



Committee Report

PURPOSE: Final Decision Report

KEY OR NON-KEY DECISION: Non-key decision

COMMITTEE: Economy and Skills Committee

DATE: 01 July 2024

TITLE: 2024/25 P2 Finance Forecast Report – Economy and Skills Committee

Ward(s): City Wide

Officer presenting the report: Alex Hearn **Job title:**

Economy of Place Director

Committee Chair: Cllr Andrew Brown

Executive Director lead: John Smith: Executive Director for

Growth & Regeneration

Proposal origin: BCC Staff

Purpose of Report:

1. The Council Revenue and Capital budget for 2024/25 was agreed by Full Council on 21 February 2024. This report presents to the Economy and Skills Committee the financial forecast at Period 2 / Quarter 1 (P2/Q1) against the budget as at the end of May 2024.

Evidence Base:

2. The Economy and Skills function is divided between two directorates, Economy of Place and Management of Place. Strategic City Planning, Economic Development, Development Management and Regeneration sit within the Economy of Place division. City Management and Response and the Harbour team sit within the Management of Place division.

3. General Fund

Revenue

- 3.1. The Economy and Skills revenue monitor is shown below with the total budget, forecast spend and variance along with a month by month tracker. This monitor will be populated over the year to provide a view on how variances have developed to provide an insight for future committee meetings.

Table 1 Economy and Skills Revenue Monitor

	Revised Budget	Forecast Outturn	Outturn Variance
P02	£0.6m	£0.6m	£0.0m

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
0.0									
▼↓									

3.2. The revenue budgets for these areas are shown in the table below. Those figures in brackets represent teams which are generating a net income rather than a cost to the Council. The differing figures in the Approved and Revised Budget columns largely represent Medium Term Financial Plan savings initially being held in holding accounts when the Budget was approved before being transferred to the appropriate team for the Revised Budget.

Table 2 Economy and Skills Revenue Budgets 2024/25

	Approved Budget	Revised Budget	Forecast	Revised Budget vs Forecast Variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000	£'000	%
Economy and Skills					
133 – City Management & Response	351	(2)	(2)	0	0.0%
382 – Harbour	(620)	0	0	(0)	0.0%
421 – Strategic City Planning	518	518	518	0	0.0%
425 – Development Management	(880)	(590)	(590)	0	0.0%
443 – Economic Development	358	363	363	0	0.0%
452 – Regeneration	811	811	811	0	0.0%
Other	(3,014)	(506)	(506)	0	0.0%
Total Economy and Skills	(1,857)	594	594	(0)	0.0%

3.3. The Economy and Skills committee is reporting a breakeven position against its revised net expenditure budget of £0.6 million.

At P2 a £3.8 million overspend for Growth and Regeneration is forecast, this is driven by the costs of providing accommodation to those experiencing homelessness. The Economy and Skills teams have contributed opportunities to offset risk within the wider directorate and to hold the overspend to that level and will be required to deliver more in order to achieve a balanced budget across the directorate cash limit.

Table 3 Savings Delivery

Economy and Skills					
BRAG	No. of Items	Plan £'000	Forecast £'000	Of Which Verified £'000	Variance £'000
Blue	-	-	-	-	-
Green	5	2,975	2,875	-	(100)
Amber	-	-	-	-	-
Red	3	585	250	-	(335)
Total	8	3,560	3,125	-	(435)

Revenue Risks and Opportunities

3.4. The three savings rated as red in Table 3 include:

- 3.4.1. A £250k shortfall on income from E-Scooters as a result of a recent drop in ridership following the change in contractors.
- 3.4.2. A £60k shortfall on the Legible City contract owing to a series of digital screens being vandalised.
- 3.4.3. A £25k saving which relates to Temporary Accommodation that was incorrectly ascribed to this Committee. This will be adjusted for the next report.

3.5. The largest revenue challenge within these two areas is delivering increasing income targets. The Council Revenue and Capital budget for 2024/25 included policy that income targets would, in general, be increased by 6.7% (representing the 2023-24 rate of inflation). We also expect to fail to achieve the income target for Markets and there are ongoing pressures relating to the need to maintain the Operations Centre,

3.6. In terms of opportunities, we plan to mitigate these pressures by making savings on staff costs as we reduce our requirement for interim staff.

Capital

3.7. The Economy and Skills capital monitor is shown below with the total budget, forecast spend and variance along with a month by month tracker.

Table 1 Economy and Skills Revenue Monitor

Approved Budget £16.8m	Revised Budget £16.8m	Expenditure to Date £1.0m 6% of Budget	Forecast Outturn £19.0m 113% of Budget	Outturn Variance £2.2m
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3.8. The capital budgets for these areas are shown in the table below. We have included the Harbour Operational Infrastructure in the list below as it is within the remit of this committee but should note that it is within the Harbour ringfence and therefore subject to separate governance processes. The

larger variances include:

- 3.8.1. Economy Development – ASEA 2 Flood Defences. This is a forecast overspend based on current grant allocations. Negotiations are in progress to amend the profile in line with forecast.
- 3.8.2. South Bristol Light Industrial Workspace Redevelopment. The Budget is currently being aligned to the forecast with a Change Request to be approved by the West of England Combined Authority who fund this programme.
- 3.8.3. Delivery of Regeneration of Bedminster Green. This is an underspend relating to delays in securing planning permission. Planning permission has now been secured and project milestones are being adjusted.
- 3.8.4. Cattle Market Road Site Redevelopment. Delayed due to contractual dispute and now awaiting decision on harbour dredging.

Table 4 Economy and Skills Capital Budgets 2024/25

Ref	Scheme	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
		£'000	£'000	£'000	£'000	%	%
Economy and Skills							
CRF3	Covid Recovery Fund - Economic Infrastructure	1,618	102	1,618	0	6%	100%
GR03	Economy Development - ASEA 2 Flood Defences	2,513	55	5,250	2,736	2%	209%
GR05A	South Bristol Light Industrial Workspace Redevelopment	(147)	6	253	400	(4) %	(172) %
GR07	Areas for Growth & Regeneration - Pending Business Case Development	500	0	500	0	0%	100%
GR08	Delivery of Regeneration of Bedminster Green	7,219	399	4,927	(2,292)	6%	68%
GR08A	Delivery of Regeneration of Infrastructure Programmes	100	10	110	10	10%	110%
GR10	Improvements to Local Centres	437	0	437	0	0%	100%
GR11	Cribbs/Patchway New Neighbourhood Development (CPNN)	0	0	0	0	0%	0%
GR12	Bristol Avon Flood Strategy & Investment	0	0	0	0	0%	0%
GR16	Flood Risk Management	1,096	67	1,175	79	6%	107%
PL11A	Cattle Market Road site re-development	573	49	1,855	1,282	9%	324%
PL17	Resilience Fund (£1m of the £10m Port Sale)	19	0	19	0	0%	100%
PL34	Community Investment	629	346	629	0	55%	100%

	Scheme (Lawrence Weston)						
PL35	Harbour Operational Infrastructure	2,238	17	2,277	39	1%	102%
NH06A	Bristol Operations Centre - Phase 2	(6)	(9)	(5)	1	150%	83%
Total Economy and Skills		16,789	1,042	19,045	2,255	6%	113%

Officer Recommendations

That the Committee for Economy & Skills notes:

1. The contents of report, on the provisional P2 outturn position for budgets within the remit of the Economy & Skills Committee

Corporate Strategy alignment:

1. The Corporate Strategy underpins the council's budget

City Benefits:

1. Cross priority report that covers whole of council's business

Consultation Details:

1. N/A

Background Documents:

[Budget Report 2024/25](#)

APPENDICES

Appendix A – Further essential background information and detail

NO