate	94,011	74,268	74,268	0	0.0%
TOTAL REVENUE NET EXPENDITURE	483,523	483,532	483,500	(32)	0.0%

2.2 Adults, Communities and Public Health Directorate

Adult Social Care

2.2.1 Adult Social Care (ASC) is forecasting in line with budget (after savings mitigations to be achieved of £10.7m). ASC budgets continue to experience significant pressure in 2023/24 with adult purchasing budgets being the main cost drivers. These are currently forecasting a risk of overspend of £12.2m (7.8%) against a budget of £157.1m in relation to the number of people being supported and cost of packages of care. The main areas of significant variance relate to adults of working age budgets (18 – 64 years old) in all areas of the service provision for this cohort. Residential and nursing budgets for people over 65 years old are also at risk. This risk is offset to some extent by forecast underspends against employee costs and additional income contributions from people who draw on care and support and for the main part by savings mitigations to be achieved of £10.7m. Work on delivery of these savings to achieve a balanced position will continue throughout the financial year. Further details are provided at Appendix A2 of this report.

Communities and Public Health

2.2.2 At the end of Period 2 the Communities and Public Health General Fund are forecasting no variance to budget.

2.3 Children and Education Directorate

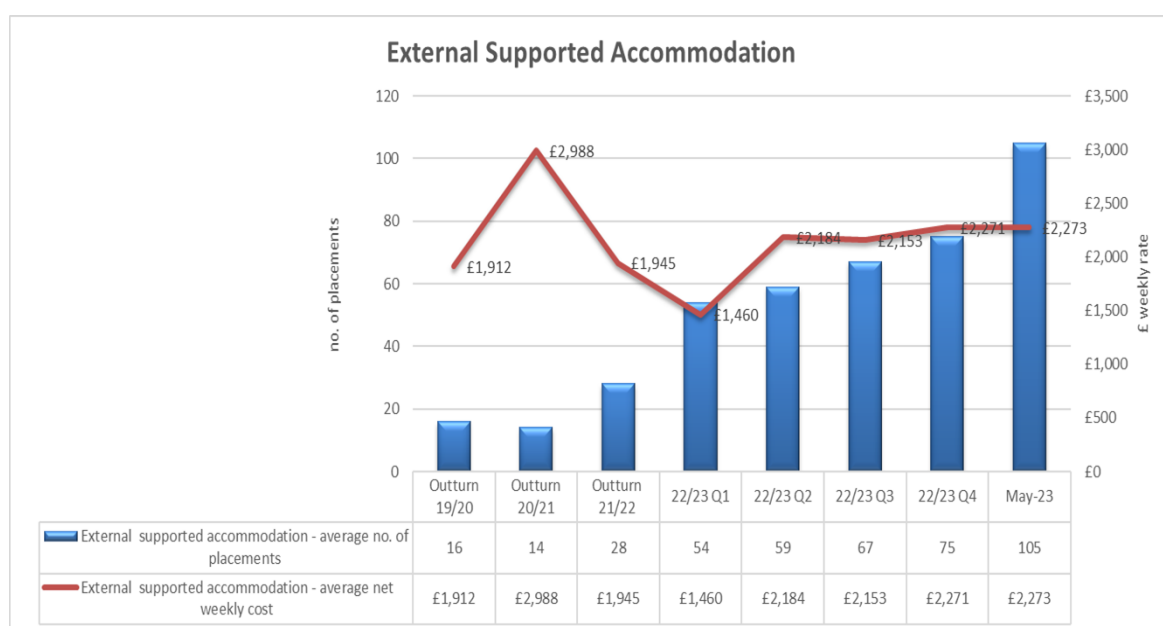
2.3.1 The Children and Education directorate is forecasting in line with budget at P2.

Children and Families Service

2.3.2 The Children and Families service is, however, seeing the emergence of an in-year pressure within the Children’s placement budget. Increasing demand, especially in the External Supported Accommodation (ESA), and rising sector unit costs are contributing to a net risk of £5.2m.

2.3.3 The chart below shows the growth in ESA placements in recent years.

Table 2: Growth in ESA Placements 19/20 to Present



Education Improvement

- 2.3.4 In addition, the Education service is seeing an emerging in-year pressure of £2.1m due to an increasing demand on the Home to School transport service which has seen significant growth in the first quarter of the current year. The demand is driven by an increasing number of children with Education Health and Care Plans (EHCPs) and the increasing reliance of placement outside the borough.

2.4 Resources Directorate

- 2.4.1 The Resources Directorate is currently reporting no material movement to the revised budget position of £45.6m. Emerging risks to this budget position are captured on the risk and opportunities register which is currently estimated at £0.3m with the main risks being a potential increase in the contract cost for transport of the deceased for the Coroners and Mortuary service within Legal and Democratic Services division and a dependence on agency and interim staff to fill critical vacant positions within the Finance division.

2.5 Growth & Regeneration Directorate

- 2.5.1 The Growth & Regeneration Directorate reports a forecast breakeven position against its revised net expenditure budget of £61.5m (following minor adjustments including the discontinuation of grant funding).
- 2.5.2 The Directorate is also reporting significant emerging risks and opportunities. Within council car parking operations, it is anticipated that recent fees and charges increases may have an adverse effect (of £1.6m) on usage; in addition, while the energy prices are on the decline, there is an anticipated increase in costs (of £2.5m, though still being reviewed) that is being flagged by the service; there is also an anticipated increase in the demand (of £0.4m) for temporary accommodation which is expected over and above the growth provision made as part of budget setting. Following the introduction of Bristol's Clean Air Zone in 2022/23, unbudgeted income of £4.6m is estimated to offset these pressures. These risks are all being monitored over the next quarter alongside opportunities to mitigate any potential shortfalls.

2.6 Corporate Items

- 2.6.1 Corporate budgets are held for capital financing, corporate expenditure such as pensions, levies and contingencies for pay awards, inflation and non-delivery of savings. No variance to budget is forecast at Q1.
- 2.6.2 Pay Awards
Pay awards and NIC cap (£9,100) for local government workers are agreed in negotiations between employers and trade unions through the National Joint Council for Local Government Services. The budget as approved by Full Council in February 2023 included for 2023/24 a pay award/NIC cap (£9,100) of 4% plus small contingency both of which are included in the budget centrally and have only notionally been allocated across directorates at this stage. This budget's eventual distribution will follow once negotiations with Trade Unions have been concluded. Neither the current forecast emerging pressure of £13.7m nor the additional net risk assessed at Q1 of £5.6m include any risk in the case that the eventual pay award is incremental to that budgeted.
- 2.6.3 Non-Pay/Contract Inflation
The budget as approved by Full Council in February 2023 does not include any general inflation uplift to be applied to service expenditure. This approach is thereby assumed to drive in the region of 5% budget efficiency through contract management.
- 2.6.4 Where there are specific services for which inflation is for example index-linked and therefore expected to exceed this general level, an additional corporate provision has been made. Such areas include for example adult and children social care, PFI contracts, energy pricing and other essential services.

2.6.5 The approved budget incorporated a contingency of £29.9m for contract inflation. Since the general planning principle is for inflation to be contained and agreed savings to be delivered, these funds are held centrally for specific and significant quantifiable pressures which cannot be mitigated elsewhere within service budgets. Base budgets of £17.1m (per Table 3b) have been released to date (to Adult Social Care for placements).

3. TECHNICAL VIREMENTS

3.1. Tables 3a below summarises the inter-directorate technical virements from the budget as approved by Full Council 21 February 2023 to the revised budget standard at Q1 2023/24 with Table 3b detailing the reasons for budget movements.

Tables 3a and 3b: Technical Virements to Q1 2023/24 by directorate and key driver

Directorate	Approved Budget £000's		Revised Budget £000's		Budget Movement
Adults & Communities	172,362		191,791		19,429
Children & Education	110,695		110,360		-335
Resources	45,061		45,627		566
Growth & Regeneration	61,395		61,487		92
Corporate Funding & Expenditure	-389,512		-409,265		-19,752
Total	0		0		0

Reason	Adult & communities £000's	Children & Education £000's	Resources £000's	Growth & Regeneration £000's	Corporate funding & Expenditure £000's
Addition Income/Grant	- 827	-	-	-	-
Other cost centre realignments	333	- 335	566	- 608	- 2,632
Inflation Adjustment	19,923		-	700	- 17,120
Grand Total	19,429	- 335	566	92	- 19,752

3.2. Cabinet is asked to note the above technical virements.

4. SAVINGS PROGRAMME – SUMMARY

4.1. The General Fund savings programme for 2023/24 agreed by Council and included in the General fund budget is £26.2m (comprising 23/24 savings £16.2m and £10.0m carried forward from prior years still requiring delivery). In addition to this £26.2m, there was an additional net £9.3m of savings undelivered at 2022/23's full year outturn which also carry forward in to 2023/24 for delivery so that a total £35.5m savings will be tracked in the current financial year.

Table 4: Summary of Savings Delivery

Directorate	Total Savings due in 23/24	Savings with net cost in 23/24	Account for savings that were one-off only in 22/23	Rollover of undelivered savings from previous year	Net - savings as per Budget 23/24	2023/24 Savings reported as safe	2023/24 Savings reported as at risk	
						£m	£m	%
Children & Education	2.5	-0.4	0.0	-0.1	1.9	1.5	1.0	40%
Adults	9.6	-0.6	0.0	-2.4	6.6	8.2	1.4	15%
Resources <i>(incl. Resources led cross-cutting savings)</i>	11.5	0.0	-0.5	-2.8	8.3	11.0	0.6	5%
Growth and Regeneration <i>(incl. G&R led cross cutting savings)</i>	11.9	0.0	-0.2	-2.2	9.5	5.9	6.0	50%
Total	35.5	-1.1	-0.7	-7.5	26.2	26.6	9.0	25%

- 4.2. As at Period 2, Q1, £26.6m (75%) of savings are considered safe and £9.0m (25%) are reported at risk and are being monitored and reviewed for delivery or in-year mitigation where possible. Detailed information by directorate is provided in the appendices to this report. 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.

5. RISKS AND OPPORTUNITIES

- 5.1. 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. Details are outlined within the directorate summaries above (paragraphs 2.1-2.6) and appendices (A2-A8) which follow this report.
- 5.2. The table below summarises the risk and opportunities shown in the directorate appendices. These represent a weighted additional net risk of £15.2m.

Table 5: Summary Risks and Opportunities by Directorate

Directorate	Net Risk/(Opportunity) £'000
Adult	7,569
Children	7,337
Resources	305
G&R	(7)
Corporate	0
Total	15,204

6. RING-FENCED BUDGETS

- 6.1. 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 three main activities that are ringfenced through legislation and/or government funding rules and covered in this Q1 report are the HRA, DSG and Public Health.
- 6.2. Table 6 below provides an overview of the Council's Q1 forecast position for the 2023/24 financial year.

Table 6: Q1/P2 2023/24 Summary Full Year Ring-Fenced Fund Forecast

	2023/24 - Full Year			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance
	£000s			£000s
Total Housing Revenue Account	137,365	137,365	135,684	(1,681)
Dedicated Schools Grant	453,226	453,226	471,881	18,655
Public Health Grant	(0)	(0)	0	0
Total Ring fenced budgets	590,591	590,591	607,565	16,974

6.3. Further detail of the financial pressures and variances are summarised at a high level only below, with full details contained in the following appendices:

- HRA – Appendix A6
- DSG – Appendix A7
- Public Health – Appendix A8

6.4. HRA

6.4.1. The Housing Revenue Account (HRA) is a self-financing account and will need to ensure it remains within the resources available, including levels of HRA reserves. The HRA does not directly impact on the council's wider general fund budget and income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.

6.4.2. The forecast outturn on the Housing Revenue Account (HRA) is currently favourable at £1.7m (1.2%) when compared to budget. Any overspend reported will be contained within the HRA general reserves at the end of March 2024. The main reasons for the variance against budget are set out in Appendix A6.

6.5. DSG

6.5.1. 2023-24 gross allocation for DSG is £453.2m (net amount £197.6m after deduction for academies recoupment, NNDR and direct funding of high needs places by ESFA) per ESFA announcement on 30th March 2023.

6.5.2. The Dedicated Schools Grant is forecasting to overspend by £18.7m (4.1%) in 2023/24, which is broadly in line with the prior year's in-year overspend position (£15.0m). This is mainly driven by increase in EHCP and the complexity of children with SEN. Overspends are forecast in top-up funding of £5m, special placement (pre- and post-16) of £7.4m, ISP £2m and Teachers pay & pension £1.2m.

6.5.3. Early Years is forecasting an in-year overspend of £1.0m, of which £0.2m is planned overspend on EY improvement programme and £0.8m is due to increase demand in EY top-up funding on SEN.

6.5.4. High Needs Transformation programme is forecasting an in-year overspend of £1.0m which will be covered by carry-forward funding from previous years.

- 6.5.5. Two workstreams funded through a Department for Education Delivering Better Value (DBV) Grant are starting to move from the development to the delivery phase. A tender process for workstream 2 will be completed by the 30 June to identify a delivery partner to review High Needs Block funding which is subject to public consultation. In workstream 1 a steering group has been established to develop the scope of the project and identify schools to take part in a test and learn pilot for the new academic year.

Table 7: Period 2 - DSG Summary Full Year Forecast

Bristol Dedicated Schools Grant 2023/24	b/f balance	Gross DSG funding / Budget 2023/24*	P2 Gross DSG forecast outturn	In-year variance at P2	Cummulative c/f
	£'000				
Schools Block	(787)	323,851	323,851	(0)	(787)
De-delegation	(527)	0	0	1	(526)
Central School services Block	8	2,717	2,717	(0)	7
Early Years	(605)	38,526	39,583	1,057	451
High Needs Block	42,520	86,504	103,123	16,616	59,136
High Needs Transformation	(928)	1,627	2,607	980	52
Funding	0	(453,226)	(453,226)	0	0
Total	39,680	0	18,655	18,655	58,335

* Bristol gross DSG Allocations, before recoupment and deductions for NNDR, and for direct funding of high needs places by ESFA totalling £255.607m as at 30th March 2023.

6.6. The Public Health Grant

- 6.6.1. Public Health (PH) Grant of £35.7m was awarded for 2023/24 by Public Health England (PHE). At the end of Period 2 Public Health is reporting no variance to budget.

Cabinet is asked to note a forecast underspend of £1.7m within the HRA and the DSG's forecast in-year deficit of £18.7m accumulating to a total £58.3m deficit to be carried forward from 2023/24 in to 2024/25.

7. CAPITAL

- 7.1. The Capital programme budget has been revised and reprofiled since Full Council approval in February 2023 so that at Q1 2023/24 it totals £354.4m. Details of the current revised budget are set out in Table 8 below and in Appendix A9.
- 7.2. The Quarter 1 forecast variance is a net £43.3m (12.2%) underspend comprising £24.5 (6.9%) underspend for the General fund and a £13.8m (3.9%) underspend for the HRA, predominantly attributed to delays in major projects and new build and land enabling works. The £5.0m (1.4%) balance of underspend is against pending/contingency budget. The total budget is still to be revised further to incorporate as applicable the 3 capital amendments as approved at Full Council.
- 7.3. The G&R directorate's capital budget for 2023/24 has been revised since approval to reflect the treatment of the recently awarded Clean Air Zone £11m Stretch DfT Grant as capital rather than revenue expenditure.

Table 8: Capital Programme 23/24 By Directorate

Approved Budget (Feb 23) *	Budget Changes upto P2	Directorate	Revised Budget	Actual Spend to date	Budget Spend to date	Qtr1/P2 Forecast Outturn	Variance
£m	£m		£m	£m	%	£m	£m
2.6	(0.5)	Adults & Communities	2.1	0.0	0%	2.1	0.0
24.7	6.7	Childrens & Education	31.4	1.3	4%	28.4	(3.0)
7.7	0.7	Resources	8.4	0.2	2%	7.2	(1.2)
114.5	52.2	Growth and Regeneration	166.7	12.6	8%	146.4	(20.3)
149.5	59.1	GF service Total	208.6	14.1	7%	184.1	(24.5)
133.3	8.3	Housing Revenue Account	141.6	2.6	2%	127.8	(13.8)
133.3	8.3	HRA service Total	141.6	2.6	2%	127.8	(13.8)
282.8	67.4	HRA & GF Service Total	350.2	16.7	5%	311.9	(38.3)
15.3	(11.1)	Corporate Contingencies & Funds	4.2	0.0	0%	(0.8)	(5.0)
298.1	56.3	Capital Programme Grand Total	354.4	16.7	5%	311.1	(43.3)

* Note, 2023/24 approved budget figures do not yet include the 3 additional Budget Amendments agreed at Full Council Feb 23

- G&R directorate is reporting the majority (82%) of the forecast General Fund underspend, £20.2m against its revised budget of £166.7m. The actual spend to date of £12.6m (8%) represents an average of £6.3m per month. To achieve the forecast target for 2023/24, the directorate will need to increase the average spend per month by almost £7m to an average of £13.3m each month for the rest of the year.
- The directorate is working on an improvement plan that is expected to accelerate the delivery of the Capital programme over the year 23/24 and into the future.
- The G&R directorate's capital budget for 2023/24 has been revised since approval to reflect the treatment of the recently awarded Clean Air Zone £11m Stretch DfT Grant as capital rather than revenue funding.

Cabinet is recommended to approve the reprofiled and revised Budget and asked to note the treatment of the recently awarded Clean Air Zone £11m Stretch DfT Grant as capital rather than revenue funding.

8. FLEXIBLE USE OF CAPITAL RECEIPTS

- 8.1. Update to follow at P4.

9. OUTLOOK UPDATE (EMERGING PRESSURES AND RISKS)

- 9.1. In addition to the above reported service risks there are also significant additional risks relating to cost of living (inflationary) pressures, the interest rate environment, funding changes and other emerging risks.
- 9.2. The Council continues to monitor these emerging risks which are currently projected to amount to £9.9m in 2024/25. The scale of the funding gap is predicted to grow. With a base case assumption of a £24.7m gap by 2028/29 being assessed. The report provides a forecast outlook to aid timely robust and methodical planning and allows the Council to identify and respond to issues early.
- 9.3. In addition, the Council prepares for new legislative and policy changes for example, 'Extended Producer Responsibility' expected to be implemented shortly

10. REGULATORY INCOME

COUNCIL TAX (including preceptor's income)

- 10.1. Bristol City Council set the Council Tax budget for 2023/24 with a 4.99% increase (2.99% for general requirements plus a 2% precept specifically for Adult Social Care). The Council's budgeted income from Council Tax is £258.8m and represents 53.5% of the net budget requirement of £483.5m.
- 10.2. Council tax collection at the end of Quarter 1/Period 2 stands at £48.2m for in-year and arrears, being 18.7% of the budget requirement. This is below the projection of 19.8% after two months.
- 10.3. The service continues to roll out the additional reminder stages of the corporate debt policy and is focusing on supporting citizens in stabilising their existing liability before moving focus to bringing those in arrears up to date.
- 10.4. Recent trends indicate that the council tax reduction/support (CTR) caseload is reducing and is 5% lower than it was 12 months ago (5% reduction in working age households and 3% for pension age households), so that it is now back to pre-pandemic levels

BUSINESS RATES

- 10.5. The council's budgeted business rates income is £153.5m in 2023/24 (net of tariff) and represents 31.7% of the net budget requirement of £483.5m.
- 10.6. In year collection for business rates at the end of Quarter 1/Period 2 stands at £40.8m, 18.4% of collectible debit, just slightly below the planned projection of 19% for this period.
- 10.7. The increasing energy costs, together with the cost of living crisis generally are both adding to the difficulties many businesses are facing, which are expected to impact on collection levels
- 10.8. Although any collection fund shortfalls (should they occur) would impact on the Council's cash position in 2023/24, because of timing differences, the budgetary impact would fall in the following year, 2024/25.

DEBT MANAGEMENT

10.9. During the year the council collects core locally retained funding and income from various areas to fund services provided. A breakdown of the main sources of debt outstanding at the close of Quarter 1/Period 2 is outlined in the table below.

Table 9: Opening and Closing Balances of Outstanding Debt

Type of Debt	Opening Balance (01/04/2023) £m	Movement £m	Closing Balance (31/05/2023) £m
Sundry Debt	76.16	(14.29)	61.87
Council Tax Arrears	50.5	(3.728)	46.772
Business Rates Arrears	21.726	(1.708)	20.018
Overpaid Housing Benefits	19.872	(0.081)	19.791

10.10. HRA housing tenant arrears, housing temporary accommodation and parking penalty charge notices are excluded from the table above. These will be incorporated at Q2.

10.11. Of the £76.2m sundry debt opening balance outstanding, £36.3m (59%) was less than 1 year old and £7.3m (12%) related to invoices less than 30 days old which therefore weren't payable until after 31 March 2023. This is not directly comparable to the billing and collection processes for council tax and business rates.

10.12. Write-offs of aged debt are reported annually to cabinet. During the Quarter 1 period to 31 May 2023 £2.1m was written off in line with the write-off policy and the scheme of delegation. Ethical debt collection and recovery activities are in place and continue.

11. BALANCE SHEET RISKS

- 11.1 Contingent Liabilities. The prospective Bristol Arena operator has challenged the council's termination of their agreement for lease in respect of the Arena on Temple Island and has claimed loss of profits, or costs, over the life of the potential lease. At present, litigation proceedings have not commenced and no claims have been received.

12. RESERVES

- 12.1 The council's General Fund Reserve opening balance as at 1 April 2023 was £35.3m.
- 12.2 Earmarked Reserves totalled £124.8m as at 1 April 2023. These are held for specific purposes.
- 12.3 Following the provisional outturn 2022/23 as reported to Extraordinary Cabinet 15 May 2023, £1.659m from the Business Transformation Reserve and £0.507m from the Key Line Of Business Reserve were redirected as £2.166m to the Digital Transformation Reserve to fund activities in 2023/24 where Flexible Use of Capital Receipts had originally been intended.
- 12.4 Cabinet approval of the Transformation Programme for Temporary Accommodation on 6 June 2023 included approval to forecast the drawdown of £1m from General Fund Reserves.

Cabinet is asked to note the redirection of reserves totalling £2.2m between Business Transformation, Key Line of Business and Digital Transformation Reserves as part of and following approval at Extraordinary Cabinet 15 May 2023.

13. OFFICER EXTERNAL FUNDING

- 13.1. N/A

14. OFFICER EXECUTIVE DECISIONS TAKEN/APPROVED

- 14.1. N/A