

APPENDIX A1

Bristol City Council Period 3 2024/25 - Finance Exception Report

1. REVENUE SUMMARY POSITION

- 1.1. This report relates to the Period 3 full year forecast for 2024/25 (June 2024 extrapolated). It is an exception report and as such focuses on key financial issues for the Council including movements since Period 2 as reported to July's committee. No significant variances have been identified or accelerated by budget holders beyond those issues highlighted in this report.
- 1.2. The Council operates Directorate cash limited budgets and Executive Directors are responsible for ensuring that appropriate action is taken to contain both revenue and capital spending in line with each directorate's overall budget limit. Budget holders forecasting a risk of overspend which can potentially be brought back in line with their budget should, in the first instance, set out in-service risks and opportunities for mitigation. Where these opportunities are considered undeliverable, or pressures cannot be contained across the directorate, the budget scrutiny process will be triggered so that a deep dive can be performed and, where appropriate, request may be made for the Executive to consider granting a supplementary estimate redirecting funds from an alternative source.
- 1.3. Since the council is structured by directorate with Executive Directors being appointed by directorate and being responsible for revenue and capital cash limited budgets by directorate this report consequently provides full details of the financial position by Directorate. However, following a public referendum in May 2022, the council's governance arrangements have changed from a Mayor and Cabinet model to a committee system, effective from 6 May 2024. As a result, in order to support effective management and control under this committee model, financial information and analysis by committee will be provided in parallel to that by directorate going forward within the main report. Appendices will be set out by committee and will, subsequent to review at Strategy and Resources Committee, follow on for review by appropriate policy committees.
- 1.4. The assessment at Period 3 shows the Council's scheduled General Fund currently forecasting a risk adjusted £22.3 million (4.2%) adverse variance on the approved gross budget of £533.7 million.
- 1.5. The forecast outturn position on the Housing Revenue Account (HRA) is a £9.3m (6.2%) adverse variance to the revised budget. Details are set out in section 5.4 below.
- 1.6. The Dedicated Schools Grant (DSG) is forecasting a £10.8 million in-year deficit (2.2%) against the revised gross budget of £491.7 million. This would bring the cumulative deficit at this year-end to £47.9 million. This forecast includes the mitigating effect of additional

funding provided by the Department for Education as part of the Safety Valve programme. Details are set out in section 5.5 below.

1.7. The Public Health (PH) Grant is forecast to break-even as set out in section 5.6 below.

2. GENERAL FUND REVENUE POSITION

2.1. The assessment at Period 3 shows the Council's scheduled General Fund currently forecasting a risk adjusted overspend of £22.3 million. This is a 4.2% adverse variance on the approved gross budget of £533.7 million.

2.2. This £22.3 million forecast overspend represents a deterioration of £9.7 million from the prior period's forecast. This movement is principally driven by a £6.5 million growth in overspend within the Children and Education Directorate following a £4.6 million forecast deterioration in Asylum and Immigration and other non-placement related budgets and a further £1.9 million forecast deterioration in Home To School Travel budgets (see Appendix A2).

2.3. The current year's opening balance on the council's General Reserve was £24.6 million. No in year movements have been made as at 30 June 2024.

Table 1a: P3 2024/25 Summary Full Year General Fund Revenue Forecast by Directorate

Period 3 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Q1/P2 Revised Budget to Forecast variance	Q1/P2 to P3 movement in revised budget to Forecast variance	P3 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast variance
	£'000	£'000	£'000	£'000	£'000	£'000	%
9 - Children & Education							
15 - Children and Families Services	98,735	101,635	124,985	18,700	4,650	23,350	23.0%
16 - Educational Improvement	26,400	26,916	28,778	0	1,863	1,863	6.9%
1B - Transformation – Our Families Programme	0	0	0	0	0	0	0.0%
Total 9 - Children & Education	125,136	128,551	153,764	18,700	6,513	25,213	19.6%
8 - Adult & Communities							
14 - Adult Social Care	165,380	183,557	191,189	5,829	1,803	7,632	4.2%
36 - Communities and Public Health - General Fund	6,471	6,471	6,471	0	0	0	0.0%
57 - Commissioning, Contracts Quality and Performance (Adults)	24,672	14,042	13,447	(427)	(168)	(595)	-4.2%

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Total 8 - Adult & Communities	196,523	204,069	211,106	5,402	1,635	7,037	3.4%
4 - Growth & Regeneration							
37 - Housing & Landlord Services	22,943	22,943	28,333	3,800	1,590	5,390	23.5%
46 - Economy of Place	4,009	4,374	4,374	0	0	0	0.0%
47 - Management of Place	(4,543)	(6,734)	(6,734)	(0)	0	(0)	0.0%
4A - Management - G&R	(3,628)	(1,222)	(1,222)	0	0	0	0.0%
4B - Property, Assets and Infrastructure	42,986	42,267	42,267	(0)	0	0	0.0%
Total Bristol Harbour Authority	(621)						
Total 4 - Growth & Regeneration	61,146	61,628	67,017	3,800	1,590	5,390	8.7%
2 - Resources							
21 - Policy, Strategy and Digital	21,245	20,988	20,988	(0)	0	(0)	0.0%
22 - Legal and Democratic Services	16,375	16,358	16,595	237	0	237	1.4%
24 - Finance	8,788	8,914	9,524	611	0	611	6.9%
25 - Workforce & Change	3,247	3,359	3,359	0	0	0	0.0%
26 - Strategic Transformation	110	0	0	0	0	0	0.0%
Total 2 - Resources	49,765	49,620	50,467	848	0	848	1.7%
SERVICE NET EXPENDITURE	432,570	443,867	482,355	28,750	9,738	38,488	8.7%
X2 - Levies	3,693	3,693	3,693	0	0	0	0.0%
X3 - Corporate Expenditure	56,406	45,112	40,497	(4,614)	0	(4,614)	-10.2%
X4 - Capital Financing	26,768	26,831	25,831	(1,000)	0	(1,000)	-3.7%
X6 - Year-end Transactions	0	(276)	(276)	0	(0)	(0)	0.0%
X9 - Corporate Allowances	14,283	14,493	3,894	(10,600)	0	(10,600)	-73.1%
Total Corporate	101,151	89,853	73,639	(16,214)	0	(16,214)	-18.0%
TOTAL REVENUE NET EXPENDITURE	533,721	533,721	555,994	12,535	9,738	22,274	4.2%

Table 1b: P3 2024/25 Summary Full Year General Fund Revenue Forecast By Committee

Period 3 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Q1/P2 Revised budget to Forecast variance	P3 to Q1/P2 movement in revised budget to Forecast variance	P3 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%

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Children and Young People							
15 - Children and Families Services	98,735	101,635	124,985	18,700	4,650	23,350	23.0%
16 - Educational Improvement	26,400	26,916	28,778	0	1,863	1,863	6.9%
1B - Transformation – Our Families Programme	0	0	0	0	0	0	0.0%
Total Dedicated Schools Grant	491,736	491,736	502,536	24,182	(13,382)	10,800	2.2%
Total Children and Young People	616,872	620,287	656,299	42,882	(6,869)	36,013	5.8%
Adult Social Care							
14 - Adult Social Care	165,380	183,557	191,189	5,829	1,803	7,632	4.2%
57 - Commissioning, Contracts Quality and Performance (Adults)	24,672	14,042	13,447	(427)	(168)	(595)	-4.2%
Total Adult Social Care	190,052	197,599	204,636	5,402	1,635	7,037	3.6%
Public Health and Communities							
36 - Communities and Public Health - General Fund	6,471	6,471	6,471	0	0	0	0.0%
3B - Communities and Public Health - Other Grants	0	0	0	0	0	0	0.0%
47 - Management of Place	7,890	7,956	7,956	(0)	0	(0)	0.0%
34 - Public Health Grant	0	0	0	0	0	0	0.0%
Total Public Health and Communities	14,360	14,426	14,426	(0)	0	(0)	0.0%
Homes and Housing Delivery							
37 - Housing & Landlord Services	22,943	22,943	28,333	3,800	1,590	5,390	23.5%
Total Housing Revenue Account	150,982	150,982	160,322	3,616	5,723	9,340	6.2%
Total Homes and Housing Delivery	173,925	173,925	188,654	7,416	7,313	14,729	8.5%
Transport and Connectivity							
46 - Economy of Place	100	(49)	(49)	0	0	0	0.0%
47 - Management of Place	(12,783)	(15,035)	(15,035)	(0)	0	(0)	0.0%
4B - Property, Assets and Infrastructure	120	11	11	0	0	0	0.0%
Total Transport and Connectivity	(12,563)	(15,073)	(15,073)	(0)	0	(0)	0.0%
Environment and Sustainability							
46 - Economy of Place	743	743	743	0	0	0	0.0%
4B - Property, Assets and Infrastructure	54,357	53,264	53,203	(0)	(62)	(62)	-0.1%
Total Environment and Sustainability	55,099	54,007	53,945	(0)	(62)	(62)	-0.1%
Economy and Skills							
46 - Economy of Place	1,421	1,608	1,608	0	0	0	0.0%
47 - Management of Place	351	345	345	(0)	0	(0)	0.0%
4A - Management - G&R	(3,628)	(1,222)	(1,222)	0	0	0	0.0%
Total Bristol Harbour Authority		0	0	0	0	0	0.0%
Total Economy and Skills	(1,857)	731	731	(0)	0	(0)	0.0%
Strategy and Resources - Service							
21 - Policy, Strategy and Digital	21,245	20,988	20,988	(0)	0	(0)	0.0%

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22 - Legal and Democratic Services	16,375	16,358	16,595	237	0	237	1.4%
24 - Finance	8,788	8,914	9,524	611	0	611	6.9%
25 - HR, Workplace & Organisational Design	3,247	3,359	3,359	0	0	0	0.0%
26 - Strategic Transformation	110	0	0	0	0	0	0.0%
46 - Economy of Place	1,745	2,073	2,073	0	0	0	0.0%
4B - Property, Assets and Infrastructure	(11,490)	(11,009)	(10,947)	0	62	62	-0.6%
Total Bristol Harbour Authority	(621)	Moved to Ring-fenced Account					
Total Strategy and Resources - Service	39,399	40,683	41,593	848	62	909	2.2%

SERVICE NET EXPENDITURE	1,075,288	1,086,585	1,145,212	56,548	2,079	58,627	5.4%
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Strategy and Resources - Corporate							
X2 - Levies	3,693	3,693	3,693	0	0	0	0.0%
X3 - Corporate Expenditure	56,406	45,112	40,493	(4,614)	(4)	(4,619)	-10.2%
X4 - Capital Financing	26,768	26,831	25,835	(1,000)	4	(996)	-3.7%
X6 - Year-end Transactions	0	(276)	(276)	0	(0)	(0)	0.0%
X9 - Corporate Allowances	14,283	14,493	3,894	(10,600)	0	(10,600)	-73.1%
Total Strategy and Resources - Corporate	101,151	89,853	73,639	(16,214)	0	(16,214)	-18.0%

TOTAL REVENUE & RINGFENCED NET EXPENDITURE	1,176,439	1,176,439	1,218,851	40,333	2,080	42,413	3.6%
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LESS Ring-fenced Budgets:

Period 3 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Q1/P2 Revised budget to Forecast variance	P3 to Q1/P2 movement in revised budget to Forecast variance	P3 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000			£'000	%
Total Housing Revenue Account	(150,982)	(150,982)	(160,322)	(3,616)	(5,723)	(9,340)	6.2%
Total Dedicated Schools Grant	(491,736)	(491,736)	(502,536)	(24,182)	13,382	(10,800)	2.2%
Total Public Health Grant	0	0	0	0	0	0	0.0%
Total Bristol Harbour Authority	0	0	0	0	0	0	0.0%
Total Ring-fenced Budgets	(642,718)	(642,718)	(662,857)	(27,798)	7,659	(20,139)	3.1%

TOTAL REVENUE NET EXPENDITURE (EXC RINGFENCED)	533,721	533,721	555,994	12,535	9,739	22,274	4.2%
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2.4. Children and Education Directorate

2.3.1. Children and Families

The Children and Families Services Division are reporting the total forecast overspend of £23.4 million at Period 3. This is against a budget of £101.6 million, representing a forecast overspend of 23.0%.

The forecast overspend is primarily due to escalating pressures of increasing volumes and associated high costs for children and young people requiring external social care placements, forecast at £17.8 million, and also due to pressures of £2.6 million being faced in the Asylum and Immigration budget due to volumes of No Recourse to Public Funds (NRPF) families receiving financial support.

The tables below provide further detail on the forecast, latest placement numbers and associated costs.

Table 2: P3 2024/25 Children and Families Revenue Expenditure Forecast

Children's and Families		Revised Budget 2024/25	P3 Forecast	Variance P3	Change from last month
		£000s	£000s	£000s	£000s
External Placements					
	External Supported Accommodation	13,399	6,941	(6,458)	955
	Independent Fostering Agencies	7,129	10,826	3,697	(133)
	Out Of Authority - Placements	17,640	32,307	14,667	(942)
	Parent & Baby Unit - Citywide	571	1,043	473	(26)
	Secure	148	22	(126)	11
	Un-Registered	0	5,673	5,673	(481)
	Agency Support	500	396	(104)	78
Total External Placements		39,386	57,208	17,822	(537)
Internal Placements					
	In House Fostering	7,698	7,025	(673)	169
	Inhouse Supported Accommodation	99	46	(53)	(13)
	RO & SGO	6,236	6,028	(209)	99
	Children's Homes	4,229	3,809	(421)	13
	Post Adoption	381	263	(118)	(1)
Total Internal Placements		18,643	17,170	(1,473)	267
Total placements		58,029	74,379	16,349	(270)
12309	Asylum Seekers-Asylum & Immigration	1,532	4,117	2,586	(355)
Other non-placement related budgets		42,074	46,489	4,415	51
Total Children & Families		101,635	124,985	23,350	(573)

Whilst there has been a continued reduction in the number of Internal placements over recent years, as demonstrated in Table 3a below, there has been a significant increase in higher cost external placement numbers, as represented in Table 3b below.

Table 3a: Reduction in Internal Placements 2018 to Present

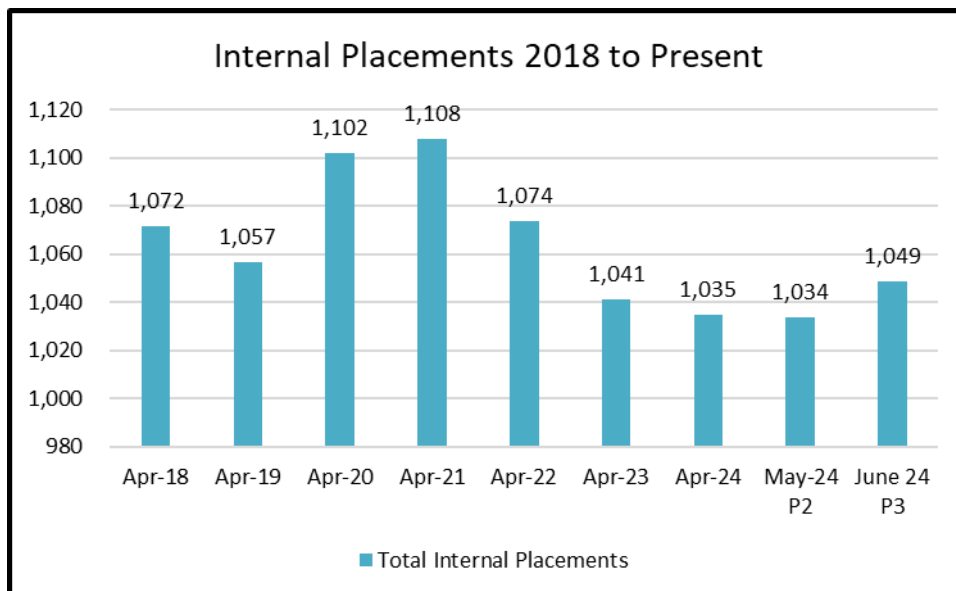
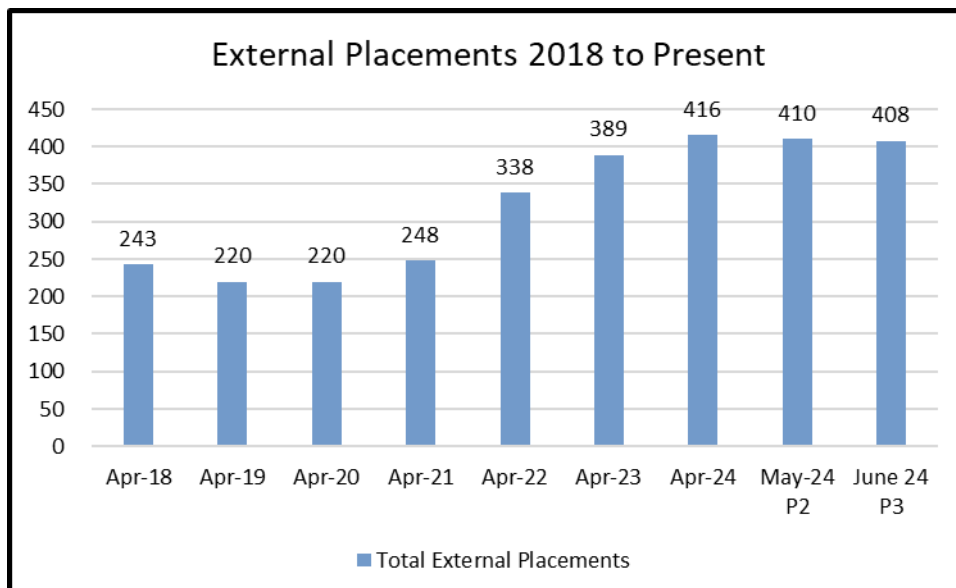


Table 3b: Growth in External Placements 2018 to Present



The tables above demonstrate a shift in the number of Internal and External placements at Period 3, June 2024. This is due to the service actively reviewing all placements as part of the priority to deliver savings and mitigations towards addressing the overspend.

External placements recorded a net reduction of 2 compared to the previous period. This included a reduction of 14 placements across various external provisions. However, this was offset by an increase of 12 placements in External Supported Accommodation.

2.3.2. Educational Improvement

The Educational Improvement Division is currently forecasting an adverse variance of £1.9 million, at Period 3, against a budget of £26.9 million, representing a forecast overspend of 6.9%.

The forecast overspend is mainly due to Home to School Transport pressures for children and young people with Special Educational Needs and/or Disabilities (SEND) receiving transport to their education providers.

The forecast is also adversely impacted due to both anticipated difficulties in achieving income targets and pressures of agency staff costs in several service areas.

2.4. **Adults, Communities and Public Health Directorate**

Adult Social Care

2.4.1. Adult Social Care (ASC) is forecasting an overspend of £7.0 million on a net revised budget of £204.1 million (3.4% of the net budget). The main variances relate to cost pressures in relation to individual care and support packages. Cost pressures in adults purchasing budget reflect increased demand, inflationary costs, and increased acuity for service users. The 2024/25 budget included £10.9 million of savings to be delivered. ASC has recently re-baselined its Transformation Programme which is focussing on delivery £6.4 million of these savings. The balance of alternative savings of £4.5 million removed from the Programme are still be worked through to deliver alternative savings. The service will provide further update, as part of Period 4 reporting, on progress against this action.

Communities and Public Health

2.4.2. At the end of Period 3 the Communities and Public Health General Fund are forecasting no variance to budget.

2.5. **Resources Directorate**

2.5.1. The Resources Directorate is reporting a £0.8 million overspend against a revised budget of £49.6 million (1.7%). This is primarily due to a pressure of £0.6 million in relation to insurance following an increased cost of insurance premiums driven by

commercial and market conditions. There has been no movement in the forecast since Period 2.

2.5.2. The net position for risks and opportunities is a £1.0 million risk. This includes a £0.9 million risk in relation to IT contract pressures within the Digital Transformation service and a further £0.6 million risk in relation to insurance. There are a number of opportunities across the Directorate. These include an increase in summons fee income driven by higher levels of debt recovery resulting in an increased number of summons being issued, which partially offset these risks.

2.6. Growth and Regeneration Directorate

2.6.1. The Growth & Regeneration Directorate is reporting a forecast overspend of £5.4 million (8.7%) against its revised budget position of £61.6 million. This relates to the ongoing pressures associated with providing temporary accommodation to those experiencing homelessness in the city. The Directorate is working to reduce this pressure using supply and demand side measures. Separately, compensating savings from elsewhere in the directorate are being generated to reduce this pressure and others.

3. SAVINGS PROGRAMME – SUMMARY

Table 4a: Summary of Savings Delivery by Directorate

Directorate	Total savings due in 24/25 per savings tracker £m	Business cases previously agreed £m	Changes approved by DE during 24/25 £m	One-off savings in 24/25 £m	Rollover of undelivered savings from previous year £m	Net - savings as per Budget 24/25 £m Appendix 8	2024/25 Savings reported as safe		2024/25 Savings reported as at risk	
							£m	£m	£m	%
Children's & Education	6.305	0.000	0.000	(0.100)	(0.890)	5.315	3.967	2.338	37%	
Adults, Community & Public Health	16.387	-0.255	0.000	-	(5.124)	11.008	5.297	11.090	68%	
Resources (& Shareholding)	2.791	-0.215	0.000	(0.100)	(0.701)	1.775	2.482	0.309	11%	
Growth & Regeneration	12.301	-1.281	-	(0.870)	(4.552)	5.598	9.408	2.893	24%	
Corporate (All)	10.300	0.000	0.000	-	-	10.300	10.300	0.000	0%	
Total	48.083	(1.751)	-	(1.070)	(11.266)	33.996	31.454	16.629	35%	

Table 4b: Summary of Savings Delivery by Committee

Committee	Total savings due in 24/25 per savings tracker £m	Business cases previously agreed £m	Changes approved by DE during 24/25 £m	One-off savings in 24/25 £m	Rollover of undelivered savings from previous year £m	Net - savings as per Budget 24/25 £m Appendix 8	2024/25 Savings reported as safe		2024/25 Savings reported as at risk	
							£m	£m	£m	%
Children and Young People	6.305	0.000	0.000	(0.100)	(0.890)	5.315	3.967	2.338	37%	
Adult Social Care	16.387	(0.255)	0.000	0.000	(5.124)	11.008	5.297	11.090	68%	
Public Health and Communities	0.213	0.000	0.000	(0.600)	(0.138)	(0.525)	0.108	0.105	49%	
Homes and Housing Delivery	3.146	(1.281)	0.000	0.000	(0.257)	1.608	3.146	0.000	0%	
Transport and Connectivity	1.635	0.000	0.000	(0.370)	(0.885)	0.380	0.830	0.805	49%	
Environment and Sustainability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0%	
Economy and Skills	3.560	0.000	0.000	0.000	(0.060)	3.500	3.185	0.375	11%	
Strategy and Resources	16.838	(0.215)	0.000	0.000	(3.914)	12.709	14.921	1.917	11%	
Total	48.083	(1.751)	-	(1.070)	(11.267)	33.995	31.454	16.629	35%	

3.3. As at Period 3 £31.5 million (65%) of savings are considered safe and £16.6 million (35%) are reported at risk and are being monitored and reviewed for delivery or in-year mitigation where possible. A number of these savings 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.

4. RISKS AND OPPORTUNITIES

4.3. 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 overspend outlined in section 2.1. They are a combination of costs, savings delivery, income generation and funding opportunities.

4.4. The table below summarises these risk and opportunities. These represent a weighted additional net potential risk of £10.5 million.

Table 5a: Risks and Opportunities Summary by Directorate

Total Net Risks / (Opportunities)	P3		
Directorate	Total Net Risk £'000	Total Net Opportunity £'000	Net Risk / (Opportunity) £'000
8 - Adult & Communities	7,846	-	7,846
9 - Children & Education	-	-	-
2- Resources	2,800	(1,846)	954
4 - Growth & Regeneration	13,506	(11,825)	1,681
Corporate	-	-	-
TOTAL	24,151	(13,672)	10,480

Table 5b: Risks and Opportunities Summary by Committee

Total Net Risks / (Opportunities)	P3		
Committee	Total Net Risk £'000	Total Net Opportunity £'000	Net Risk / (Opportunity) £'000
Children and Young People	-	-	-
Adult Social Care	7,846	-	7,846
Public Health and Communities	334	(365)	(32)
Homes and Housing Delivery	1,515	(398)	1,118
Transport and Connectivity	6,092	(6,929)	(836)
Environment and Sustainability	2,240	(3,086)	(847)
Economy and Skills	121	(131)	(11)
Strategy and Resources	7,294	(2,763)	4,532
Total	25,441	(13,672)	11,770
Less Ringfenced budgets:	(1,290)		(1,290)
Total (excluding ringfenced):	24,151	(13,672)	10,480

4.5. The position on risk and opportunities is not assessed as presenting an additional net financial pressure since it is either not considered likely to materialise or mitigations are in development and anticipated to be implemented. However, if mitigations are not identified then the likelihood of this risk will inevitably increase and could transition into an actual financial pressure which would add to the current year's final outturn position.

5. RING-FENCED BUDGETS

5.3. There are several 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 forecast outturns for these ringfenced budgets are summarised in the table below.

Table 6: P3 2024/25 Summary Full Year Ring-Fenced Fund Forecast

Period 3 Budget Monitoring - Summary	Approved budget	Revised Budget	Forecast	Q1/P2 Revised Budget to Forecast variance	Q1/P2 to P3 movement in Revised Budget to Forecast variance	P3 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast variance
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Housing Revenue Account	150,982	150,982	160,322	3,616	5,723	9,340	6.2%
Total Dedicated Schools Grant	491,736	491,736	502,536	24,182	(13,382)	10,800	2.2%
Total Public Health Grant	0	0	0	0	0	0	0.0%
Total Bristol Harbour Authority	0	0	0	0	0	0	0.0%
Total Ring-fenced Budgets	642,718	642,718	662,857	27,798	(7,659)	20,139	3.1%

5.4. Housing Revenue Account

5.4.1. The Housing Revenue Account (HRA) is currently forecasting an adverse outturn of £9.3 million (6.2%) when compared to the revised budget. This represents an overall deterioration of £5.7 million from the P2 forecast position.

5.4.2. The main drivers of this overall forecast position compared to revised budget are adverse variances of £2.1 million for Income (due mainly to lower service charge income and lower rental income due to more void properties), £5.7 million overspend on Supervision and Management (mostly due to additional staff costs for compliance with the Housing and Consumer standards and additional security costs due to the delay to the fire alarm project), £0.8 million increase in forecast impairment provision and £2.3 million on Repairs & Maintenance expenditure (mostly due to additional costs due to backlog of repair works from previous years). These are expected to be partially offset by favourable variances of £0.8 million against energy costs in communal areas and £0.8 million additional investment income receivable as a result of increased interest rates. Any overspend reported at the year-end 31st March 2025 will be contained within the HRA general reserves.

5.4.3. The current year's opening balance on the council's HRA Reserve was £105.3 million. This comprises £94.4 million HRA general reserves, £0.9 million CCTV reserves and £10.0 million major repairs reserves. No in year movements have been made as at 30 June 2024.

5.5. Dedicated Schools Grant

- 5.5.1. 2024-25 gross allocation for DSG is £491.7 million as approved at Full Council in February 2024 (or net amount £220.1 million after deduction for academies recoupment, National Non-Domestic Rates (NNDR) and direct funding of high needs places by Education and Skills Funding Agency (ESFA)).
- 5.5.2. The DSG is forecasting an adverse in-year variance to planned budget of £10.8 million at Period 3, representing a forecast overspend of 2.2%.
- 5.5.3. This latest forecast reflects a revision to presentational format so that it now includes the mitigating effect of additional funding provided by the Department for Education as part of the Safety Valve programme.
- 5.5.4. The main drivers for this forecast in-year overspend position continue to be the increasing numbers of children and young people with Education Health and Care Plans (EHCPs) and complexity of their Special Educational Needs and Disabilities (SEND), along with a lack of sufficiency of local provision.
- 5.5.5. Early Years is forecasting a net in-year overspend of just under £0.4 million. However, this position includes a forecast pressure of £0.6 million resulting from demand for top up funding for children with SEND. Smaller underspends are forecast on central costs of £0.2 million.
- 5.5.6. Schools Block and the High Needs Transformation programme are forecasting an in-year balanced position.

5.6. The Public Health Grant

- 5.6.1. Public Health (PH) Grant of £36.4 million was awarded for 2024/25 by Public Health England (PHE). At the end of Period 3 Public Health reports no forecast variance to this budget.

6. CAPITAL SUMMARY

- 6.3. The Capital programme budget at Period 3, has been revised downwards by £142.7 million from £582.9 million, at Period 2, to £440.2 million. This decrease relates to the re-profiling of £149.6 million into future periods as set out in the P2 report (Strategy and Resources Committee 15 July 2024) and recent approvals and delegated decisions as set out below.

- £2.4 million South Bristol Cemetery Expansion (NH03 - Strategic CIL funds) - Cabinet Decision 24/01/2024
- £2.2 million Transport Strategic Corridor A37/A4018 Victoria St/Colston Avenue (GR04 part of £5.6m total WECA grant award) - Cabinet Decision 06/02/2024
- £1.8 million Property Transformation 100 Temple St, Fitout/Refurbishment (PL20 - Capital Receipts - Flexible Use) - Cabinet Decision 06/06/2023 & CLB May 2024
- £0.3 million South Bristol Light Industrial Workspace (GR05A - WECA Grant award) - OEN 04/06/2024
- £0.2 million IT Hybrid & AV Technology Upgrade Feasibility FBC work (RE01 reprofile from 2025/26 and a revenue contribution of £62k - Cabinet Decision 09/04/2024

6.4. The budget comprises £203.7 million for General Fund (excluding the corporate and other technical adjustments) and £223.4 million for the HRA. The forecast variation against budget at Period 3 is a £6.4 million underspend, representing a £7.0 million underspend on General Fund (3.4% of the GF Total) and a £0.6 million overspend on the HRA (0.3% of the HRA Total).

Table 7: P3 2024/25 Capital Programme Forecast Summary By Directorate

Approved Budget (Feb 24)	Budget Changes upto P3	Directorate	Revised Budget	Actual Spend to date	Budget Spend to date	P3 Forecast Outturn	Forecast to Budget Variance
£m	£m		£m	£m	%	£m	£m
42.5	(19.5)	Childrens & Education	23.0	1.7	7%	23.0	0.0
7.8	0.1	Adults & Communities	7.9	0.6	7%	7.9	0.0
151.1	13.5	Growth and Regeneration	164.6	10.9	7%	158.1	(6.5)
2.7	3.2	Resources	5.9	0.4	7%	6.0	0.1
2.6	(0.3)	Bristol Harbour Fund	2.3	0.1	4%	1.7	(0.6)
206.7	(3.0)	GF service Total	203.7	13.7	7%	196.7	(7.0)
358.0	(134.6)	Housing Revenue Account	223.4	19.7	9%	224.0	0.6
358.0	(134.6)	HRA service Total	223.4	19.7	9%	224.0	0.6
564.7	(137.6)	HRA & GF Service Total	427.1	33.4	8%	420.7	(6.4)
12.0	1.1	Corporate Contingencies & Funds	13.1	0.0	0%	13.1	0.0
576.7	(136.5)	Capital Programme Grand Total	440.2	33.4	8%	433.8	(6.4)

Table 8: P3 2024/25 Capital Programme Forecast Summary By Committee

Approved Budget (Feb 24)	Budget Changes upto P3	Committee	Revised Budget	Actual Spend to date	Budget Spend to date	P3 Forecast Outturn	Forecast to Budget Variance
£m	£m		£m	£m	%	£m	£m
42.5	(19.5)	Children and Young People	23.0	1.7	7%	23.0	0.0
3.8	(1.8)	Adult Social Care	2.0	0.0	0%	2.0	0.0
9.6	3.4	Public Health and Communities	13.0	1.0	8%	12.2	(0.8)
385.8	(127.1)	Homes and Housing Delivery	258.7	22.2	9%	252.5	(6.2)
49.6	7.2	Transport and Connectivity	56.8	5.8	10%	60.8	4.0
12.8	(1.8)	Environment and Sustainability	11.0	(0.3)	-3%	10.9	(0.1)
15.4	20.6	Economy and Skills	36.0	2.9	8%	32.9	(3.1)
57.2	(17.5)	Strategy and Resources	39.7	0.1	0%	39.5	(0.2)
576.7	(136.5)	Capital Programme Grand Total	440.2	33.4	8%	433.8	(6.4)

- 6.5. The spend for the first three months of the current year (£33.4m) is low compared to the annual budget (8%) which suggests that a large number of schemes in the programme will need to be re-profiled into future years. Should this trajectory follow the same path over the remaining months of the year this predicts a spend deficit of £293.5 million (68%) compared to the latest budget (£427.1m). However, this does not take account of the council's pattern of higher expenditure towards the end of the financial year which would indicate an outturn in the region of £220.0 million (48% slippage compared to latest budget).
- 6.6. The forecast variation reported at P3 is (£6.4m) reflecting alignments with the latest expected programme delivery schedule. The programmes to which these primarily relate are summarised within Table 9.
- 6.7. The current forecasts remain challenging and there remains an element of risk in terms of delivery including external factors such as developer- and partner-led projects meeting delivery milestones and the awarding of contracts. Should these be delivered as planned then this will be evidenced by an acceleration of spend over the remaining months of the financial year.
- 6.8. Further work, reviews and analysis of projects and programmes will be undertaken over the coming months with project leads to challenge forecasts to ensure budgets and forecasts are profiled accurately and reported accordingly to provide a robust base for the next budget cycle and for reporting purposes. This will also inform the Treasury strategies with regards the timing of external borrowing and the availability of resources for investment purposes.

Table 9: Capital Programme re-profiling by value

Ref	Scheme	Current Year (FY2024) - Period 3				Performance to budget	
		Budget	Expenditure to Date	Forecast	Change in Forecast	Expenditure to date	Forecast
		£000s				%	
Growth & Regeneration							
GR03	Economy Development - ASEA 2 Flood Defences	5,284	58	2,240	(3,044)	1%	42%
GR09	Clean Air Zone Programme	5,581	75	4,714	(867)	1%	84%
GR14	Public Transport	8,813	724	12,090	3,277	8%	137%
GR15	Active Transport	6,609	873	8,211	1,601	13%	124%
GR18	Strategic Transport Projects	8,215	393	5,669	(2,545)	5%	69%
NH03	Cemeteries & Crematoria investment	2,446	32	1,646	(800)	1%	67%
PL10	Highways & Traffic Infrastructure - General	19,947	3,459	21,359	1,412	17%	107%
PL11A	Cattle Market Road site re-development	573	78	1,855	1,282	14%	324%
PL30	Housing Delivery Programme	27,972	1,399	21,085	(6,887)	5%	75%
Total Growth & Regeneration		85,438	7,092	78,868	(6,570)	8%	92%
Total General Fund service Total		85,438	7,092	78,868	(6,570)	8%	92%
HRA2	New Build and Land Enabling	144,683	8,842	139,829	(4,854)	6%	97%
HRA1	Planned Programme - Major Projects	77,223	10,668	81,870	4,646	14%	106%
Total Housing Revenue Account		221,906	19,510	221,698	(208)	9%	100%
HRA & GF Service Total		307,344	26,601	300,566	(6,778)	9%	98%

6.9. The reasons for the variances between budget and forecast are detailed below:

- 6.9.1. GR03 - Economy Development – ASEA 2 Flood Defences. The forecast spend has been amended since P2 to reflect actual spend. The budget will now be revisited.
- 6.9.2. GR09 - Clean Air Zone Programme. This is an underspend relating to an undersubscription to the financial support package available to people adjusting to the Clean Air Zone. Plans are being developed to utilise this funding to support the objectives of the zone.
- 6.9.3. GR14 - Public Transport. This is due to a forecast overspend against the Strategic Corridors projects (City Centre and A4 Portway). The Council expects to receive additional funding from the Combined Authority before the end of the year.
- 6.9.4. GR15 - Active Transport. This is due to a forecast overspend against the Park Row and King Street for which the Council expects to receive additional funding from the Combined Authority. There is also an overspend against the Bristol Family Cycling Centre for which a request for additional funding will also be prepared.
- 6.9.5. GR18 - Strategic Transport Projects – These budgets are to be reprofiled as the Arena delivery is delayed and therefore expenditure on the infrastructure expenditure has changed.
- 6.9.6. NH03 - Cemeteries and Crematoria. Cemetery expansion delayed due to supply chain issues with forecast spend amended accordingly.
- 6.9.7. PL10 - Highways and Traffic Infrastructure. Projects are progressing well with estimated spend for planned works for 4 bridges that are grant funded being brought forward compared to that originally profiled for later years.
- 6.9.8. PL11A - Cattle Market Road. Delayed due to contractual dispute and now awaiting decision on harbour dredging.
- 6.9.9. PL30 - Housing Delivery Programme comprises:

- £1.2 million slippage in Filwood Framework (Recreate Public Realm) – forecast adjusted to reflect latest anticipated spend profile.
- £1.8 million slippage in Filwood Framework (Former Cinema) – forecast reduced in line with the reallocation of most of the funds to Cultural Hub to fund the library.
- £3.5 million slippage in Filwood Framework (Cultural Hub) – forecast reprofiled into 2025/26 as construction not expected to commence before the end of 2024. Library funding re-allocated to this scheme following Executive Directors Meeting (EDM) is profiled in 2025/26.
- £0.5 million overspend in Neighbourhood Police Facility Trinity Road – forecast increased to correctly reflect the expected payment of 85% of the awarded grant amount within this year. This will be paid once the CIL agreement has been sealed.
- £0.5 million overspend in Fulford Road Rugby Club Development – forecast increased resulting in an overall overspend. This is due to the forecast now reflecting the spend of additional funding from Bristol City Council Enabling Budget and West of England Combined Authority (WECA).
- £1.9 million slippage in Hengrove Projects – forecast reduced as programme delivery is slower than originally anticipated following contractors provided revised programme spend profiles. This slippage has been agreed with WECA via a formal change request.

6.9.10. HRA2 – New Build and Land

The New Build and Land Enabling programme is reporting a slippage of £4.8 million. This comprises:

- £2.8 million slippage reported for the developer led project Dovercourt Depot. Following an updated cashflow, Start on Site is now not anticipated until April 25.
- £2.0 million slippage on the developer led Baltic Wharf projects represent removal of the previously forecast deposit payments.

6.9.11. HRA1 Planned Programme

- £2.2 million overspend in Rewires works project as a result of a revision to the scope of works. Any overspends against this scheme will be fully funded by the HRA and will be included in any revised 30 year HRA Business Plan.
- £1.0 million spend brought forward on Littlecross House energy efficiency works upon revision of forecasts guided by recently received cash-flow forecasts from the delivery partner. These additional costs in 2024/25 will be met within the overall budget envelope for this scheme.

7. OTHER DECISIONS

N/A

