

Report of the Strategic Director of Corporate Services to the meeting of the Corporate Overview and Scrutiny Committee to be held on 19 July 2017.

B

Subject:

First Quarter Financial Position Statement for 2017-18

Summary statement:

This report provides Members with an overview of the forecast financial position of the Council for 2017-18.

It examines the latest spend against revenue and capital budgets and forecasts the financial position at the year end. It states the Council's current balances and reserves and forecasts school balances for the year.

Stuart McKinnon-Evans
Strategic Director – Corporate Services

Portfolio:

Leader of the Council and Corporate

Report Contact: Andrew Cross
Business Adviser Management Accounting
(01274) 436823
andrew.cross@bradford.gov.uk

Overview & Scrutiny Area:
Corporate

FIRST QUARTER FINANCIAL POSITION STATEMENT FOR 2017-18

1.0 INTRODUCTION

This report is the first monitoring report presented to Members on the Council's 2017-18 financial position. It provides an early indication of the revenue and capital financial position of the Council at the 31st March 2018.

The report covers

- The forecast outturn of the Council's revenue budget including management mitigations where issues have been identified.
- The delivery of 2017-18 approved budget savings plans.
- A statement on the Council's reserves including movements in the first quarter.
- An update on the Capital Investment Plan.
- An update on Council Tax and Business Rates Collection.

2.0. MAIN MESSAGES

- Based on May 31st 2017 projection, the Council is forecasting that spend will be £10.5m above the approved budget of £375.2m. The main forecast variances are outlined in section 3 - Service commentaries. It is important to stress that this estimate is based on information gathered at a very early point in the financial year. Actions taken between now and the end of the financial year, together with additional issues that might arise, will affect the ultimate outturn position.
- Regarding the £37.5m 2017-18 budgeted savings programme, there are risks to the achievement of a number of plans, and it is forecast that £16.3m of savings will not be delivered as intended. Additionally, the underachievement of savings from prior years are forecast to be underachieved by a further £8.5m in 2017-18. Consequently £24.8m of savings are forecast not to be delivered as planned.
- The main variances are outlined in section 2.2 – Delivery of budget savings proposals, and Section 3 - Service commentaries. One of the aims of this report is to highlight these so that necessary action can be taken.
- The main pressure point on the budget by outcome is Better Health Better Lives which reflects the continuing and growing pressure on social care for both Adults and Children's services. There is a forecast £15.1m overspend on this outcome.
- On top of the underachieved savings, there are also some other service pressures: -
 - Within Children's Services - Purchased placements (£2.2m) and fees for Looked After Children and Children receiving support (£0.9m).
 - Within Department of Place, Sports Facilities Staffing costs (£0.2m) Waste Disposal (£0.2m), and Planning and Building Control Fees income (£0.3m)
 - Health and Well Being has a new pressure of £3.3m linked to increasing fees payable to care providers.

- The forecast underachieved savings and other forecast overspends are being partly offset by;
 - £8.5m¹ of non recurrent money for Adult Social Care that was provided by Government after the Council budget was set but this has yet to be formally agreed by the Health and Well Being Board.
 - £4.8m of centrally held contingencies that continue to be used to offset the £4.8m underachieved Travel Assistance saving.
 - £3m forecast capital financing underspend as a result of lower borrowing costs and lower capital expenditure.
 - Other smaller scale net underspends in Corporate Services and other services.
- At 31st May reserves stand at £136.3m (Council £111.1m and Schools £25.2m). Net movements from reserves have led to a £16.7m reduction in total reserves from £153.0m at 1 April 2017. Section 4 details reserves.
- Unallocated reserves now stand at £14.5m as a contingency reserve. This is equivalent to just 1.7% of the Council's gross budget excluding schools.
- Regarding Capital Expenditure, the profiled resource position for 2017-18 for the Capital Investment Plan (CIP) stands at £114.4m with £12.5m incurred at 31st May.
- New schemes that are recommended by the Project Appraisal Group to be added to the Capital Investment Plan include:
 - £0.4m for the demolition of Cavendish Street, former Keighley College building to be funded from General Contingency.
 - £1.1m to build a 3G All Weather Pitch with changing and teaching accommodation on King George Playing Fields. The scheme is to be funded by, £0.2m already approved within the Capital Investment Plan, £0.7m from grants and £0.2m from the General Contingency budget.
 - £0.7m to support Bradford and Airedale Community Equipment Services funded by a transfer of corporate funding already approved within the Capital Investment Plan.
- The Executive is asked to approve additional funding of £3m for the St Georges Hall refurbishment. Additional work requirements have been identified following intrusive surveys. The scheme will now have a revised budget of £8.6m.
- The Council will by statute receive in 2017-18 its budgeted shares of Council Tax and Business Rates. Any variance from the budget to the outturn is carried forward into 2018-19, so only impacts on next financial year. However, no significant variance is forecast for Council Tax or Business Rates.
- By 31st May 2017 the Council had collected £36.9m (17.9%) of the value of Council Tax bills for the year compared with £34.3m (17.7%) at the same stage last year. The collection of Business Rates also by 31st May 2017 was 23.85% compared to 24.64% at the same time last year.

¹ £10.5m has been received but £2m will be used for transformation projects and assistive technologies. The additional money received will reduce to £6.2m in 2018-19, £3.5m in 2019-20 and £0 by 2020-21.

2. COUNCIL REVENUE FORECAST

2017-18 Revenue Budget

The Council's approved net revenue budget of £375.2m is forecast to overspend by £10.5m.

2.1 2017-18 Revenue Forecast as at 31st May 2017

Table 1a shows the income and expenditure of the Council by department and the Report explains the financial position by department to reflect that budgetary responsibility lies with the individual departments management teams.

Table 1a – Revenue forecast by department

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Health and Wellbeing	215.0	223.6	8.5	-105.2	-104.0	1.2	109.8	119.6	9.7
Children's Services	483.5	489.2	5.7	-398.2	-398.9	-0.8	85.3	90.2	4.9
Department of Place	118.1	119.7	1.6	-54.4	-54.4	0.0	63.7	65.3	1.6
Corporate Services	266.9	265.8	-1.2	-223.1	-222.7	0.4	43.8	43.0	-0.8
Chief Executive	3.8	3.8	-0.0	-0.1	-0.1	0.0	3.7	3.7	-0.0
Non Service Budgets	7.2	7.2	0.0	-1.3	-1.3	0.0	5.9	5.9	0.0
Central Budgets & Net Transfers To Reserves*	89.5	79.8	-9.8	-26.6	-21.8	4.8	62.9	57.9	-5.0
Total Council Spend	1,184.1	1,189.0	4.9	-808.9	-803.3	5.6	375.2	385.7	10.5

Table 1b shows the income and expenditure of the Council by priority outcome which reflect the alignment of resources with the priorities of the Council and the District as set out in the respective Council and District Plans. In essence the activities the Council undertake contribute to the delivery of the outcomes.

Table 1b – Revenue forecast by Council Plan Outcomes

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Council Plan Outcomes									
Better Health Better Lives	439.9	455.0	15.1	-270.7	-270.7	-0.0	169.2	184.3	15.1
Better Skills, More Good Jobs And A Growing Economy	95.1	95.8	0.6	-49.8	-49.4	0.4	45.3	46.4	1.1
Safe, Clean And Active Communities	61.2	61.2	-0.0	-22.9	-23.0	-0.1	38.3	38.2	-0.1
A Great Start And Good Schools For All Our Children	425.3	424.3	-1.0	-402.5	-402.1	0.4	22.8	22.2	-0.6
Decent Homes That People Can Afford To Live In	3.6	3.6	-	-0.6	-0.6	-	3.0	3.0	-
A Well Run Council	87.2	87.3	0.1	-32.2	-32.1	0.1	55.1	55.2	0.1
Non Service, Fixed and Unallocated	71.7	61.8	-9.9	-30.2	-25.4	4.8	41.5	36.4	-5.1
Total Council Spend	1,184.1	1,189.0	4.9	-808.9	-803.3	5.6	375.2	385.7	10.5

2.2 Delivery of Budgeted Savings proposals

The combined budget savings of £36.5m in 2017-18², and a further £1.1m Government cut to the Public Health Grant brings the total savings the Council has had to find in the seven years following the 2010 Comprehensive Spending Review (CSR) to £255.8m.

Table 2- Year on Year savings since 2010 CSR

	£m
2011-12	48.7
2012-13	28.5
2013-14	26.1
2014-15	31.8
2015-16	37.7
2016-17	45.6
2017-18	37.5
Total savings	255.8

The 2017-18 budget includes £37.5m of new budget reductions, however £8.5m of prior year savings were not delivered as planned in 2016-17, meaning that £46.0m of savings will need to be delivered in 2017-18.

In tracking progress made against each individual saving proposal, £21.2m (46%) of the £46m is forecast to be delivered, leaving £24.8m that is forecast not to be delivered.

Saving Tracker

	Prior year underachieved Savings outstanding at 31/3/17	2017/18 New Savings	Total Savings 2017/18	Forecast Variance 2017/18
Health & Wellbeing	1.9	21.6	24.2	16.0
Children's Services	1.4	3.9	5.3	3.2
Place	0.4	6.0	6.3	0.7
Corporate	0.0	5.5	5.5	0.0
Corporate (CEO)	0.0	0.5	0.5	0.0
Non Service Budgets & Cross Cutting	0.0	0.0	0.0	0.0
Travel Assistance	4.8	0.0	4.8	4.8
Total	8.5³	37.5	46.0	24.8

The forecast underachievement is higher than prior years reflecting the increased difficulty of delivering savings.

	Underachieved Savings £ms
2013/14	4.4
2014/15	2.3
2015/16	4.9
2016/17	7.9
2017/18	24.8 (forecast)

² £24.3m of 2016/17 budget decisions to be delivered in 2017/18, less £1.1m amendments approved in Feb 2017, plus £13.3m of new budget savings approved in Feb 2017.

³ Underachieved savings from prior years include the value of underachieved savings from 2016/17 and 2015/16 that were not achieved by 31/3/2017.

The planned savings that are at risk of not being delivered in full are outlined in the table below, and in greater detail in section 3 Service Commentaries.

Ref	Saving Narrative	Budgeted Saving £000s	Forecast Saving £000s	Variance
Health & Wellbeing				
3A1	Changes to the Contributions Policy	611	0	611
3A2	Changes to Older People and PD Home Care Service	1,500	0	1,500
3A3	Changes to Supported Living for Learning Disabilities	500	138	362
3A6	Changes LD Day Care and Procurement	1,000	0	1,000
3A10	Changes to Contracts for LD Residential and Nursing	1,000	0	1,000
3A11	Reduce the number of long term placements in the independent sector by utilising in-house beds	200	0	200
3A12	Review Charging Arrangements for People with MH	250	0	250
3A13	Reduce long term placements of Older People into Nursing and Residential Care	1,000	600	400
4A1	Adults - Overall Demand Management Strategy - moving from a dependency model to one that promotes independence and resilience (e.g. reducing numbers coming in to care, care system culture change, speeding up integration, redesign enablement, reviewing financial needs, continued personalisation).	8,000	0	8,000
4A2	Demand management – further reductions in high cost packages, further reductions in Supported Living contracts/packages, various reductions in travel and fees. (Also see proposal 4A1 in Appendix E for more detail on the proposed actions in 2017/18).	2,000	1,200	800
Total 2017/18 new budget savings				14,123
A10	Older People – Reduction in Residential Placements	1,193	493	700
A10	Older People - Closure of Home B	360	100	260
3A1	Changes to the Contributions Policy	466	0	466
3A10	Changes to Contracts for LD Residential and Nursing	278	0	278
3A12	Review Charging Arrangements for People with MH	215	0	215
Unachieved savings from prior years				1,919
Health and Wellbeing Total				16,042
Children's Services				
3C6	Reviewing Work with Young People Who are Not in Employment Education or Training – Connexions	132	102	30
3C7	Looked After Children - bring children cared for outside of Bradford back into the District.	500	85	415
4C4	Child Protection management restructure - reduction in teams by four to ten with potential reduction in team managers plus review other overall budgets	240	0	240
4C5	Children's Social Care management restructure - review of management structure leading to proposed reduction of two service manager posts and one team manager	85	0	85
4C9	Disabled Children Team - to build on review already underway with CAMHS, review overall staffing and no staffing budget	250	155	95
4C3	Children's Services - staffing, restructure, reduction in the Connexions contract with longer term service brought back in to Council, investigate regional data centre, cessation of Employment Opportunities Fund (EOF).	150	0	150
4C14	Reducing agency spend in Children's Social Care Services	1,025	312	713
4C16	Administrative Support restructure – rationalisation of the supervision and management structure	100	35	65

	Total 2017/18 new budget savings			1,793
3C7	Looked After Children - bring children cared for outside of Bradford back into the District.	624	0	624
3C8	Looked After Children - Reduce the Numbers of Looked After Children by 75 Over 2 Years.	815	0	815
	Unachieved savings from prior years			1,439
	Children's Services Total			3,232
Department of Place				
3E4	Alternative Week Waste Collection	1,000	775	225
	Total 2017/18 new budget savings			225
3R18	Re-Structure Planning Transport & Highways and Transfer Some Functions to the West Yorkshire Combined Authority	125	0	125
R19	Reform services following on from highways delivery review. Reduce lighting costs and energy consumption through reduced and/or varied street lighting levels across the district's modern lighting stock. Securing a reduced highways insurance premium due to application of new legislation. Reduce the operational budgets for Urban Traffic Control, Street lighting and Highway Maintenance which represent a 10% reduction in operational budgets with a resultant pressure on maintaining assets across those areas. This would adversely affect: the efficiency of first time permanent repair of potholes; overall network condition; potential increase in insurance claims; risk of traffic disruption due to signal failure; increase in repair times for street lighting	170	0	170
3R18	Re-Structure Planning Transport & Highways and Transfer Some Functions to the West Yorkshire Combined Authority	190	0	190
	Unachieved savings from prior years			485
	Department of Place Total			710
	Travel Assistance	4,774	0	4,774
	Total Forecast underachievement			24,858

- The forecast underachieved savings is the assessment at this early stage of the financial year. Work that is being undertaken to deliver these savings plans may reduce the forecast underachievement as the year progresses.

3. SERVICE COMMENTARIES

3.1 Health and Wellbeing

The Department of Health and Well-Being is forecast to overspend the £109.8m net expenditure budget by £9.7m, all of which falls within Adult Services.

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Health & Wellbeing									
Operational Services	158.0	166.3	8.3	-59.3	-58.1	1.2	98.6	108.2	9.5
Integration & Transition	12.3	12.1	-0.2	-1.9	-1.9	0.0	10.4	10.2	-0.2
Strategic Director	0.0	0.4	0.4	-0.1	-0.1	-	-0.1	0.3	0.4
Public Health	44.8	44.8	-	-43.9	-43.9	-	0.9	0.9	-
Total	215.0	223.6	8.5	-105.2	-104.0	1.2	109.8	119.6	9.7

Adult Services

The forecast overspend is a result of £16.0m underachieved savings, comprising of £14.1m forecast underachievement of the £18.2m 2017-18 budget savings and £1.9m recurrent shortfall on 2016-17 savings.

Additionally, there are further recurrent pressures of £2m from 2016/17 and a new pressure of £3.3m linked to increasing fees payable to care providers. These pressures are partially offset by non-recurrent government funding of £8.5m⁴; as yet unallocated demographic growth funding of £3m and £0.2m of compensating underspends across the department.

Purchased Care

At the first quarter the forecast is showing an £11.1m overspend on the £77.7m net expenditure budget. Despite growth of £5.4m applied to Purchased Care budgets, there is still a recurrent pressure of £0.6m from 2016-17, £5.3m of unachieved 2017-18 savings, £1m recurrent pressure from 2016-17 unachieved savings, £3.3m of fee uplifts payable to care providers and £0.9m pressure relating to increased payments to providers for sleep-in arrangements in supported living settings.

The £5.3m of forecast 2017-18 unachieved purchased care savings and £1m recurrent pressure from 2016-17 unachieved savings are broken down as follows:

- (3A13) Reduce long term placements of Older People into Nursing and Residential Care – £0.4m of the £1m saving is forecast to be unachieved at the first quarter, however this position could improve as the Home First Strategy is implemented. There is also a £0.7m recurrent pressure on Older People Residential Fees from 2016-17 savings target (A10).

In order to deliver the saving, the service will support people to live in their own homes or in extra care supported housing, using technology to help them stay independent. The department will work closely with health services to plan and deliver services.

- (3A2) Older People and Physical Disabilities Home Care – the saving of £1.5m is forecast to be unachieved due to increased demand as the departments Home First

⁴ In 2017-18 the department will receive an additional allocation from the DCLG of £10.5m. Of this £8.5m will be used to alleviate some of the pressures outlines above. This funding however, reduces to £6.5m in 2018-19 and £3.2m in 2019-20. The approval of the use of the £8.5m is still subject to formal agreement by the Health and Well Being Board.

strategy places less people in Residential and Nursing settings and provides more care at home where appropriate.

Work is being undertaken by the Department to change the way home care services are monitored and delivered by reviewing packages and utilising technology to help deliver the saving.

- (3A6) Changes to Learning Disabilities (LD) Day Care and Procurement savings of £1m are forecast to be unachieved, however the service is working with providers to 're-imagine day services' and use Individual Service Funds which could reduce costs over time and give more choice and support to clients.
- (3A10) Changes to contracts for LD Residential and Nursing savings of £1m are forecast to be at risk. This saving involves transforming the model of care delivered from residential and nursing to supported living in the community, and although this will deliver savings over time, it is unlikely that these will be achieved in 2017-18. The £0.3m re-current pressure from 2016-17 is also linked to this saving.
- The department is in discussion with the Clinical Commissioning Groups to secure full payment of the Continuing Health Care (CHC) contribution. Further savings will be secured via the Turning Point transformation plan which should come on stream from October 2017.
- (3A3) LD Supported Living has savings of £0.5m (3A3) to deliver and is currently forecast to be underachieved by £0.4m. This pressure could reduce during the year as clients support packages are reviewed and assistive technology is used to manage risk and reduce costs.
- (4A2) The saving of £2m is forecast to be unachieved by £0.8m. This pressure is mainly linked to reductions in high cost packages and could improve throughout the year as more reviews are carried out.
- (3A11) The £0.2m saving linked to reducing long term residential placements by utilising in-house beds is forecast to be unachieved as the focus on in-house beds is increasingly to re-able clients, preventing hospital and long term care admission and supporting timely discharge from hospital.

Further savings pressures across the department are as follows:

- The £0.6m saving linked to changes in the Contributions Policy (3A1) is forecast to be unachieved as the new policy has not yet been implemented; there is also a £0.5m pressure from 2016-17 attached to this saving.
- Reviewing charging arrangement for Mental Health (MH) clients (3A12) saving of £0.2m is forecast to be unachieved, as well a recurrent pressure of £0.2m from 2016-17 savings. All Mental Health clients who are eligible to contribute to their care are now being charged; the shortfall relates to Section 117 clients who are entitled to free social after-care following discharge from hospital. These clients will continue to be reviewed to ensure they are receiving appropriate levels of care.
- The £0.3m saving linked to the closure of Holme View (A10) is forecast to be underachieved by £0.2m. A decision to close the home in Autumn 2017 has now been taken, so £0.1m of savings will be delivered in 2017-18, and the saving will be delivered in full in 2018-19.

- The £8m saving linked to demand management (4A1) is also in doubt, due to the pressures outlined above on the purchased care budget where most of these savings will ultimately derive.
- In order to help deliver the £8m demand management saving (4A1), the department has 4 main work strands
 - First point of contact - savings will be achieved from streamlining and improving the 'Front Door' offer by focusing on self help and prevention through to initial proportionate assessment and triage, with the aims of helping people remain independent and happy at home.
 - Re-imagining day opportunities - savings will be achieved by implementing Direct Payments and Individual Service Funds. These will be in keeping with the Care Act Powers and Duties and Section 11 Care & Support Statutory Guidance. Work is also underway to review learning disability clients whose support plans include day care but are also receiving Direct Payments and living in Supported Living.
 - Maximising Independence – savings will be achieved by reducing the current 95% of new referrals resulting in a Personal Budget for home care services or a care home placement, down to 70%. This would bring us in line with the best performing Councils that have more people that have been referred for a Care Act Assessment having their wellbeing needs met through more independent solutions which connect them to natural networks of support. Work is underway to reduce the level of variation across different teams and aim to raise locality team performance to the level of Yorkshire & Humber average. This would result in approximately 490 less people receiving long term support.
 - Review of care packages: The department will look in detail at the funding status and continuing appropriateness of the 300 packages of care/placements costing in excess of £35K per year, and also review house by house people in supported living.

In addition to the above, the Health and Wellbeing Management Team has assigned budget saving activity to the service managers who will be held to account by DMT.

Robust control measures are in place and a review of spending will seek to identify any further savings.

3.2 Children's Services

Children Services are forecast to overspend the £85.3m net expenditure budget (£483.5m Gross budget) by £4.9m.

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
Children's Services	£m	£m	£m	£m	£m	£m	£m	£m	£m
Directors Office	0.4	0.4	0.0	-	-	-	0.4	0.4	0.0
Schools	308.4	308.3	-0.0	-312.6	-312.6	-	-4.2	-4.3	-0.0
Children's Social Care	58.6	64.5	5.9	-3.8	-4.5	-0.7	54.8	60.0	5.2
Performance, Commissioning	13.3	13.6	0.3	-0.4	-0.4	-0.0	12.9	13.2	0.3
Education, Employment and Skills	103.0	102.4	-0.5	-81.4	-81.4	-0.0	21.6	21.0	-0.6
Total	483.5	489.2	5.7	-398.2	-398.9	-0.8	85.3	90.2	4.9

The forecast overspend is inclusive of a £3.2m shortfall in the budgeted savings for 2016-17 and 2017-18. The main variances are outlined below.

- (3C8) - The £0.8m savings plan from 2016/17 to reduce the numbers of Looked After Children by 75 to 800 is forecast to be unachieved as numbers have increased (now 952).
- (3C7) The £0.6m savings plan from 2016/17 to bring Children cared for outside the District back into Bradford is forecast to be unachieved as numbers are increasing. Consequently, the further savings of £0.5m for 2017/18 are also forecast to be unachieved. Problems have been encountered with the District being able to provide the specialised accommodation which is often required by some out of area children. The service is continuing to address this situation.
- (4C14) The £1m saving linked to reducing in Agency spend in Children's Social Care Services is forecast to be underachieved by £0.7m. Agency staff are mainly used to cover staff vacancies, therefore any reduction in agency is offset against the increased staffing costs reducing the overall value of savings to be made.
- (3C4 and 3C5) £0.3m of savings in relation to Children's Social Care management. The Service is currently reviewing management costs.

In addition to savings directly linked to Children's services, the Travel Assistance saving is also forecast to be unachieved.

- The travel assistance service has come under the Assistant Director of Performance, Commissioning and Partnerships from the 1st of April. The School Travel team and the Travel Training team have been moved from the Department of Place into Children's Services.
- The Council allocated £5.9m of budget savings in relation to Travel Assistance of which £1.2m has been delivered leaving £4.8m outstanding. The service will continue to look at options of making further savings in 2017-18. The forecast underachievement is covered by Corporate contingencies in 2017-18.

Children Social Care Service

Children's Social Care forecast to overspend the £54.8m net expenditure budget by £5.2m inclusive of the underachieved savings outlined above. The main variances include:

- A £2.6m overspend on the £7.2m external purchased placements budget. The

service had an overspend of £1.9m in 2016-17 and was allocated £0.5m of further budget savings in 2017-18.

- The fees and allowances budgets of £16.9m are also anticipated to overspend as follows:
 - Special Guardians Allowances £0.7m
 - Adoption Allowances £0.2m
- There is a pressure in delivering 2017-18 budget savings in relation to Agency spend £0.7m, Administration £0.1m and Children social care management £0.3m
- Children internal residential provision forecasts to overspend the net budget of £4.7m by £0.4 mainly due to staffing cost.
- The Children with Complex Health and Disability Team (CCHDT) is forecasting an adverse variance on salary budgets of £0.4m.
- The above pressures are partly offset by forecast underspends on the Legal/Court cost budget of £0.3m and Early Help services £0.2m.

Mitigating Actions

- Children's services plan to mitigate the forecast overspend by reviewing the sufficiency and commissioning strategy; Re-commissioning block contracts for residential and fostering provision; reviewing the care plans of all young people in purchased placements who can return internally or to an Independent Foster Agency placement, and increasing the capacity of the In-House Fostering Service through training and recruitment.
- The Journey to Excellence and Innovation (No Wrong Door) programmes have been established to deliver change programmes across Children's Social Care.
- Robust control measures are in place and a review of spending will seek to identify any further savings. Plans are in place to address the shortfall in the remainder of the year which include.
 - Review of all budget areas with service managers, Finance, and Commissioning to identify any further compensatory savings
 - Budget oversight delegated down to Team Manager level to ensure management grip of spending on the front line
 - Make further use of the Innovation Fund and Rapid Response to reduce the numbers of children in particular teenagers coming into the care system and going to out of area placements.
 - Undertake a review in June 2017 of all young people coming into and leaving the care system to inform forward forecasting and identify areas where alternatives can be explored.
 - Internal change board continues to monitor and challenge spending.
 - To increase our supply of in house foster carers through a refreshed recruitment process underway through the fostering review
 - Work with other West Yorkshire Authorities to review the White Rose agreement underway to maximise joint purchasing powers and efficiencies.

- Seeking more creative ways with Service Managers to put in place local care packages to reduce out of area placements. This has been enabled by very recent Ofsted changes to the requirements for regulated placements.
- A cross system piece of work has started led by the Children's Transformation and Integration Group looking at the impact of children originally from outside of the district, and in particular Central and Eastern Europe on services, with the aim of identifying opportunities to deliver services differently and reducing the amount spent on specialist elements. This is being led by Children's Services senior staff, and will bring together colleagues from all key agencies including health, the VCS, education, the police and social care.

Performance Commissioning and Development

- Performance Commissioning and Development are forecast to overspend the £13.0m net expenditure budget by £0.2m as a result of a £0.2m overspend on salary budgets on the Bradford Children's Safeguarding Board (BCSB) and Child Protection services.

Education, Employment and Skills

- Education, Employment and Skills is forecast to underspend the £21.4m net expenditure budget by £0.5m as a result of a £0.7m underspend on Early Childhood Services staffing budgets offset by minor other overspends.

3.3 Department of Place

The department is forecast to overspend the £63.7m net expenditure budget (£118.1m gross budget) by £1.6m

Department of Place	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m	Budget £m	Forecast £m	Variance £m
Directors Office	0.6	0.6	-	-	-	-	0.6	0.6	-
Fleet, Waste and Transport Svcs	40.9	41.1	0.2	-19.5	-19.5	-	21.4	21.7	0.2
Economy & Development	8.1	8.1	0.0	-1.7	-1.7	-	6.4	6.4	0.0
Sports & Culture Services	30.9	31.2	0.3	-20.8	-21.0	-0.1	10.1	10.3	0.2
Neighbourhoods & Street Scene	17.8	17.7	-0.0	-5.7	-5.7	-	12.1	12.0	-0.0
Planning, Transportation & Highways	19.7	20.8	1.1	-6.7	-6.5	0.1	13.1	14.3	1.2
Total	118.1	119.7	1.6	-54.4	-54.4	0.0	63.7	65.3	1.6

- The £1.6m forecast overspend position is in the main due to pressures within Planning, Transportation & Highways in conjunction with the continuing pressure within Sports Facilities staffing costs, and Waste Services.
- Of the £6.3m planned savings £0.7m is forecast not to be achieved in 2017-18. At Qtr. 1 some savings carried over from 2016-17 are still in progress. Those savings proving harder to implement are.

3E4 The £1m saving linked to Alternative week collections is forecast to be underachieved by £0.2m. Although in the early stages of implementation, recent experience has meant reinstating bin rounds that were initially stopped.

3R18 The £315k savings linked to Transferring functions to the West Yorkshire Combined Authority is forecast not to be delivered. The progress with WYCA programmes supporting regional economic growth including opportunities to centralise some functions at no cost to the Council is proving slower than expected.

R19 The £170k saving linked to Highways cost reduction from 2016-17 is forecast to be unachieved. Originally insurance premiums were expected to be saved after introduction of new Ministry of Justice rules, however the impact of the changes are taking effect much more slowly. Alternative savings in maintenance and other operational budgets have proved difficult to deliver.

Waste, Fleet & Transport

- Fleet & Transport Services overall are forecasting a break even position against the £0.6m net income budget (£12.8m gross budget). Although the Services outturned an underspend in 2016-17, the current view is that being only 2 months into the year it is too early to ascertain whether there will be any movement against planned spend. It is also uncertain at this point as to whether or not the efficiency's achieved in 2016/17 will be repeated this year. The Service is monitoring the position and will report any variance against plan at the half year.
- Waste Services are forecast to over spend the £22m net expenditure budget (£28.1m gross budget) by £0.2m.
- Of the £1.8m planned savings £1.6m is forecast to be achieved with a pressure in Waste Collection, which is detailed below.
- This over spend is in Waste Collection and is due to a potential under achievement of the £1m savings linked to AWC. This saving was predicated on a reduction of 10

collection rounds but recent, extensive work on the new routing system, taking account such factors of increased property growth, has resulted in a net saving of 8 rounds.

- Waste Disposal is currently forecast to balance the £15.8m net budget; however, the service is facing various challenges and risks.
- The amount of income anticipated from the sale of recyclable materials is uncertain and difficult to forecast at present, as prices and quantities are not yet settled and could fluctuate all year. This is because long-term contracts cannot currently be offered, until quantities and quality of recyclable materials is known with greater certainty in order to contract longer term with recycling merchants. Currently sales are being agreed on a month-by-month basis until AWC has bedded in and the outcomes known.
- Furthermore, at present, glass is being disposed of at a cost owing to a decline in the market, so no income is being received currently.
- The recently installed Materials Recovery Facility (MRF) at Bowling Back Lane is coping well with tonnage throughput so far but its capabilities will be tested as AWC progresses across the district and greater quantities of recyclates are delivered for processing. It is possible that additional employees will be required, creating a potential budget pressure, though it is anticipated that increased income from the sale of greater quantities of recyclates, coupled with commensurate reductions in residual waste tonnages will result in offsetting savings in disposal costs.

Neighbourhoods and Customer Services

- Neighbourhoods and Customer Services are forecast to balance the £12.1m net expenditure budget (£17.8m gross budget).
- Planned savings of £1.4m are forecast to be delivered during the year.
- Based on previous years' outturn there is a possibility that uniformed services may overachieve revenues but it is uncertain at this early point in the financial cycle by how much.

Sports and Culture

- Sports & Culture are forecast to overspend the £10.1m net expenditure budget (£30.9m gross budget) by £0.2m.
- Planned savings of £0.9m are forecast to be delivered during the year.
- Employee costs within Sports Facilities are forecast to overspend the £4.4m budget by £0.5m. This is in the main driven by pressures due to spend incurred on monthly allowances & casual staff. When compared to the 2016-17 outturn figure of £5.0m this shows a forecast year on year reduction of £0.1m.
- The Sports Facilities income budget of £4.6m is forecast to break even taking into account the 3 to 4 month closure of Eccleshill Pool for planned maintenance where it is forecast there will be a reduced income stream of £0.1m. The current forecast

shows a reduction of £0.1m from last years outturn of £4.7m.

- Employee costs within Depots are forecast to underspend the £3.1m budget by £0.1m. This shows a reduction of £0.1m when compared to the 2016/17 outturn figure of £3.0m and is in the main due to planned reduction in the use of agency staff.
- Bereavement Services are forecast to receive £0.1m more than the £1.4m net income budget. This is in the main due to income being forecast to exceed expectations due to activity levels for cremation and burials being greater than planned.
- Culture Services are forecast to balance the £5.7m net expenditure budget (£16.6m gross). The £5.7m budget includes £0.2m transitional funding to assist with the creation of a cultural company; transitional funding for Libraries and Tourism ceased at the end of 2016/17.

Economy and Development Services

- Economy & Development Services are forecast to balance the £6.4m net expenditure budget (£8.1m gross budget). This is a cautious estimate as it has been the case in previous years that E&DS closed with a favourable unspent balance of upwards of £1.6m. There is therefore a reasonable probability E&DS will close 2017-18 underspending the net £7.2m budget
- Planned savings of £1.4m are forecast to be delivered during the year.
- Better Use of Budget requests totalling £0.8m were approved at the end 2016/17 and are due to be incorporated into the Services current budget, giving a revised net expenditure budget of £7.2m (£8.9m gross budget)

Planning, Transportation and Highways

- The service is forecast to overspend the £13.1m net expenditure budget (£19.7m gross budget) by £1.2m. This is mainly due to pressure with Energy, Building Control Fees & targeted savings, details of which are shown below:
 1. Street Lighting - Estimated costs exceed £2.4m budget by £0.3m;
 2. Building Control Fees – Estimated pressure £0.3m;
 3. Planning Transport and Highways Restructure / West Yorkshire Combined Authority Transfers (3R18) – Saving will not be achieved in 2017/18, £0.3m;
 4. Centralisation of Urban Traffic Control (4R4) – Saving will not be achieved due to overall WYCA programme, £0.1m; &
 5. Reduction to lighting costs & energy consumption (R19), £0.2m.

Mitigating Actions

- The service is formulating a clear and robust action plan to reduce the projected overspends through a range of measures. The plan will be actively monitored against by the services managers to ensure an improved financial position is achieved. All opportunities for increased income and reduced in year cost will be pursued.

3.4 Corporate Services

- The department is forecast to underspend the £43.8m net expenditure budget (£266.9m gross budget) by £0.8m, and deliver £5.5m of savings as planned.

Corporate Services	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Director of Corporate Services	0.3	0.3	0.0	-0.0	-0.0	-	0.3	0.3	0.0
Financial Services	2.5	2.5	-0.0	-0.2	-0.2	-	2.4	2.3	-0.0
Revenues & Benefits	181.8	181.8	0.0	-178.2	-178.2	-	3.6	3.6	0.0
Information & Customer Services	14.0	13.6	-0.3	-1.2	-1.2	-	12.7	12.4	-0.3
Commissioning & Procurement	2.0	1.9	-0.0	-0.2	-0.2	-	1.7	1.7	-0.0
Estates and Property Services	52.3	51.7	-0.6	-39.1	-38.8	0.3	13.2	12.9	-0.3
Human Resources	5.9	5.7	-0.1	-1.9	-1.8	0.1	4.0	4.0	-0.1
Legal Services	8.2	8.2	-0.0	-2.3	-2.3	-	5.9	5.9	-0.0
Total	266.9	265.8	-1.2	-223.1	-222.7	0.4	43.8	43.0	-0.8

- Strategic Director of Corporate Services, Financial Services and Commissioning & Procurement are, between them, forecasting an under spend of £0.1m, primarily on salaries as posts remain vacant pending service reviews.
- Revenues & Benefits are forecast to achieve a balanced position with any reductions in grant and pressures on traded areas, such as payroll services, expected to be offset by comparative reductions in spend.
- Information Services are forecasting an under spend of £0.3m on contract costs as a result of efficiencies achieved, both to date and expected to be achieved in year, in advance of further planned for budgetary reductions in 2018/19. £1.3m of planned for savings in 2017/18 are expected to be achieved in full.
- Estates and Property Services are forecast to underspend the £13.2m net budget by £0.3m primarily linked to utilities.
- Within Building & Technical Services, Industrial Services Group (ISG) is expected to improve its bottom line position by £0.1m as a result of higher than expected pre-orders while the planned for restructuring is expected to deliver the budgeted for savings in year. Architectural Services is however forecast to be £0.1m below its targeted contribution to central overheads due to a reduction in workload over recent years.
- Catering & Office Services is seeing pressure on its traded services increase, notably in School Catering where 6 school contracts are due to end in August. However, they are still anticipating a net underspend of £0.1m as a result of further improvements in productivity levels and savings from adopting on line payments via ParentPay.
- Estates Operational & the Property Programme are forecasting a balanced position and expect to achieve both planned for savings and increased rental income linked to

the acquisition of investment properties and a review of rents. New income is expected to boost the account by between £0.2m and £0.4m. However, the additional income is expected in these early stages to be offset by additional costs required relating both to taking on such new leases and in undertaking other property related work associated with transitioning to a smaller estate.

- Human Resources (HR), although anticipating pressures on its traded services is expecting to make balancing savings against its salary budget as it restructures further to achieve both £0.9m of planned savings in 2017/18 & a further £0.2m in 18/19. HR projections assume work on Council priority programmes such as the Learner Management System being funded in 2017-18 via previously established reserves of £0.6m respectively.
- The City Solicitor is forecasting a balanced position and to achieve budgeted for savings of £0.3m in 2017/18. It should be noted that as 2017/18 is a fallow year the district elections budget of £0.2m has been transferred to the central reserve to be made available over the remaining years of the cycle.

3.5 Chief Executive

- The Chief Executive's Office is forecast to balance the £3.7m net expenditure budget (£3.8m gross). This is on the basis that a restructuring of the service is achieved by mid-year thereby delivering the planned for savings of £0.5m in 2016/17 and full year savings of £1m for 2018/19.

	Gross expenditure			Income			Net expenditure		
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance
Chief Executive	£m	£m	£m	£m	£m	£m	£m	£m	£m
Chief Executive Core Office	-0.1	-0.1	-0.0	-0.0	-0.0	-	-0.1	-0.2	-0.0
Political Offices	0.3	0.2	-0.1	-	-	-	0.3	0.2	-0.1
Public Affairs	1.4	1.4	0.1	-0.1	-0.1	-	1.2	1.3	0.1
Policy Programme	2.3	2.3	-	-	-	-	2.3	2.3	-
Total	3.8	3.8	-0.0	-0.1	-0.1	-	3.7	3.7	-0.0

3.6 Non Service Budgets

- Non service budgets are forecast to balance. (Non service budgets include payments to Joint Committees, External Audit, bank interest etc.)

3.7 Central Budgets & Contingencies

- Budgets held centrally include the revenue costs associated with capital investment, payment to the West Yorkshire Combined Authority and contingencies amongst others.
- There is a forecast £5.1m underspend which includes the Capital Financing budget which is forecast to underspend as a result of lower than planned capital expenditure and lower borrowing costs. The £4.8m of savings associated with Travel Assistance that are forecast to be undelivered, and will be mitigated by £4.8m of contingencies.

4. BALANCE SHEET

4.1 Cash Reserves

- Net movements from reserves have led to a £16.7m reduction in total reserves from £153.0m at 1 April 2017 to £136.3m at 31st May (£111.1m Council and £25.2m schools). At 17th May 2017 unallocated reserves stand at £14.5m.

	Opening Balance 2015-16 £m	Opening Balance 2016-17 £m	Opening Balance 2017-18 £m	Net Movement	Reserve Balance at 31 st May 2017 £m
Council reserves	145.8	133.9	127.8	-16.7	111.1
Schools Delegated budget	38.4	33.8	25.2	-0.0	25.2
Total	184.2	167.8	153.0	-16.7	136.3

- The £16.7m net releases from reserves include:

Releases from

- £2.3m Waste Collection Reserve to support the 2017/18 budget
- £4.1m Severance Reserve to support the 2017/18 budget
- £3.0m Care Act Reserve to support the 2017/18 budget
- £7.8m Renewals & Replacement Reserve to support the 2017/18 budget

Transfers to

- £2.5m Implementation reserve from various reserves to support the 2018/19 budget

Appendices 1&2 outline Council and schools reserves.

4.2 School Balances

- The table below shows that School Reserves (including Schools Contingencies) position as at 31st of March 2017. Schools do not report their quarter one financial position for 2017-18 until the end of July 2017.

	Balance 1 st April 2017		Forecasted Balance 31 st March 2018 Movement			
	Nos	£'000	Nos	£'000	Nos	£'000
Nursery	7	659	7	659	0	0
Primary	106	8,580	106	8,580	0	0
Secondary	7	-635	7	-635	0	0
Special	6	354	5	297	1	57
Pupil Referral Units (PRU)	7	666	7	666	0	0
Subtotal	133	9,624	132	9,567	1	57
School Contingency		14,650		3,650	0	11,000
City Learning Centres/Other		943		943	0	0
Total	133	25,217	133	14,160	1	11,057

- The school balances reserve is currently forecasted to reduce by £11.1m in 2017-18. There has been one school (High Park Special School) that converted to academy status in 2017-18.
- In setting the 2017-18 Schools budget, the Schools Forum allocated £5.9m of balances held within Schools Contingencies.

6. CAPITAL

- The profiled resource position for 2017-18 for the Capital Investment Plan stands at £114.4m. This is a reduction from the previous report. To the end of May there has been total spend of £12.5m. Service managers are in the process of reviewing the profiled spend on their capital schemes. A summary by service is shown below with a detailed monitor in Appendix 3.

Scheme Description	Approved by Exec	Changes	Re profile Budget 2017-18	Spend 31 May 17	Budget 18-19	Budget 19-20	Budget 20-21 & Onwards
	£m	£m	£m	£m	£m	£m	£m
Health and Wellbeing	14.4	-2.7	11.7	0.2	5.1	11.5	0
Children's Services	24.5	-8.8	15.7	1.9	24.6	21.1	0.4
Place - Economy & Development Serv	34.0	-7.4	26.6	2.9	17.7	7.7	9.8
Place - Planning, Transport & Highways	12.3	2.1	14.4	1.1	7.2	18.7	22.7
Dept of Place - Other	15.5	1.9	17.4	2.0	20.7	8.4	7.4
Corp Serv – Estates & Property Services	4.9	3.5	8.4	4.4	1.0	0.8	0
Reserve Schemes & Contingencies	20.0	0.2	20.2	0	40.4	34.9	35.9
TOTAL - All Services	125.6	-11.2	114.4	12.5	116.7	103.1	76.2

New Capital Schemes

The Project Appraisal Group (PAG) has considered the following capital bids and recommends their approval by Executive for inclusion in the Capital Investment Plan (CIP).

- King George V Playing Fields** - £1.1m of expenditure is required to build a 3G All Weather Pitch with changing and teaching accommodation on the King George V Playing Fields. The work is to be funded by £0.7m grant from the Education Funding Agency, £0.2m already included within the CIP for the scheme and an additional

£0.2m coming from General Contingency.

This scheme will provide modern facilities and satisfy the requirements of the Playing Pitch Strategy in providing an all-weather pitch for both rugby and football in the Canal Road corridor.

- **Former Keighley College Cavendish Street** – The empty Cavendish St. building is in a key location in central Keighley and the site requires a new use. The demolition is essential for freeing a central town centre site for development. Demolition removes the maintenance liability for the Council. The estimated cost of the work is £0.4m, funded from the General Contingency
- **Bradford and Airedale Community Equipment Services (BACES)** –The service requires funding to provide equipment to facilitate an early discharge from hospital and provide support to people to remain in their own homes. It is estimated that £0.667m is required for 2017-18 and this is to be funded by reallocating corporate funding already included within the Capital Investment Plan for Disabled Facilities Grants.
- **St Georges Hall** – the scheme was approved as part of the 2016-17 Capital Investment Plan. Following the completion of the procurement process which initiated more comprehensive assessment by contractors of the works required, an additional £3m is required to complete the project. It was recognised during the design development stage that there was a possibility of tender bids coming back at a higher than budgeted level, due to the worse than anticipated condition of the Hall that could not have been determined before intrusive surveys. This has proved to be the case and consequently additional capital funds are required to complete the project. The scheme will now have a revised budget of £8.6m as previously outlined.

6. COUNCIL TAX AND BUSINESS RATES COLLECTION

Council Tax

- By statute in 2017-18 the Council will receive its budgeted Council Tax of £171.386m and its budgeted prior year surplus of £2m. Any in year variance against the budgeted Council Tax and surplus does not impact in 2017-18 but will be carried forward into 2018-19. No variance is forecast for the budgeted Council Tax. However, the cost of Council Tax Reduction is slightly higher than expected, although it is anticipated this will be mitigated as the expected growth in properties is realised. The actual prior year surplus was £0.2m lower than budgeted and this variance will be carried forward into 2018-19

Business Rates

- By statute the Council in 2017-18 will receive its budgeted £63.5m share of Business Rates and pay back its budgeted prior year deficit of £5.9m. As with Council Tax, any in year variance between budgeted Business Rates and the deficit is carried forward into the 2018-19 financial year. Also 2017-18 is the first year of implementation of the nationwide Business Rates revaluation. However, no variance is currently forecast for Business Rates and the deficit that outturned in 2016-17 was as expected. However, a challenge on forecasting Business Rates continues to be monitoring the impact on collection of backdated appeals.

Collection Rates

- By 31st May 2017 the Council had collected £36.9m (17.9%) of the value of Council Tax bills for the year compared with £34.3m (17.7%) at the same stage last year.

Council Tax Collection	At 31 May 15/16	At 31 May 16/17	At 31 May 17/18
Council Tax - Dwellings administered	212,972	214,166	215,100
BV9 Council Tax collected in year to 31 May £000s	33,000	34,300	36,900
BV9 % of Council Tax Collected to 31 May	17.8%	17.7%	17.9%
Council Tax Collection Target at 31 May	17.8%	17.5%	17.5%

- The collection figure for Business Rates at 31st May 2017 is 23.85% (compared to 24.64% at the same time last year) and is marginally under our target of 24%. A direct comparison cannot be made due to the changes as a result of the revaluation of all businesses and the application of new reliefs which is still pending.

Business Rates Collection	At 31 May 15/16	At 31 May 16/17	At 31 May 17/18
Number of Business Rates bills issued plus the number of summonses	7,068	7,961	8,380
CIS_034 (BV10) - Business Rates collected in year to 31 May £000s	35,600	37,700	34,900
BV10 % Business Rates collected in year to the 31 May	24.24%	24.64%	23.85%
Business Rates Collection Target at the 31 May	23%	25%	24%

7.0 RISK MANAGEMENT

- The Financial risks of future known and uncertain liabilities are being addressed through contingencies and provisions outlined in this report.

8.0 LEGAL APPRAISAL

- This report is submitted to the Executive in accordance with the Budget and Policy Framework Procedure rules

9.0 NOT FOR PUBLICATION DOCUMENTS

None

10.0 RECOMMENDATIONS

10.1 To review and comment on the Qtr 1 Financial Position Statement for 2017-18

11.0 APPENDICES

- Appendix 1 Reserves Statement as at 31st May 2017
- Appendix 2 Service Earmarked Reserves as at 31st May 2017
- Appendix 3 Capital Investment Plan

12.0 BACKGROUND DOCUMENTS

- Annual Finance and Performance Outturn Report 2016-17 Executive Report 11th July 2017
- Medium Term Financial Strategy 2018/19 to 2020/21 and Beyond incorporating the

Efficiency Plan - Executive Report 11th July 2017

- Annual Finance and Performance Outturn Report 2015-16 Executive Report 19 July 2016
- The Council's Revenue Estimates for 2016/17 & 2017/18 – Council Report R 25 February 2017
- The Council's Capital Investment Plan for 2016/17 to 2019/20 – Executive Report BB 23 February 2016
- Section 151 Officer's Assessment – Council document S 25 February 2016

Reserves Statement as at 31 May 2017

Appendix 1

	Opening Balance £000	Movement in 2017-18 £000	Closing Balance £000	Comments
A. Reserves available to support the annual revenue budget				
Unallocated Corporate Reserves	14,497	0	14,497	
Total available Unallocated Corporate Reserves	14,497	0	14,497	
B Corporate Earmarked Reserves to cover specific financial risk or fund specific programmes of work.				
Employment Opportunities fund	1,198	0	1,198	Funding to support young and disadvantaged people into employment
Managed severance	4,093	-4,093	0	Money to meet termination costs in the years beyond 2017-18.
Exempt VAT	2,000	0	2,000	Used to support 2017-18 budget. Amount set aside to meet the estimated cost of VAT that the Council would not be able to recover should it exceed its partial exemption limit.
Waste Collection and Disposal Options	3,063	-2,285	778	A Trade Waste VAT claim resulted in a £4.4m reimbursement. This has been set aside to address future Waste Collection and Disposal costs
Trade Waste VAT refund	343	-120	223	£120k per annum to be used in 2015-16 onwards to contribute towards the cost of Financial Services.
PFI credits reserve	805	0	805	Funding to cover outstanding potential Building Schools for the Future liabilities.
Insurance	1,775	0	1,775	To mitigate and smooth the impact of any future increases in insurance premiums.
Industrial Centres of Excellence	1	0	1	
Sports Strategy	104	0	104	To cover feasibility costs associated with the Sports Strategy.
Single Status	24	0	24	To cover any residual implementation of Single Status costs.
Transformation Programme	124	-124	0	To fund transformational activity
Better Use of Budgets	2,788	0	2,788	To cover deferred spend on priority work from 2016-17.
Producer City Initiative	192	-34	158	To pump prime initiatives linked to the Council's Producer City programme
Regional Growth Fund	5,188	-74	5,114	The Council's revenue match funding for the Regional Growth Fund
Regional Revolving Investment Fund	3,956	0	3,956	Money set aside in 2013-14 carried forward to meet the Council's commitment to the Regional Revolving Investment Fund.
Discretionary Social Fund	1,848	0	1,848	To fund a replacement local welfare scheme following the government ending its Local Welfare Assistance grant programme at 31 March 2015.
Transitional and Risk Reserve	6,863	-235	6,628	To help fund Transitional work, and cover risks.

	Opening Balance £000	Movement in 2017-18 £000	Closing Balance £000	Comments
Dilapidation & Demolition	2,000	0	2,000	At the end of a lease on a building, the Council will be liable for any dilapidations of the building. The Council also plans some demolition work.
Health Integration Reserves	222	0	222	Available to fund projects that lead to greater integration between the Council and its Health partners.
Match Fund Basic needs Grant	700	0	700	
Strategic Site Assembly	756	0	756	
Implementation Reserve	0	2,500	2,500	To fund Projects associated with delivering 2017/18 savings plans.
Sub Total	38,043	-4,465	33,578	
C. Reserves to support capital investment				
Renewal and replacement	13,283	-7,813	5,470	Funding used to support the capital investment programme.
Markets	1,148	0	1,148	Cumulative Market trading surplus's to be re-invested in maintaining market buildings throughout the district.
Sub total	14,431	-7,813	6,618	
D. Service Earmarked Reserves	41,685	-4,455	37,230	See Appendix 2
E. Revenue Grant Reserves	8,366	-14	8,352	
F General Reserves				
General Fund	10,803	0	10,803	The GF balance acts as a necessary contingency against unforeseen events. The balance at 31st March represents a minimum of 2.5% of the Council's budget requirement in line with council policy and the general advice of External Auditors.
Schools delegated budget	25,217	0	25,217	Represents in the main balances held by schools as part of delegated budget responsibility. These balances are not available for Council use but are balances attributable to individual schools.
Sub total General Fund Reserve & School balances	36,020	0	36,020	
Grand total	153,042	-16,747	136,295	

Departmental Earmarked Reserves Statement as at 31st May 2017

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Adult and Community Services				
Supporting People	1,416	0	1,416	Funding to support invest to save projects
Integrated Care	4,491	0	4,491	NHS and Council monies used to support ring fenced projects and integration of health and social care
Great Places to Grow Old	436	0	436	Funding to cover management and staffing costs linked to the transformation of services for older people.
District Tenants Federation	30	0	30	Funding committed to provide support to District Tenants Federation
Stock Condition	95	0	95	Funding to procure Stock Condition Surveys.
Social Lettings	664	0	664	To undertake a feasibility study for a Social lettings Agency.
Homelessness prevention	956	0	956	To fund initiatives to prevent Homelessness.
Care Act Reserve	4,543	-3,000	1,543	To support the implementation of the Care Act
Public Health	59	0	59	
Total Adult and Community Services	12,690	-3,000	9,690	
Children Services				
BSF Unitary Charge	6,929	0	6,929	These reserves are being built up to ensure that in the future there is sufficient money available to meet the cost of BSF annual contract payments when the PFI grant the Council receives reduces
BSF Unitary Charge Phase 2	4,465	0	4,465	See above
Children's Service Program Support	52	0	52	
Better Start Programme	90	0	90	Council's two year contribution to a programme that will bring in £50m of revenue investment to the District over a 10 year period.
Recruitment & Retention	105	0	105	
Routes to Work	348	0	348	Employment and Skills funding that was carried forward from 2014-15 to

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Advanced Skills Fund	10	0	10	complete initiatives that span more than twelve months.
Retail Academy (Skills for Employment)	227	0	227	
Child Sexual Exploitation	300	0	300	
Training Work Programme (Skills for Work)	927	0	927	To support the continuation of CSE work in 2017/18.
Total Children	13,453	0	13,453	
Department of Place				
Marley pitch replacement	305	0	305	To provide match funding under the terms of grants given to maintain Sports and Leisure venues across the District
Waste disposal procurement	83	0	83	
Customer Service Strategy	835	-750	85	
Taxi Licensing	491	0	491	Non recurring investment to be used to fund the Customer Service Strategy.
Theatres Box Office	446	0	446	Statutory requirement to set aside any taxi licensing surplus when setting future fees.
Cricket Pitch Refurbishment	310	0	310	
Culture Service Transition	121	0	121	To cover costs associated with modernising the service and adopting a different service delivery model.
Art Fund	12	-12	0	To fund the purchase of works of Art.
HLF Building Maintenance	10	0	10	A condition of the HLF grant is that an asset management programme is in place to maintain Manningham Library to a specified standard.
Torex	10	0	10	
Saltaire Tourist Information Centre	15	0	15	To address e-Govt targets and improve service delivery.
Culture Company	173	-100	73	Help create a Culture Company
Gym Equipment	133	0	133	To fund replacement gym equipment in Sports Facilities
Museum Restoration	91	-15	76	
Tour De Britain	8	0	8	
Tour De Yorkshire	279	0	279	To help fund the Tour De Yorkshire

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
Lidget Moor YC	18	-9	9	To support Youth Services in Lidget Green Area
Empty Homes	125	0	125	To support the on-going programme to bring empty homes back into use
Council Housing Reserve	455	0	455	To meet future costs associated with later stages of the affordable housing programme
Housing Development Programme	75	0	75	Fee income generated to be used to subsidise the delivery of projects in future years.
City Park Sinking Fund	784	0	784	Funding set aside to meet the future maintenance costs of City Park.
European Structural Investment Programme	867	0	867	Match funding for ESIP
Empty Rates Relief Scheme	500	0	500	Supporting Business Growth
City Centre Regeneration	51	0	51	
Department of Place	6,197	-886	5,311	

Corporate Services

Schools Traded HR Reserves	106	0	106	To mitigate the risk of changes in customer base.
Business Support Centre	72	-72	0	To support organisational development
Workforce Development	549	0	549	Changing the organisation - vision & values, recruitment & selection, development of managers, performance management, leadership & succession planning.
Learner Management System	81	0	81	Software/system implementation etc in support of workforce development.
District Elections	192	19	211	To smooth the cost of District Elections over a four year period.
Non Council Events programme	10	0	10	To support events put on by non Council.
Community Support and Innovation Fund	352	0	352	To support community led service provision and investment in initiatives that engage with vulnerable people.
Subsidy Claim	711	0	711	Contingent support set aside to address the fluctuations in the subsidy claims.
ICT Programmes Budget	6,212	0	6,212	To fund future ICT projects

	Opening Balance £000	Movement in 2017-18 £000	Latest Balance £000	Comments
UC Admin Reserve	545	0	545	To help cover the cost of the implementation of universal credit administration.
Facility Management Service Improvement	515	-515	0	To support investment in service improvements and cover against uncertainty in the client base
Total Corporate Services	9,345	-568	8,777	
Total Service Earmarked Reserves	41,685	-4,455	37,230	

Capital Executive Report

Scheme No	Scheme Description	Exec Report 2017-18	Changes	Re profile Budget 2017- 18	Spend 31 May 17	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health and Wellbeing									
CS0237	Great Places to Grow Old	0	0	0	136	0	9,138	0	0
CS0237	Keighley Rd Extra Care	7,432	67	7,499		2,650	158	0	0
CS0237	Keighley Rd Residential Care	3,350	22	3,372		1,350	60	0	0
CS0239	Community Capacity Grant	3,593	-3,081	512	0	1,000	2,093	0	0
CS0348	Whiteoaks Respite Centre	0	83	83	2	0	0	0	0
CS0311	Autism Innovation Capital Grant	0	19	19	0	0	0	0	0
CS0312	Integrated IT system	0	131	131	0	0	0	0	0
CS0352	Electric vehicle charging infrastructure	40	30	70	29	40	40	40	0
Total - Health and Wellbeing		14,415	-2,729	11,686	167	5,040	11,489	40	0
Children's Services									
CS0025	Children's Home Residential Prov	0	6	6	0	0	0	0	0
CS0256	2yr old Nursery Educ Expansion	10	85	95	31	0	0	0	0
CS0278	Targeted Basic Needs	47	4	51	0	0	0	0	0
CS0286	Outdoor Learning Centres	30	3	33	0	0	0	0	0
CS0297	Universal Free Sch Meals - Kitchen	20	-2	18	0	0	0	0	0
CS0022	Devolved Formula Capital	0	1,300	1,300	854	0	0	0	0
CS0030	Capital Improvement Work	134	-1	133	0	0	0	0	0
CS0042	Primary Capital Programme	0	1	1	0	0	0	0	0
CS0240	Capital Maintenance Grant	5,378	1,079	6,457	181	2,518	0	0	0
CS0244	Primary Schools Expansion Programme	16,392	-12,299	4,093	848	11,392	16,906	0	0
CS0244	Silsden School	1,900	-362	1,538		5,400	1,045	0	0
CS0244	SEN School Expansions	0	948	948		0	0	0	0
CS0360	Early Yrs 30 hrs childcare		487	487	0	0	0	0	0
CS0313	School Capital Loans	550	-550	0	0	0	0	0	0
CS0314	Foster Homes Adaptation	0	8	8	0	0	0	0	0
CS0316	Tracks Educational provision	0	19	19	0	0	0	0	0
CS0322	Horton Park Prim Open Spaces	14	7	21	0	0	0	0	0
CS0362	Secondary School Expansion	0	438	438	0	5,300	3,150	400	0
CS0343	Children's Home Build Works	0	46	46	0	0	0	0	0
Total - Children's Services		24,475	-8,783	15,692	1,914	24,610	21,101	400	0

Scheme No	Scheme Description	Exec Report 2017-18	Changes	Re profile Budget 2017-18	Spend 31 May 17	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Place - Economy & Development Services									
	Computerisation of Records	10	0	10	0	0	0	0	0
CS0136	Disabled Housing Facilities Grant	4,273	-415	3,858	423	2,028	2,028	5,753	2,028
CS0137	Development of Equity Loans	1,500	-1,005	495	87	2,466	1,300	1,000	1,000
CS0144	Empty Private Sector Homes Strat	1,021	-23	998	-10	264	0	0	0
CS0158	Regional HALS	0	2	2	0	0	0	0	0
CS0225	Afford Housing Programme 11-15	100	26	126	0	0	0	0	0
CS0308	Afford Housing Programme 15 -18	18,468	-5,009	13,459	1,275	7,258	0	0	0
CS0250	Goitside	205	-23	182	0	0	0	0	0
CS0280	Temp Housing Clergy House	50	213	263	0	0	0	0	0
CS0335	Bfd Cyrenians 255-257 Mngm Ln	159	8	167	44	0	0	0	0
CS0186	Enterprise Hubs	0	5	5	0	0	0	0	0
CS0213	Park Dam	0	2	2	0	0	0	0	0
CS0269	Burley In Wharfedale Culvert repair	0	97	97	0	0	0	0	0
CS0331	Demolition of Edwards Rainbow Centre	0	14	14	0	0	0	0	0
CS0084	City Park	205	-105	100	0	105	0	0	0
CS0085	City Centre Growth Zone	1,770	-1,341	429	-224	1,270	4,400	0	0
CS0086	LEGI	51	0	51	0	0	0	0	0
CS0189	Buck Lane	121	-5	116	0	0	0	0	0
CS0228	Canal Road	300	-200	100	0	0	0	0	0
CS0241	Re-use of Frmr College Builds Kghly	306	-39	267	61	0	0	0	0
CS0266	Superconnected Cities	107	193	300	0	607	0	0	0
CS0291	Tyrles	1,025	17	1,042	0	3,715	0	0	0
CS0265	LCR Revolving Econ Invest Fund	1,956	344	2,300	1,149	0	0	0	0
CS0285	Strategic Development Fund	1,167	0	1,167	0	0	0	0	0
CS0345	Develop Land at Crag Rd, Shply	1,226	-150	1,076	154	0	0	0	0
Total - Place - Economy & Development Services		34,020	-7,394	26,626	2,959	17,713	7,728	6,753	3,028
Place - Planning, Transport & Highways									
CS0131	Kghly Town Cntr Heritage Initi	0	397	397	19	0	0	0	0
CS0178	Ilkley Moor	18	0	18	0	0	0	0	0
CS0179	Landscape Environ Imp	0	23	23	0	0	0	0	0
CS0281	Saltaire - Public Realm imp	0	0	0	2	0	0	0	0
CS1000	Countances Way - Bridge grant	30	0	30	0	0	0	0	0
CS0071	Highways S106 Projects	556	-484	72	6	100	356	0	0
CS0091	Capital Highway Maint	0	5	5	349	0	0	0	0

Scheme No	Scheme Description	Exec Report 2017-18	Changes	Re profiled Budget 2017-18	Spend 31 May 17	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0095	Bridges	0	0	0	145	0	0	0	0
CS0096	Street Lighting	0	70	70	9	0	0	0	0
CS0099	Integrated Transport	0	431	431	48	0	0	0	0
CS0103	WY Casualty Reduction Ptner	0	36	36	9	0	0	0	0
CS0164	Local Intgrtd Transp Area Com	0	307	307	119	0	0	0	0
S0168	Connecting the City (Westfield)	0	57	57	0	0	0	0	0
CS0172	Saltaire R/bout Cong& Safety Works	0	320	320	0	0	0	0	0
CS0252	Measures to Support Hubs	45	0	45	0	0	0	0	0
CS0264	Highway to Health	0	234	234	36	0	0	0	0
CS0282	Highways Strategic Acquisi	0	206	206	1	0	0	0	0
CS0289	Local Pinch Point Fund	0	502	502	0	0	0	0	0
CS0293	West Yorks & York Transport Fund	2,966	-1,901	1,065	111	3,000	15,314	12,000	10,700
CS0296	Pothole Fund	0	0	0	36	0	0	0	0
CS0306	Strategic Transp Infrastr Priorit	1,810	-810	1,000	0	1,360	2,600	0	0
CS0306	Connectivity Project	0	0	0	0	1,200	400	0	0
CS0302	Highways Prop Liab Redn Strat	0	110	110	4	0	0	0	0
CS0310	Clean Vehicle Technology Fund	0	3	3	0	0	0	0	0
CS0317	VMS Signage	0	39	39	0	0	0	0	0
CS0319	Challenge Fund	750	1,475	2,225	14	0	0	0	0
CS0323	Flood Risk Mgmt	0	5	5	9	0	0	0	0
CS0325	Street Lighting Invest to Save	1,650	-1,578	72	6	0	0	0	0
CS0329	Damens County Park	0	108	108	0	0	0	0	0
CS0332	Flood Funding	0	849	849	168	0	0	0	0
CS0334	Air Quality Monitoring Equip	0	9	9	0	0	0	0	0
CS0350	Street Lighting Invest to Save	0	825	825	0	825	0	0	0
CS0353	Strategic land purch Hard Ings Kghly	950	0	950	0	750	0	0	0
CS0355	Strat land purc Harrogate Rd/New Line Jct	3,500	0	3,500	0	0	0	0	0
CS0358	SE Bradford Link Road	0	82	82	1	0	0	0	0
CS0365	National Productivity Investment Fund	0	834	834	6	0	0	0	0
Total - Place - Planning, Transport & Highways		12,275	2,154	14,429	1,097	7,235	18,670	12,000	10,700
Dept of Place - Other									
CS0060	Replacement of Vehicles	3,000	0	3,000	1,015	3,000	3,000	3,000	3,000
CS0066	Ward Investment Fund	0	35	35	0	0	0	0	0
CS0151	Building Safer Commun	0	47	47	0	0	0	0	0
CS0063	Waste Infrastructure & Recycling	875	6	881	190	0	0	0	0
CS0132	Community Hubs	0	25	25	0	0	0	0	0
CS0283	Above Ground Fuel Storage	0	60	60	0	0	0	0	0
CS0324	Waste Minimisation Strategy	150	0	150	0	0	0	0	0

Scheme No	Scheme Description	Exec Report 17-18	Changes	Re profiled Budget 2017-18	Spend 31 May 17	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CS0328	Cliffe Castle Chimney Project	35	24	59	0	0	0	0	0
CS0340	St George's Hall	3,528	-56	3,472	11	0	0	0	0
CS0121	Roberts Park	0	53	53	0	0	0	0	0
CS0129	Scholemoor Project	83	0	83	0	0	0	0	0
CS0162	Capital Projects - Recreation	0	0	0	12	0	0	0	0
CS0187	Comm Sports Field & Facili	0	53	53	0	0	0	0	0
CS0229	Cliffe Castle Restoration	605	1,299	1,904	613	479	0	0	0
CS0347	Park Ave Cricket Ground	167	-70	97	84	0	0	0	0
CS0367	King George V Playing Fields	0	200	200	0	0	0	0	0
CS0245	Doe Park	0	182	182	3	0	0	0	0
CS0284	Sport Facilities Invest Prog (SFIP)	0	0	0	12	0	0	0	0
CS0356	Sedburgh SFIP	6,300	29	6,329	10	10,500	180	0	0
CS0354	Squire Lane Sports Facility	500	0	500	0	4,500	4,000	400	0
CS0359	Community Resilience Grant	0	32	32	8	0	0	0	0
CS0107	Markets	50	-11	39	0	50	67	640	400
CS0327	Oastler Market Redevelop	100	-95	5	0	0	0	0	0
CS0363	Markets Red'mnt - City Cntr	125	100	225	0	2,159	1,115	0	0
CS0247	Replace Box Office Equip	5	0	5	1	0	0	0	0
Total - Dept of Place - Other		15,523	1,913	17,436	1,959	20,688	8,362	4,040	3,400
Corp Serv - Estates & Property Services									
CS0094	Property Programme (bworks)	500	131	631	24	0	0	0	0
CS0294	Property Prog - Essential Maintenance	100	-100	0	0	0	0	0	0
CS0309	Birklands-Mail Finishing Equip	0	7	7	0	0	0	0	0
CS0309	Property Programme 15/16	0	23	23	0	0	0	0	0
CS0333	Argos Chambers / Britannia Hse	1,223	-52	1,171	16	0	0	0	0
CS0344	Property Programme 16/17	600	-56	544	10	0	0	0	0
CS0230	Beechgrove Allotments	0	274	274	0	0	0	0	0
CS0050	Carbon Management	2,320	-1,807	513	22	1,000	820	0	0
CS0305	Healthy Heating Scheme	157	10	167	0	0	0	0	0
CS0361	Strategic Acquisitions	0	5,076	5,076	4,307	0	0	0	0
Total - Corp Serv – Estates & Property Services		4,900	3,506	8,406	4,379	1,000	820	0	0

Scheme No	Scheme Description	Exec Report 17-18	Changes	Re profiled Budget 2017-18	Spend 31 May 17	Budget 2018- 19	Budget 2019-20	Budget 2020- 21	Budget 2021-22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserve Schemes & contingencies									
CS0277	General Contingency	2,000	-661	1,339	0	2,000	2,000	2,000	2,000
	Dishwasher	0	31	31	0	0	0	0	0
	King George V Football Pitches	0	200	200	0	0	0	0	0
	Former Keighley College	0	430	430	0	0	0	0	0
	BACES	0	667	667	0	443	443	443	443
	Wyke Manor Ph2 Sports Dev	0	0	0	0	493	0	0	0
	Essential Maintenance Prov	2,000	0	2,000	0	2,000	2,000	2,000	2,000
	Bfd City Ctre Townscape Herit	2,750	-2,000	750	0	2,000	0	0	0
	Strategic acquisition	10,000	0	10,000	0	10,000	10,000	10,000	10,000
	Keighley One Public Sector Est	3,000	0	3,000	0	10,000	5,000	0	0
	Depots	0	0	0	0	3,000	0	0	0
	District Heating Scheme	0	0	0	0	0	7,000	7,000	0
	Customer Service Strategy	250	0	250	0	0	0	0	0
	Canal Road Land Assembly	0	0	0	0	450	0	0	0
	St Georges Hall	0	1,500	1,500	0	1,500	0	0	0
	Bereavement Strategy	0	0	0	0	8,500	8,500	0	0
Total - Reserve Schemes & Contingencies		20,000	167	20,167	0	40,386	34,943	21,443	14,443
TOTAL - All Services		125,608	-11,166	114,442	12,475	116,672	103,113	44,676	31,571