



# Revenue Budget Monitoring Report 2019/20 Month 7

## Note for Resources O&S Committee

### 1. Purpose

- 1.1 Firstly, Members are asked if there are any issues raised in the Budget Monitoring Report that are not covered below.
- 1.2 Secondly, Members are asked to consider the issues set out below through engagement with the Cabinet Member(s) and officer(s) present.
- 1.3 Thirdly, Members are asked to consider whether there are:
  - any service impact issues they wish to refer to other O&S Committees;
  - any issues they wish to pick up at the next meeting of this committee.

### 2. Summary

- 2.1 At Month 7, the forecast outturn is estimated to be an underspend of £3.490m (£3.501m at Month 6), with £0.134m of new savings included in the forecast.
- 2.2 Directorate budgets have increased by £6.768m since Month 6 whilst Corporate budgets have reduced by £6.768m, largely through increased borrowing from the Invest to Save Reserve of £7.641m into Digital & Customer Services to cover the costs of the ICT Service Transition, offset by a reduction in borrowing from the Invest to Save Reserve of £1.016m related to the new Enterprise Reserve Planning system.
- 2.3 Within some Directorates there have been variations in the Forecast Outturn Position:



Directorate	Month 7 Base Budget Over/(Under)	Month 7 Savings Non- Delivery	Month 6 Base Budget Over/(Under)	Month 6 Savings Non- Delivery
	£m	£m	£m	£m
Adult Social Care	(7.599)	0.000	(8.726)	0.918
Education & Skills	0.000	0.000	0.497	0.000
Finance & Governance	0.667	0.687	0.683	0.687
Human Resources	(0.230)	0.000	0.000	0.000
Inclusive Growth	(1.147)	1.109	(0.609)	0.746
Neighbourhoods	5.866	4.537	4.966	4.537
Partnerships, Insight & Prevention	0.000	0.000	0.180	0.000

- 2.4 The details of the forecast delivery of the savings programme is set out in Table 2 of the Corporate Budget Monitoring Report for Month 7. Of the total approved savings programme of £58.276m, £10.817m is at 'red'/'purple' non-delivery status (£10.454m at Month 6).
- 2.5 One-off mitigations are in place of £3.432m (no change since Month 6) to address this Savings Non-Delivery, along with £0.918m over-achievement of savings and £0.134m of identified new savings.
- 2.6 Birmingham Children's Trust have indicated an overspend of £9.200m at Month 5 (£10.355m at Month 4) after assumed mitigations of £1.570m, including the use of £0.800m of DfE grant reserves, but this position is not reflected in the City Council's forecast outturn.

### 3. Key Issues at Month 7

#### Education and Skills Directorate

##### 3.1 Children with Complex Needs Transport (Travel Assist):

An overspend of £1.012m is forecast (£0.927m at Month 6) due to additional demand related to a rise in the number of Education & Health Care Plans.

A key future years issue is the £1.500m base budget pressure relating to the additional costs of the National Express contract, further additional costs with tenders to cover £0.390m of living wage increase and £0.500m of costs related to the CAZ. There is also risk with £2.488m savings non-delivery.



### 3.2 Early Years:

A forecast underspend of £0.075m is reported (£0.333m overspend at Month 6) as VAT associated with staff formerly employed in Children's Centres being TUPE transferred to the Birmingham Community Healthcare Trust will be funded from Public Health as a one-off measure in 2019-20. This creates a base budget pressure of £0.408m in future years.

### 3.3 Birmingham Children's Trust (Intelligent Client Function):

A forecast overspend of £0.394m is reported (£0.327m at Month 6) relating to further cost liabilities in the period prior to the establishment of the Trust.

## Neighbourhoods Directorate

### 3.4 Housing Service:

A forecast overspend of £2.500m (£1.600m at Month 6) is primarily due to higher demand for temporary accommodation. However, if homelessness cases presenting increase beyond the capacity of housing services, costs may increase by an estimated £4.000m.

### 3.5 Street Scene Service:

The forecast overspend of £6.960m (£6.940m at Month 6) relates primarily to Waste Management.

### 3.6 The Corporate Revenue Budget Monitoring Report states that "recovery plans continue to evolve to mitigate financial pressures including service redesigns in Waste, Parks and Housing Services".

## Partnerships, Insight & Prevention Directorate

### 3.7 Public Health is forecast to spend £1.300m less than previously expected which would have resulted in transferring the underspend into Public Health reserves at Month 9. The Month 7 forecast now includes continuing funding of £3.388m in recharges to Adults although the initial proposal was for this expenditure to cease in 2019-20.

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