

Report to Overview & Scrutiny Committee
18 July 2019

Financial Monitoring 2019/20 Month 02

1. Purpose of Report

To summarise the overall position for 2019/20 and future years as at Month 2.

2. Information provided to Executive Management Team


- Appendix A - Report on Month 2 revenue monitoring position for 2019/20
- Appendix B - Report on Month 2 Capital Revenue monitoring position for 2019/20
- Appendix C – Treasury Management Month 2 Report

3. Summary of Key Issues

- Appendix A covers revenue monitoring. An overspend of £18.2m was forecast at Month 2.
- In future years, there were forecast savings that were not fully deliverable of £9.6m in 2020/21, increasing to £11.7m in 2022/23.
- Appendix B covers capital monitoring. The capital budget has increased by £95.4m since month 1 to £3,583.8m primarily due to slippage from the 2018/19 capital programme as outlined in the outturn report. There are no other forecast variations although an early indication of major issues/risks can be found in Appendix B5.
- Appendix C monitors Treasury Management, which is on track. Please note the delegated decision to repay a £30m LoBo loan and replace it with a combination of loans from the PWLB and short term market borrowing. This results in initially modest (but growing) savings combined with a reduction in refinancing risk due to increased certainty about repayment dates.

Signatures

Chief Finance Officer



Date

2/7/19

Leader of the Council



3-7-19

Revenue Budget Management Report – Period 2 Forecast

1. Executive Summary

- 1.1 The Council set a net budget of £851.590m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £46.191m and requiring a further £12.085m savings to be delivered that were achieved on a one-off basis in 2018/19.
- 1.2 At Period 2 the forecast outturn is estimated to be an overspend of £18.202m. Directors are actively pursuing solutions to resolve this position. At period 2 £0.134m of new savings opportunities have been identified in Inclusive and Growth Directorate and are included in the forecast.
- 1.3 A summary of the financial position at Period 2 and the forecast outturn for each Directorate is summarised in Table 1.
- 1.4 There is a forecast balanced position in Schools. Further detail is contained in Annex 10.
- 1.5 There is a forecast balanced position in the Housing Revenue Account. Further detail is contained in Annex 11.
- 1.6 There are net additional requests to use reserves of £2.781m. All requests are in line with the reserves policy included within the Financial Plan 2019-2023. Further details of the net uses are provided in section 6 and in Annex 11.

Table 1: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over /(Under)	Period 1 Forecast Over /(Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Adult Social Care	325.707	325.707	325.707	0.000	0.000	0.000	0.00
Digital & Cust Services	22.591	23.174	23.174	0.000	0.000	0.000	0.00
Education & Skills	261.825	261.525	262.739	1.214	0.000	1.214	0.46
Finance & Governance	24.913	24.758	25.508	0.749	0.000	0.749	3.03
Human Resources	6.597	6.597	6.597	0.000	0.000	0.000	0.00
Inclusive Growth	97.515	97.515	99.519	2.004	0.000	2.004	2.06
Neighbourhoods	99.843	99.843	113.778	13.935	0.000	13.935	13.96
Partnerships, Insight and Prevention	6.163	6.163	6.463	0.300	0.000	0.300	4.87
Directorate Sub Total	845.155	845.283	863.484	18.202	0.000	18.202	2.15
Policy Contingency	42.244	42.244	42.244	0.000	0.000	0.000	0.00
Corporately Managed Budgets	91.601	91.473	91.473	0.000	0.000	0.000	0.00
Corporate Grants	(127.409)	(127.409)	(127.409)	0.000	0.000	0.000	0.00
Corporate Subtotal	6.436	6.308	6.308	0.000	0.000	0.000	0.00
City Council General Fund	851.590	851.590	869.792	18.202	0.000	18.202	2.14
Dedicated Schools Grant	0.000	0.000	0.000	0.000	0.000	0.000	n/a
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	n/a
City Council Total	851.590	851.590	869.792	18.202	0.000	18.202	2.14

Note: Percentage movement is shown as a percentage of the current budget.

2. Key Issues Identified in Period 2

- 2.1 A number of budgetary pressures reported in the 2018/19 outturn are evident in the period 2 monitoring process which are due to issues with planned savings delivery and/or base budget pressures.. They will be the focus of management action and recovery plans to deliver within directorate budgets wherever possible. Future cabinet reports will provide further commentary to provide the overview of the progress of recovery plans for areas of overspending resulting from base budget pressures.
- 2.2 Directorates with a forecast overspend in excess of £1m have issues in the following areas:
- Education and Skills Directorate has a forecast overspend of £1.214m of which £1.0m relates to Travel Assist.
 - Neighbourhoods Directorate has a forecast overspend of £13.935m of which £6.330m is within Street Scene, £1.600m within Housing Services, £4.288m is within Neighbourhoods, £0.293m in Regulation and Enforcement and £1.4m is within Business Support.
 - Inclusive Growth Directorate has a forecast overspend of £2.004m relating to under-recovery of income in Property Services and In Reach.

Further detail of each directorate forecast is set out in the Directorate Executive Summaries at Annex 1-11 of this report.

- 2.2 There will be scrutiny and challenge of the financial position on a monthly basis via the Council's monthly Management Team, Member led Star Chambers, EMT and Resources Overview & Scrutiny. On a quarterly basis and there will be further rigorous challenge of the overall financial performance via the officer Budget Programme Board chaired by the Chief Executive. Quarterly reports will be considered by Cabinet. Additional Member led star chambers have been established for those directorates are forecasting significant overspends to explore the issues and develop solutions. This will continue throughout the year until the budgetary position is successfully recovered. These measures will seek to provide appropriate challenge and support to ensure that directorates deliver services within their approved budget.

3. Overview of the Savings Programme

- 3.1 The approved savings programme is £46.191m in 2019/20 growing to £84.790m by 2022/23. The savings in 2019/20 form part of the base budget and their successful delivery forms part of the overall forecast position. A summary of the overall savings programme is set out in Table 2. This includes a further £12.085m savings that were achieved only on a one-off basis in 2018/19 and therefore result in a base budget pressure in 2019/20 until they are successfully delivered on an ongoing basis. Table 2 is split into

approved savings and one off savings in Tables 2a and 2b in Annex 13. Table 3 illustrates the movement between setting the budget and Period 2.

Table 2: Overview of the Forecast Delivery of the 2019/20 Savings Programme								
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple-Undeliverable	One off Mitigations
	£m	%	£m	£m	£m	£m	£m	£m
Adult Social Care	(16.310)	88.3	(3.792)	(10.607)	0.000	0.000	0.000	(1.911)
Digital & Cust Services	(6.918)	9.4	1.407	(2.058)	(6.267)	0.000	0.000	0.000
Education & Skills	(8.837)	55.7	0.212	(5.137)	(1.184)	(0.400)	(1.318)	(1.010)
Finance & Governance	(2.791)	57.9	(0.399)	(1.216)	(1.176)	0.000	0.000	0.000
Human Resources	(0.718)	100.0	(0.232)	(0.486)	0.000	0.000	0.000	0.000
Inclusive Growth	(4.770)	82.3	(1.457)	(2.467)	(0.100)	(0.694)	(0.134)	(0.052)
Neighbourhoods	(18.564)	49.8	(6.188)	(3.051)	(4.962)	(2.663)	(1.700)	0.000
Partnerships, Insight and Prevention	(0.548)	86.7	(0.475)	0.000	(0.073)	0.000	0.000	0.000
Directorate Subtotal	(59.456)	60.5	(10.924)	(25.022)	(13.762)	(3.757)	(3.152)	(2.973)
Corporate Savings	1.180	100.0	1.180	0.000	0.000	0.000	0.000	0.000
Total Programme	(58.276)	59.7	(9.744)	(25.022)	(13.762)	(3.757)	(3.152)	(2.973)

Table 3: Movement in Forecast Delivery of the 2019/20 Savings Programme						
	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple-Undeliverable	One off Mitigations
	£m	£m	£m	£m	£m	£m
Period 2 Forecast	9.744	25.022	13.762	3.757	3.152	2.973
Budget setting assumption	0.000	58.276	0.000	0.000	0.000	0.000
Increase/(Decrease)	9.744	(33.254)	13.762	3.757	3.152	2.973
Percentage Change (%)	n/a	n/a	n/a	n/a	n/a	n/a

3.2 Definitions of the savings classifications are as follows:

- Fully delivered (Blue) – the saving has been fully implemented and the saving has been achieved.
- On track (Green) – Savings that are on target to meet delivery milestones and are expected to deliver the level of savings anticipated.
- At risk (Amber) – Savings yet to be delivered and there may be some risks to the delivery milestones and/or the level of savings originally anticipated.
- Non Delivery (Red) – the saving are experiencing difficulty in achieving their delivery plan milestones and/or the level of savings originally anticipated; mitigations will need to be identified immediately for consideration and approval via Cabinet.
- Undeliverable (Purple) – the Council is no longer pursuing this saving as it is no longer considered to be achievable. An immediate action is

needed to develop an alternative proposal to deliver the value of the saving that will be considered and approved by Cabinet.

- One-off mitigation – an approved saving has had trouble being delivered in the way anticipated, but a one-off mitigation has been identified within the service area which need to be reported to and considered by Cabinet as appropriate.

Future Years Savings Overview

- 3.3 For those savings assessed as Red or Purple and therefore at real risk of non-delivery, Table 4 identifies the forecast levels of non-achievement of savings in future years. This totals £10.867m by 2022/23, which is 11% of the total planned savings of £101.063m by 2022/23. Those directorates will need to put forward alternative savings proposals for consideration and approval to an equal amount to ensure that the Medium Term Financial Plan stays on track.

Table 4: Forecast Levels of Non Delivery of Savings at Period 2 in All Years				
Directorate	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Adult Social Care	0.000	0.000	0.000	0.000
Digital & Cust Services	0.000	0.000	0.000	0.000
Education & Skills	1.718	2.488	2.488	2.488
Finance & Governance	0.000	0.000	0.000	0.000
Human Resources	0.000	0.000	0.000	0.000
Inclusive Growth	0.828	1.878	2.557	3.203
Neighbourhoods	4.363	4.847	5.176	5.176
Partnerships, Insight and Prevention	0.000	0.000	0.000	0.000
Directorate Subtotal	6.909	9.213	10.221	10.867
Corporate Savings	0.000	0.400	0.800	0.800
Total Programme	6.909	9.613	11.021	11.667

4. Risks and Mitigations

- 4.1 There are a number of risk areas identified across Directorates that are being highlighted in summary to ensure proactive management and mitigation. However, the Directorate forecast currently assumes that these will be successfully mitigated within the overall approved budget by the year end. **Further details of Directorate Risks and Mitigations can be seen in Annex 1-11.**

4.2 Education and Skills:

- Travel Assist: there are additional risks of increased costs in a number of areas within Travel Assist which cannot be quantified yet.

- SENAR Staffing: a shortfall of budget of £0.475m has been identified due to reduced grant in funding
- Early Years Day Nurseries: there are potential costs as a result of the transfer of day nurseries. There is also uncertainty on assumed income from leases which can not be confirmed until the lease negotiations are fully completed.
- Education Infrastructure (EDI) regarding Baverstock Academy: there are costs of £0.241m relating to rates and security for which there is no budget in 2019/20.
- Adult Education: there is a potential overspend of £0.600m relating to an expected shortfall on the income from fees and charges.
- Education PFI: work has been undertaken to review the education PFI contracts which identified potential risks in addressing future PFI liabilities. Figures are yet to be quantified and confirmed.

4.3 Neighbourhoods:

- Housing Options: costs may increase by an estimated £4.000m if homeless cases presenting increase beyond the capacity of housing services
- Coroners: there are ongoing building and maintenance costs for the Corners court and Mortuary services which can not be quantified yet.
- Shelforce: The service is working on alternative income stream to cover the shortfall of £0.235m.

4.4 Neighbourhoods is actively working to mitigate the known pressures and overspends. The Directorate is investigating how costs can be reduced in a number of areas. These are yet to be quantified:

- Street Scene: awaiting the permanent replacement of Waste Vehicles.
- Parks: the service is progressing land sales over and above those planned
- Neighbourhoods: the service is exploring radical change in service offer
- Housing: The service is planning to launch two pilots to test new ways of working as part of the whole housing redesign model, a prevention hub model and Homeless on the Day approach.

5. Future Years Issues

5.1 Whilst the focus of this report is on the delivery of the 2019/20 budget, we must remain alert to the risks and issues in relation to the delivery of the Medium Term Financial Plan and take the opportunity to consider issues that have not been provided for in previous plans.

5.2 Key future years issues including the following:

- Education & Skills: £2.500m savings non delivery on Travel Assist and £1.000m PFI reserve.

- Inclusive Growth: £0.600m risks on Highways Energy costs and £0.200m on Central Administration Building income
- Neighbourhoods: future requirement for Vehicle Placement beyond the current capital investment; continue growth in residual waste and fly-tipping; responsive repair bills across all Directorate property and assets and capacity on temporary accommodation for homeless people to address increasing demand

5.3 Further details can be seen in Annex 1-11.

6. Reserves

6.1 The Council anticipated the use £26.975m of reserves in setting the 2019/20 budget. Net changes to the original budgeted use of reserves of £2.781m have been requested, of which £2.781m have been requested in Period 2. The Period 2 forecast assumes that these reserves changes will be approved. Details of how these are proposed to change are set out in Tables 6 and 7. Specific changes in reserves are set out in Annex 12.

6.2 There is a budgeted use of £5.910m of General Reserves, which is in line with the Reserves Policy. This is to fund the additional revenue costs arising from a retrospective change in the Council Minimum Revenue Provision Policy (MRP), approved by the Council in February 2018

6.3 Other Corporate net use of £2.110m requested at Month 2 largely relates to

- £1.000m requested by Digital & Customer Services to fund transformation in the Revenues and Benefits Service, and
- £0.682m where Finance & Governance will be unable to contribute to the World Indoor Athletics (WIA)(2018) reserve due to an ongoing shortfall in advertising income.

6.4 Further net use of £0.672m is requested at Month 2 from Reserves held for specific purposes, and has been requested in line with these. Further details are provided in Annex 12.

Reserve	Original Base Budget	Budget Assumed Period 1	Changes Proposed Period 2	Forecast Proposed Use Period 2	Variance to Original
	£m	£m	£m	£m	£m
General Reserves*	(5.910)	(5.910)	0.000	(5.910)	0.000
Subtotal Strategic Use	(5.910)	(5.910)	0.000	(5.910)	0.000
Corporate	11.861	11.861	(2.110)	9.751	(2.110)
Subtotal All Corporate	5.951	5.951	(2.110)	3.841	(2.110)
Other Reserves					
Grant	(29.206)	(29.206)	4.014	(25.192)	4.014
Earmarked	(3.719)	(3.719)	(3.987)	(7.706)	(3.987)
Schools	0.000	0.000	0.000	0.000	0.000
Non Schools DSG	0.000	0.000	(0.699)	(0.699)	(0.699)
Subtotal Other	(32.926)	(32.926)	(0.672)	(33.597)	(0.672)
Total	(26.975)	(26.975)	(2.781)	(29.756)	(2.781)

*Agreed as part of the Reserves Policy

Table 7: Forecast Reserves Balance					
Reserve	Balance 31/03/19	Base (use)/ contribution	Changes assumed Period 1	Changes Proposed Period 2	Forecast Balance 31/03/20
	£m	£m	£m	£m	£m
Corporate Reserves	218.270	5.951	0.000	(2.110)	222.111
Earmarked	35.375	(3.719)	0.000	(3.987)	27.669
Grant	262.597	(29.206)	0.000	4.014	237.405
Schools	34.255	0.000	0.000	0.000	34.255
Non Schools DSG	7.344	0.000	0.000	(0.699)	6.645
Total	557.842	(26.975)	0.000	(2.781)	528.086

Revenue Budget Management Report – Period 2 Forecast

1. Executive Summary

1.1 The Council set the Adults Social Care Directorate a net budget of £325.707m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £14.620m. In addition there were savings achieved in 2018/19 on a one off basis of £1.690m meaning total savings of £16.310m required in 2019/20. Following budget adjustments, including allocations from Policy Contingency, the net budget for the Directorate is the same as above, so the Directorate has not called upon the £8.5m of demographics budget held in Policy Contingency.

1.2 At Period 2 the Adult Social Care Directorate forecasts that net spend for the year will be £325.707m. This would result in a balanced position. At period 2, no new savings have been identified in the forecast, other than mitigations already planned and being implemented. These are £0.993m mitigated through vacancies being held and will move to on track in the next period as the service redesign commences, and £0.918m being mitigated via packages of care.

Key Issues Identified in Period 2

1.3 There is a small degree of variation in spend against budget and income however this does not impact on the balanced position of the Directorate.

Assessment and Support Planning - £0.900m net adverse variance.

Specialist Care Services - £1.800m net adverse variance (£2.500m adverse staffing, £0.700m favourable supplies and services).

Packages of Care - £2.700m net favourable (£4.000m favourable income, £1.300m adverse expenditure)

Risks and Mitigations identified but not yet included in the Forecast

1.4 See section 1.2 already forecasted.

Future Years

1.5 Assuming that the Adult Social Care Programme continues to deliver on the savings agenda, the work with Partners on Early Intervention is successful, and the bid for investment to support delivery on Transitions is approved, no issues would be anticipated in future years.

Table 1: Period 2 Forecast Outturn Position						
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/	Period 1 Forecast Over/	Change since Period 1 (Improvement)/

				(Under)	(Under)	Deterioration	
	£m	£m	£m	£m	£m	£m	%
Director	26.684	26.684	26.684	0	0	0	N/A
Adult Packages of Care	202.394	202.394	202.394	(2.700)	0	(2.700)	N/A
Assessment & Support Planning	35.752	35.752	35.752	0.900	0	0.900	N/A
Specialist Care Services	29.071	29.071	29.071	1.800	0	1.800	N/A
Commissioning	31.805	31.805	31.805	0	0	0	N/A
Directorate Total	325.707	325.707	325.707	0	0	0	N/A

2. Future Years Issues

2.1 The Adult Social Care Programme and the work with partners on Early Intervention is being carefully monitored to allow any issues not already planned for to be identified.

2.2 Please refer to section 1.5

3. Reserves

3.1 The Directorate has budget approval to use £11.340m of reserves in 2019/20. There is no change to the original use of reserves previously requested.

Detailed Breakdown of Proposed Use of/ Contribution to Reserves					
Reserve	Original Base Budget	Budget Assumed Period 2	Changes Proposed Period 2	Forecast Proposed Use	Variance to Original
	£m	£m	£m	£m	£m
Partnership and other funding	11.340	11.340	0	11.340	0

Digital & Customer Services

1. Executive Summary

- 1.1 The Council set the Customer and Digital Services Directorate a net budget of £26.822m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £2.773m. Following budget adjustments, including allocations from Policy Contingency and transfers of services from other Directorates as part of the Council's new structure, the net original budget for the Directorate was revised to £22.591m and the budget at Period 2 to £23.174m. There is also a savings target of £4.145m to deliver that was delivered as a one-off in 2018/19.
- 1.2 The forecast net spend for the year is for a balanced budget.

Key Issues Identified in Period 2

- 1.3 The ICTD service is currently undergoing a large transition away from the Capita contract. Savings of £12m are required from the service in 2019/20 c£6m of which are being delivered on-going. The Transition project team, along with Finance, will robustly monitor the savings throughout the year.

Risks and Mitigations identified but not yet included in the Forecast

- 1.4 There are no further risks currently identified, the c£6m savings for ICTD are being mitigated through the transition of services back in house. This project is currently on track to achieve the planned transfer date of 1st August, however the savings are being categorised as Amber until the transition is complete.

Future Years

- 1.5 During 2019 the Council intends to review the Council Tax Support scheme. Any new proposals will be subject to extensive consultation and, dependent on the outcome of the consultation, changes may be made to the level of support awarded.

Table 1: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Previous Period Forecast Over/ (Under)	Change since Previous Period (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Customer Services and Business Improvement ICT and Digital Revenues and Benefits	18.795 1.005 2.791	18.795 1.588 2.791	18.795 1.588 2.791	0 0 0	N/A N/A N/A	N/A N/A N/A	
Directorate Total	22.591	23.174	23.174	0	N/A		

The difference of £4.231m between the Table One Original Budget of £22.591m and the budget approved by Cabinet on the 26 February 2019 of £26.822m relates to transfers of Services between Directorates following the Council's new structure.

Education & Skills Directorate

1. Executive Summary

- 1.1 The Council set the Education & Skills Directorate a net budget of £255.477m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £8.816m. Following budget adjustments, including allocations from Policy Contingency and adjustments relating to the Council restructure, the net budget for the Directorate is now £261.525m.
- 1.2 The budget includes a number of services which have been transferred in from the Place and Economy directorates, including Libraries, Adult Education, Careers, Youth Service and Employment Services. The overall budget of transferred services is £24.418m. This report incorporates the financial position of these services.
- 1.3 At Period 2 the Education & Skills Directorate forecasts an overspend of £1.214m. The Education & Skills Directorate will pursue mitigations to seek to resolve this position.

Key Issues Identified in Period 2

- 1.4 The key issues that are included within the Education & Skills Directorate's forecast overspend are:
 - Children With Complex Needs Transport (Travel Assist) – £0.972m overspend due to shortfall on savings delivery.
 - Early years - overspend of £0.228m, comprising a base budget pressure of £0.206m as a result of a delay to transfer of BCC run day nurseries to Private Voluntary and Independent sector provision and other minor variations of £0.022m.
 - Business Transformation (IT) - an overspend is anticipated of £0.100m relating to ICT requirements for the Education service including the funding of IT training for Children Trust staff.
 - Childrens Trust (Intelligent Client Function) & Disabled Children's Social Care – £0.254m overspend cost pressures relating to changes to the contract and reduced loan interest and historical legal costs
 - Libraries - £0.150m overspend mainly relating to property cost pressures across Community libraries.
- 1.5 Mitigations/New Savings that have been identified and factored into the overall forecast for the Directorate are:
 - Education Skills & Infrastructure – a net saving of £0.420m is being reported which relates to savings generated as result of the review of the PFI and BSF contracts.

- Premature retirements – savings of £0.096m are expected from the premature retirements budget due to a reduced number of claimants.
- One off mitigations using Early Years funding have been used to address savings related to Efficiency savings (£0.563m), Workforce savings (£0.283m and Management review savings (£0.164m) in 2019/20. Sustainable savings will need to be identified going forward from 2020/21 and beyond.

Risks and Mitigations identified but not yet included in the Forecast

1.6 Base budget and savings programme risks that have not yet crystallised and mitigations that are being considered to address these, including financial implications, are:

- **Travel Assist Transport Provision.** There are additional risks of increased costs relating to the following however these cannot yet be quantified:
 - The administration of ATG and potential additional costs relating to this service for alternative provision which is extremely likely.
 - The current framework agreement for other transport providers expires in October and it is not yet clear if any increased costs could arise relating to this.
 - Environmental standards requirements are increasing and the effect of the Birmingham Clean Air Zone which comes into force in Jan 20 could lead to increased costs from suppliers.
 - Any effect on costs of increasing numbers of SEND pupils.
- **SENAR Staffing** - This budget supports SENAR staffing along with costs associated with tribunals, complaints and mediations. In previous years this budget has been supported by SEN Reform grant funding, which has now come to an end. The previous grant funding was £1.100m and whilst an increase to the budget was made this only amounted to £0.625m, leaving a potential gap of £0.475m. Based on the current staff in post and assuming that no vacancies are filled during the year, current projections suggest a balanced budget is possible, however this remains an area of concern given the pressures and challenges facing the Special Needs sector. A review of the staffing structure is underway which will seek to align the structure with funding on a sustainable basis.
- **Early years Day Nurseries** – There is a budget set aside of £0.250m to support the whole of the EY estate. Whilst work is ongoing to ensure that costs are minimised, it is not yet clear if this will be sufficient to cover all of the expected costs, as the transfer of day nurseries may have an effect on costs. The assumed income from leases to PVIs of the Day Nurseries is based on calculated lease costs, however it is possible that due to the state of some of the Day nursery buildings, this could reduce as part of the negotiations with providers.

The impact cannot be confirmed until the lease negotiations are fully complete.

- **Education Infrastructure (EDI)** – Baverstock Academy closed in August 2017 and the property reverted back to the control of the Council. The DSG funding for the academy for the period September 2017 to March 2018 remained with the LA and was not recouped by the EFSFA, on the presumption that the LA would fund the costs of the displaced pupils and meet the costs relating to the property. The funding received was sufficient to meet the displaced pupil costs in 2017/18 and the property cost in 2017/18 and 2018/19. However, there are costs of approx. £0.241m covering rates and security for which there is no budget provision in 2019/20. There was an assumption when the property initially reverted back to the control of the LA that it would be transferred to another portfolio, but due to issues with the DFE over the status of the property it was not possible to action this transfer. Alternative means of funding are being considered though this remains a financial risk.
- **Adult Education** - a potential overspend of £0.600m is being forecast relating to an expected shortfall on the income from fees and charges, which also arose in 2018/19. This is related to the Commercialisation savings which were agreed by the service. This potential overspend in 2019/20 is expected to be mitigated by a combination of a draw down from reserve and other measures which are being explored. A more sustainable solution will be required going forward.
- **Education PFI** – a significant amount of work has been undertaken reviewing the education PFI contracts. The early indication from this analysis is that a PFI reserve of around £3.436m should have been built up at the end of 2018/19, to cover future PFI liabilities. Over the next 8 years this would need to increase to around £9.006m, to address expected PFI liabilities to the end of the term of the contracts. Resolution of this will require discussions at the corporate level.

- 1.7 Potential mitigations against the above risks are referred to under each risk or otherwise under consideration and will be reported in future reports.
- 1.8 Table 1 attached sets out the Period 2 forecast out-turn position for 2019/20.

Table 1: Period 2 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Service General Fund							
Access to Education	-0.020	-0.020	-0.020	0.000	0.000	0.000	N/A
Admissions & Placements	0.012	0.055	0.055	0.000	0.000	0.000	N/A
Bham Childrens Trust Support Services	0.000	0.000	0.000	0.000	0.000	0.000	N/A
Birmingham Children's Trust - ICF	183.466	183.113	183.328	0.215	0.000	0.215	N/A
Birmingham Children's Trust Residual Costs	0.000	0.000	0.000	0.000	0.000	0.000	N/A
Business Support - CYP&F Finance	0.482	0.482	0.482	0.000	0.000	0.000	N/A
Business Transformation - Extra Level	1.806	1.806	1.894	0.088	0.000	0.088	N/A
Children With Complex Needs Transport	20.757	20.757	21.729	0.972	0.000	0.972	N/A
Children's Trust - Other CSC	-0.181	-0.194	-0.194	0.000	0.000	0.000	N/A
Disabled Children's Social Care	0.000	0.000	0.039	0.039	0.000	0.039	N/A
Early Years	1.410	1.410	1.638	0.228	0.000	0.228	N/A
Education Psychology Service	2.463	2.463	2.463	0.000	0.000	0.000	N/A
Education Skills & Infrastructure	6.299	6.288	5.868	-0.420	0.000	-0.420	N/A
Higher Needs	1.627	1.627	1.627	0.000	0.000	0.000	N/A
Holding Accounts - CYPF	0.000	0.000	0.000	0.000	0.000	0.000	N/A
Holding Accounts - CYPF - Unassigned	0.000	0.000	0.000	0.000	0.000	0.000	N/A
IT - Extra Level	3.143	3.143	3.143	0.000	0.000	0.000	N/A
Other Business Support	9.362	9.362	9.401	0.039	0.000	0.039	N/A
Premature Retirements - Extra Level	5.524	5.524	5.428	-0.096	0.000	-0.096	N/A
School Funding Centrally Managed	-0.110	-0.110	-0.110	0.000	0.000	0.000	N/A
School Setting/Improvements	0.607	0.652	0.652	0.000	0.000	0.000	N/A
Schools Management & Governor Support	-0.049	-0.049	-0.049	0.000	0.000	0.000	N/A
SEND Information, Advice & Support	0.274	0.274	0.274	0.000	0.000	0.000	N/A
Strategic Leadership & Improvement-E&C	0.533	0.522	0.522	0.000	0.000	0.000	N/A
Education Services	237.407	237.107	238.170	1.064	0.000	1.064	N/A
Employment Services	0.331	0.331	0.331	0.000	0.000	0.000	N/A
Career Services	1.003	1.003	1.003	0.000	0.000	0.000	N/A
Birmingham Libraries	21.602	21.602	21.752	0.150	0.000	0.150	N/A
Youth Services	1.896	1.896	1.896	0.000	0.000	0.000	N/A
Adult Education Services	-0.413	-0.413	-0.413	0.000	0.000	0.000	N/A
Skills Services	24.418	24.418	24.568	0.150	0.000	0.150	N/A
Education & Skills	261.825	261.525	262.739	1.214	0.000	1.214	N/A

Future Years Issues

- 1.9 Issues which known at this stage which are expected to impact on the budget in future years are:

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget PFI Reserve*	0.597	1.243	1.035
Savings Travel Assist risk (red rated)	2.488	2.488	2.488
Mitigations			
Total	3.085	3.731	3.523

* It should be noted that a further £2.694m will be required between 2023/24 to 2027/28 to increase the overall reserve to £9.006m.

Finance and Governance Directorate

1. Executive Summary

- 1.1 The Finance and Governance (F&G) Directorate net budget for 2019/20 as set at the Council's meeting on 26 February 2019 is £24.913m. This net budget is after approving a savings programme of £2.261m and requiring a further £0.530m savings to be delivered that were achieved on a one-off basis in 2018/19.
- 1.2 At period 2, the directorate current budget is £24.758m, made up of £145.419m gross expenditure, £43.965m gross income, £75.971m recharge income and £0.696m other non-controllable budget. The movement between the original budget and the current budget is due to the agreed transfer of £0.155m from Insurance to Children's Directorate.
- 1.3 At Period 2 the F&G Directorate forecasts that net spend for the year will be £25.507m resulting in an overspend of £0.749m. This is due to a net overspend of £0.413m in Development and Commercial (mainly as a result of projected shortfall against the Digital Advertising) and £0.336m overspend in Procurement (mainly as a result of projected shortfall on Procurement income). The Directorate is actively pursuing mitigations to resolve this position.

Key Issues Identified in Period 2

- 1.4 The key issues that are included within the F&G Directorate's forecast overspend are:
 - Digital Advertising - £1.111m base budget pressure as a result of the projected shortfall against advertising budget. This overspend is mitigated in year partly by £0.682m non-contribution to the World Indoor Athletics (WIA) reserves and £0.016m of other Minor Variations. Management will continue to explore avenues to resolve this.
 - Procurement Service - £0.336m base budget pressure as a result of projected shortfall against the Procurement income budget. Service review is underway to identify possible mitigations.
- 1.5 New Savings - At period 2 no new savings have been identified and included in the forecast.
- 1.6 Paragraphs 1.7 – 1.11 below provides a summary on the key variances with management action narrative for each Service Area and the table 1 below presents the directorate outturn forecast by Service.
- 1.7 **Development & Commercial**

The reported forecast outturn is an overspend of £0.749m against the annual budget of (£4.374m). This is mainly driven by

- £1.111m projected shortfall against the Digital advertising due to BT cabling impacting on the Lancaster build and the announcement that five ways underpass would close.
- £0.336m projected shortfall on Procurement income.

The projected overspend within Development and Commercial has been mitigated partly by £0.682m non contribution to the WIA reserve and £0.016m of other Minor Variations. Management is actively pursuing mitigations to resolve this position.

1.8 Service Finance

At the end of period 2, Service Finance is reporting a nil variance

1.9 Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)

The GBSLEP is a self-funded service. At the end of period 2, GSLEP is reporting a nil variance

1.10 City Solicitor

At the end of period 2, City Solicitor is reporting a nil variance

1.11 Birmingham Audit

At the end of period 2, Birmingham Audit is reporting a nil variance

Table 1: Finance and Governance Period 2 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period Y (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Development & Commercial	(4.374)	(4.374)	(3.625)	0.749	0.000	0.749	
Service Finance	20.005	19.850	19.850	0.000	0.000	0.000	
GBSLEP	0.000	0.000	0.000	0.000	0.000	0.000	
City Solicitor	7.754	7.754	7.754	0.000	0.000	0.000	
Birmingham Audit	1.529	1.529	1.529	0.000	0.000	0.000	
Directorate Total	24.913	24.758	25.507	0.749	0.000	0.749	

3 Future Years

Below are a few of the issues that may impact on future years budgets.

Future Years Issues - Describe any that may impact on future years budget				
Future Years	2020/21 £m	2021/22 £m	2022/23 £m	Comments
Base Budget	0.129	0.129	0.129	Budget for Assistant Director post
	0.181	0.158	0.109	Realignment of Millennium Point loan budget
	0.218	0.218	0.218	NNDR Budget realignment
Savings	0.000	0.000	0.000	
Mitigations	0.000	0.000	0.000	
Total	0.528	0.505	0.456	

Human Resources

1. Executive Summary

- 1.1 The Council set the HR Directorate a net budget of £6.629m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £0.514m and requiring a further £0.204m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments the net budget for the Directorate is now £6.597 and remains unchanged at Period 2.
- 1.2 At Period 02 the HR Directorate's forecast is that net spend for the year will be £6.597m resulting in a balanced budget.

Key Issues Identified in Period 2

- 1.3 No key issues have been identified at this stage for HR.

Future Years

- 1.4 No issues have been identified that affect future years.

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget	0	0	0
Savings	0	0	0
Mitigations	0	0	0
Total	0	0	0

Table 1: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Schools	0.141	0.141	0.141	0.000	0.000	0.000	
HR Services	6.456	6.456	6.456	0.000	0.000	0.000	
Directorate Total	6.597	6.597	6.597	0.000	0.000	0.000	

Inclusive Growth

1. Executive Summary

- 1.1 The Council set the Inclusive Growth Directorate a net budget of £103.977m for 2019/20 at its meeting on 26 February 2019. Subsequent to this the budget has been adjusted to £97.515m, in the main to reflect the transfer of Educational Skill and Infrastructure to Education and Skills Directorate. This net budget is after approving a savings programme of £2.836m and requiring a further £1.934m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments, including allocations from Policy Contingency, the net budget for the Directorate is now £97.515m.

- 1.2 Forecast net expenditure for the year will total £99.519m, resulting in a net overspend of £2.004m.

The Inclusive Growth Directorate is pursuing actions in order to mitigate this position. More detail can be seen below.

Key Issues Identified in Period 2

- 1.3 The key issues that are included within the Inclusive Growth Directorate forecast overspend are:

General:

- Inclusive Growth Restructure - The restructure was finalised in May 2019. As a result no employee forecast has been included at Period 2.

Period 2 Forecast:

- Planning & Development Strategy & Planning - £0.230m Surplus:
 - £0.230m planning application fee income over-recovery.
- Property Services - £1.140m Deficit:
 - £0.900m commercial income under-recovery;
 - £0.240m Central Administration Buildings (CAB) income under-recovery.
- Housing Development - £0.694m Deficit:
 - £0.694m InReach income under-recovery. Resulting from delays experienced in progressing agreements and uncertainties and risk around schemes.
- Highways & Infrastructure - £0.400m Deficit:
 - £0.600m highways energy cost overspend. Resulting from increased electricity prices;
 - £0.200m highways permits and licences income over-recovery.

- 1.4 There are no anticipated negative implications on levels of service provision as a direct result of the key issues identified.

- 1.5 At Period 2, one-off mitigations to address delayed delivery of savings and ongoing mitigations to address un-deliverable savings, factored into the overall forecast for the Inclusive Growth Directorate.

Savings that cannot be achieved to the original timeline and one-off mitigations:

- SN35 16+ Expansion of on-street parking £0.052m – Delays in implementing Traffic Regulation Orders in 2019/20. One-off mitigation delivered within the overall car parking position.

Savings that cannot be achieved in line with the original proposals and the ongoing mitigations:

- SN1 Sharing of Highways Maintenance Database £0.050m – £0.050m delivered through a reduction in Traffic Regulation Order budgets;
- CC103 19+ Review of Non-Essential Expenditure £0.084m - To be delivered via an increase in planning pre-applications income.

Risks and Mitigations identified but not yet included in the Forecast

- 1.6 Current budgetary pressures and the mitigations that are being considered, (including financial implications where known).

Property Services - Commercial income under-recovery mitigations include:

- Targeting High Value Lease Renewals/Rent Reviews;
- Targeting Supplemental Rents;
- Investment Strategy - Accelerating acquisition of new stock to generating increased rental income;
- External support engaged:
 - Strategic review of the existing investment portfolio;
 - Identification of target markets.

InReach (Birmingham) Ltd – Commercial loan Income under-recovery mitigations include:

- Loan agreement drafted for re-commencement of negotiations;
- Council to engage professional advice to consider risk;
- Other potential asset disposals.

- 1.7 The Inclusive Growth Directorate is not reporting any base budget or saving programme risks/associated mitigations in addition to those detailed.

Future Years

- 1.9 Key issues potentially impacting on future years' budgets (excluding inflation):

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget:			
Property Services: Central Administration Building (CAB) Income	0.240	0.240	0.240
Commercial Income (linked to Commercial Income saving below)	TBC	TBC	TBC
Highways & Infrastructure: Highways Energy Costs	0.600	0.600	0.600
Savings:			
Identification of potential values subject to mitigation actions detailed above/ progress on saving delivery:			
Property Services: Commercial Income	TBC	TBC	TBC
Operational Hub Programme	TBC	TBC	TBC
Housing Development: InReach (Birmingham) Ltd Loan Income	TBC	TBC	TBC
Mitigations:			
Identification of potential values subject to mitigation actions detailed above.	TBC	TBC	TBC
Total	TBC	TBC	TBC

Table 1: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
P&D City Centre, EZ, BDI	3.257	3.257	3.257	0.000	0.000	0.000	
Transportation & Connectivity	46.159	46.159	46.159	0.000	0.000	0.000	
P&D Strategy & Planning	0.963	0.963	0.733	(0.230)	0.000	(0.230)	
Birmingham Property Services	(3.743)	(3.743)	(2.603)	1.140	0.000	1.140	
Housing Development	(0.322)	(0.322)	0.372	0.694	0.000	0.694	
Highways & Infrastructure	43.483	43.483	43.883	0.400	0.000	0.400	
Inclusive Growth Director	7.718	7.718	7.718	0.000	0.000	0.000	
Directorate Total	97.515	97.515	99.519	2.004	0.000	2.004	

Neighbourhoods Directorate

1. Executive Summary

- 1.1 The Council set the Neighbourhoods Directorate a net budget of £99.843m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £14.982m and requiring a further £3.582m savings to be delivered that were achieved on a one-off basis in 2018/19. Safer Places Service remains to be transferred to Assistant Chief Executive (ACE) and will be adjusted for June.
- 1.2 At Period 2, it is anticipated that net spend for the year will be £113.779m, an overspend of £13.935m, (12%), unless a number of issues can be resolved before year end, the detail of which is included in this report. The Neighbourhoods Directorate is actively pursuing mitigations to resolve this position. At period 2 new savings have yet to be identified and are not included in the forecast.

£m	Annual		
	Budget	Forecast	Variance
Street Scene	66.363	72.693	6.330
Housing Services	3.760	5.360	1.600
Neighbourhoods	15.310	19.598	4.288
Regulation and Enfor	0.788	1.081	0.293
Business Support	13.623	15.047	1.424
Net Expenditure	99.843	113.778	13.935

1.3 Housing Revenue Account

A balanced overall revenue position is forecast, with any net overspends or underspends to be managed by corresponding adjustments to the level of HRA borrowing repaid, Reserves or an additional contribution to the capital investment programme.

1.4 Key Issues Identified in Period 2

The key issues that are included within the Neighbourhoods Directorate's forecast overspend are:

Street Scene Service – Overspend/Pressures £6.330m (9.5%)

£m	Annual		
	Budget	Forecast	Variance
Waste Management Services	54.910	60.460	5.550
Parks & Nature Conservation	11.452	12.232	0.780
Street Scene	66.363	72.693	6.330

- £3.000m relates to repairs and maintenance and hire costs of waste management vehicles. This is based on an assumption that the current capital investment in replacement vehicles will take a lead time of 6 to 9 months.
- Due to centralisation of IT services and capital investment there remains a £0.500m budget pressure to cover specific IT licences for waste collection services.
- Loss of recharge income of £0.750m from fleet repairs service, where internal customers have either opted for leasing or have opted for long term hire from external providers.
- Loss of business to competitors associated with street cleansing at major events at City Centre £0.500m.
- The service is undertaking a redesign of its street scene service in order to deliver on a number of savings initiatives. The design is anticipated to become operational in October 2019 in the meantime there is a staffing pressure of £0.800m.
- In relation to parks service a past savings initiative regarding the disposal of parks land, £0.600m, has not delivered due to resistance from the community of selected sites. Parks service has identified additional sites for disposal to offset this pressure, however lead time will mean this remains a pressure.
- An increase in income across the service through sports hire and car parking income of £0.180m is subject to market demand and the implementation of three new sites has not been realised due to delays associated with consultation process.

Neighbourhoods Service – Overspend, £4.288m, (28%)

£m	Annual		
	Budget	Forecast	Variance
Community Sport & Events	4.196	8.128	3.932
Neighbourhoods	2.540	2.299	(0.242)
Cultural Development	8.574	9.171	0.597
Neighbourhoods	15.310	19.598	4.288

- Health and Wellbeing Centres (HW2) step up saving relied upon externalising the remaining 8 sites at reduced cost. Various permutations have led to the net budget for this service being significantly below what was envisaged. A fundamental reassessment is required. It is forecast that the £0.600m budget saving cannot be delivered
- £0.646m Health and Wellbeing Strategic pressure as a result of over provision of funding to The Active Wellbeing Society TAWS (Technical Unit Management costs retained by the service but budget allocated to TAWS).

- £1.804m Health and Wellbeing Centres; this comprises £0.816m pressure relating to the reduction in Public Health funding, and staffing and non-staffing pressures of £0.988m
- £0.200m anticipated increase in maintenance costs for portfolio of sports and leisure centres until they are outsourced.
- A net overspend of £0.441m across the service driven by the Sports and Leisure Transformation offset in part by underspends through controlling expenditure and staff vacancies.
- Major Events, £0.597m relates to potential over commitment on the major events programme, £0.653m, that is offset by underspend on the arts budget (£0.056m). Historically, major events were able to manage increases and decreases in commitments over financial years, however this is no longer in place.

Housing Service – Overspend, £1.600m, (43%)

£m	Annual		
	Budget	Forecast	Variance
Private Sector Housing Service level	(0.253)	(0.253)	(0.000)
Housing Options Service Level	4.256	5.856	1.600
Shelforce Service Level	(0.243)	(0.243)	0.000
Housing Revenue Account	0.000	0.000	0.000
Housing Services	3.760	5.360	1.600

- higher demand in temporary accommodation £0.600m based on an assumption that our utilisation of B&B (high unit cost) accommodation is a maximum of 375, this is on the assumption that any increase in overall homelessness numbers is accommodated within existing and increased (lower unit cost) facilities such as Hostels and dispersed properties.
- bad debt provision £1.000m is projected in line with past trends.

Regulation & Enforcement Service - £0.293m, (37%)

£m	Annual		
	Budget	Forecast	Variance
Bereavement	(4.935)	(5.341)	(0.406)
Markets Service	(1.281)	(0.785)	0.496
Regulatory Services	7.004	7.207	0.203
City Centre Management Extra Level	0.001	0.000	(0.001)
Regulation and Enforcement	0.788	1.081	0.293

- lower income from markets, £0.496m principally rent/service charge pressure related to Indoor Market voids and Indoor Market debt and regulatory services
- a combination of underspends in salaries, premises and transport of £0.203m offset the lower market income.

Business Support - £1.424m, Overspend (10%)

£m	Annual		
	Budget	Forecast	Variance
Business Support - Place (Service)	1.072	2.496	1.424
Central Support Costs Extra Level	12.273	12.273	0.000
Safer Places Services Team	0.278	0.278	0.000
Business Support	13.623	15.047	1.424

- Business support services include central service costs as well as directorate wide savings initiatives. Asset and Property Disposal savings, £1.100m is anticipated will not deliver due to resistance from the consultation. The directorate is finding additional assets and properties for disposal to offset this pressure.
- The remaining overspend relates to staffing costs over establishment.

1.5 Risks and Mitigations identified but not yet included in the Forecast

The directorate has identified a number of risks which are being actively managed, these include:

- Housing Options is currently showing an overspend £1.600m, however if homelessness cases presenting increase beyond the capacity of housing services, costs may increase by an estimated £4.000m.
- Coroners staffing risk of £0.436m is expected to be met within divisional budgets through improved income projections for Environmental Health and Bereavement services. However, there remains an unquantified risk regarding ongoing building and maintenance costs for the Coroners court and Mortuary services.
- Shelforce are working on alternative income streams to cover the £0.235m risk, for example, processing orders from Housing Revenue Account repairs and maintenance capital schemes and Mod Pod installations within our BMHT housing development programme.

Neighbourhoods is actively working to mitigate the known pressures and overspends reported with a view to quantify and provide implementation plans over the coming weeks.

- Street Scene: whilst awaiting the permanent replacement of Waste Vehicles, the waste service will look to partially mitigate costs by switching from spot hires to a longer term contractual commitment.
- Street Scene: with the loss of recharge income in fleet repairs, partnerships are being explored with other local authorities to share resources and improve productivity in line with service requirements, however, savings are unlikely to be achieved this year.
- Street Scene: a partial mitigation for costs within street cleansing at major events the service proposes to introduce a bond scheme at safety advisory groups to ensure that costs of mopping-up operations are recovered from Event organisers.
- Parks service has identified and are progressing land sales over and above those planned for as part of existing saving initiatives (ref: SN45). Work is underway to quantify the value of the mitigation.
- Neighbourhoods: dependency on public health funding to support Health and Wellbeing services will require a radical change in service offer to keep in step with funding reductions from Public Health, the reductions in budget from duplicated savings and the inherent pressures in the service.
- Housing : Whilst the housing service aim to utilise B&B accommodation as the least favourable option (financially and for residents) we still face a pressure as current projections for temporary accommodation suggest a net increase of 15 households per week. To address this medium to longer term risk, the service are to launch two pilots to test new ways of working as part of the whole housing redesign model, a prevention hub model and Homeless on the Day approach.

Directorate £m	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over / (Under)
Street Scene	66.363	66.363	72.693	6.330
Housing Services	3.760	3.760	5.360	1.600
Neighbourhoods	15.310	15.310	19.598	4.288
Regulation and Enforcement	0.788	0.788	1.081	0.293
Business Support	13.623	13.623	15.047	1.424
Directorate Total	99.843	99.843	113.778	13.935

1.6 Future Years – issues that may impact on future years budgets

- Street Scene : future requirements for Vehicle Replacement beyond the current capital investment to address the aging fleet will be provided in a future report with a view to inform the future years capital programme.
- Street Scene: there is a continual growth in Residual waste and fly-tipping, this will put pressure on Street scene services in future years and

specifically for the Commonwealth Games beyond our current financial resources in the LTFP.

- Directorate wide: continued responsive repair bills across all directorate property and assets without a financial sustainable solution for example, repairs to aging community leisure centres, parks buildings, parks infrastructure, Mortuary services.
- Homelessness: capacity on temporary accommodation to anticipate and address increasing demand in Birmingham will require a joint approach with adult social care and other system partners.

Partnerships, Insight and Prevention

1. Executive Summary

- 1.1 The Council set the PIP Directorate a net budget of £4.050m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £0.548m. Following budget adjustments, including allocations from Policy Contingency and transfers of services from other Directorates as part of the Council's new structure, the net budget for the Directorate is now £6.163m.
- 1.2 At Period 2 the Directorate's forecast is that net spend for the year will be £6.463m. This would result in an overspend of £0.300m against the budget of £6.163m. This overspend is in respect of the commitment to decommission obsolete CCTV cameras as per a review of the Council's CCTV estate. As this is yet to be implemented, there is a legacy maintenance pressure arising in the PIP directorate. The Neighbourhoods directorate have agreed to identify 'invest to save' funding as part of the agreement for the service (and accompanying saving commitment) that has transferred across to the PIP directorate.

Key Issues Identified in Period 2

- 1.3 It is anticipated that there will be an overspend on the decommissioning of Community Safety CCTV equipment. This is in respect of the commitment to decommission obsolete CCTV cameras as per a review of the Council's CCTV estate. As this is yet to be implemented, there is a legacy maintenance pressure arising in the PIP directorate.

Risks and Mitigations identified but not yet included in the Forecast

- 1.4 In respect of the CCTV issue, the Neighbourhoods directorate have agreed to identify 'invest to save' funding as part of the agreement for the service (and accompanying saving commitment) that has transferred across to the PIP directorate.

Future Years

- 1.5 Assuming that appropriate Invest to Save funding is secured for the CCTV decommissioning, no issues in future years are anticipated.

Table 1: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Assr Chief Exec*	4.823	4.823	5.123	0.300	0.000	0.300	
Communications	1.340	1.340	1.340	(0.000)	0.000	0.000	
Public Health	(0.000)	(0.000)	(0.000)	(0.000)	0.000	0.000	
Directorate Total	6.163	6.163	6.463	0.300	0.000	0.300	

* currently includes services transferred from Neighbourhoods and Strategic services, including Resilience, Community Safety and PMO

Public Health

Public Health is currently funding operations this year from reserves as shown in the table below. This is due to the reduction in grant and changes to plan due to issues arising in consultations and particularly the priorities with recognition that the service needed more time to adjust to the new grant level. In the new budget financial planning process it will also be necessary to review the Public Health Grant support to other directorates programmes to ensure that the overall balance of priorities is maintained going forward and maximum impact and outcomes to grant funded activity.

Appendix - 2019/20 Public Health Budget

Subjective	Budget £m
Direct Employees	2.781
Indirect Employees	0.007
Transport	0.063
Supplies and Services	17.693
Third Party Payments	71.276
Gross Budget	91.820
Income - Public Health Grant	(88.432)
Deficit	3.388
<u>Funded by:</u>	
Contribution from Reserve (already budgeted)	(1.593)
* Additional reserve to be appropriated	(1.795)
Total	0

Education & Skills Directorate

DSG Forecast

1. Executive Summary

- 1.1 The Dedicated Schools Grant (DSG) is a highly prescribed and ring-fenced grant which is currently budgeted at £657.515m. It is the primary source of funding that is delegated /allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The funding is shown in Table 1 below. The total funding for Birmingham is £1,188.833m, of which £531.318m is currently recouped by the Education Funding Authority (EFA) to directly passport funds to academies and free schools, leaving £657.515m to be funded by the City Council.
- 1.2 The Directorate have not reported any variations on the DSG at period 2, but have identified potential risks in the High Needs Block detailed below.

Key issues identified in Period 2

- 1.3 Since the DSG budget is in balance across each funding block at Period 2 there are no specific issues to report at this stage, other than the risks which are identified in para 1.4

Risks and Mitigations identified but not yet included in the forecast

- 1.4 The main risks which have been identified at Period 2 are:
 - **High Needs.** The level of spend on High Needs is an area of concern, which is a concern nationally. At the end of 2018/19 the cumulative deficit on High Needs was £16.000m. The Directorate is developing and will be implementing a 5 year deficit recovery plan in 2019/20, this includes £1.400m funding to be applied to innovate to save initiatives in 2019/20 academic year. In 2019/20 there is an Intention to mitigate an immediate overspend risk of £1.200m in the high needs block via the management of costs and demand. This is being reviewed monthly and an update will be provided in each monitoring report.
 - **School Deficits.** The Directorate is supporting schools with deficits to either come out of deficit and/or stop them increasing. As at 31/3/2019 the net balance on schools was £47.400m, which comprised £60.000m surplus balances and £12.600m deficit balances. The growing level of deficit is an increasing concern since where those deficits are not addressed and schools are directed to become academies due to poor educational performance BCC is required to fund the deficits. The Directorate have produced and presented a School Financial Deficit Action Plan to CMT (13th May 2019) of the level of financial deficits in

schools at the 2018/19 out-turn and outlined the action plan which has been developed to seek to minimise future levels of deficits, to avoid additional financial risk to the Council

Future Years

1.6 Key future years issues include...

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget	0.000	0.000	0.000
Savings	N/A	N/A	N/A
Mitigations	N/A	N/A	N/A
Total	N/A	N/A	N/A

High Needs Block

Nationally the gap between allocated high needs funding and local spending to meet demand is forecast to continue to increase. Increases in demand are due to many factors, and include:

- Additional unfunded statutory obligations arising from the 2014 SEND reforms
- Increasing numbers of pupils with high needs and increasing complexity of need.

The level of spend on High Needs is an area of concern, which is a concern nationally. At the end of 2018/19 the cumulative deficit on High Needs was £15.500m. Latest modelling of pupil pipeline data shows that growth in demand is outstripping available local resources. Currently, if no action is taken and there is no national increase in funding, there is a forecast cumulative deficit for the High Needs Funding Block of £17.300m in 2019/20, £29.200m in 2020/21, £40.100m 2021/22, £50.000m 2022/23 and £59.900m in 2023/24.

The Directorate is developing and will be implementing a 5 year deficit recovery plan in 2019/20, this includes £1.400m funding to be applied to innovate to save initiatives in 2019/20 academic year.

Table 2: Period 2 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 2 Forecast Outturn	Period 2 Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	%
Service							
School Settings / Improvement	1.273	1.273	1.273	0.000	0.000	0.000	
Admissions & Placement	2.972	2.772	2.772	0.000	0.000	0.000	
Education Skills & Infrastructure	0.047	0.047	0.047	0.000	0.000	0.000	
Early Years	63.350	63.254	63.254	0.000	0.000	0.000	
Schools Delegated Budget	493.668	480.373	480.373	0.000	0.000	0.000	
DHSchool Funding Central	(653.064)	(647.732)	(647.732)	0.000	0.000	0.000	
LACES	1.613	1.613	1.613	0.000	0.000	0.000	
Higher Needs	80.446	88.815	88.815	0.000	0.000	0.000	
Access to Education	5.663	5.663	5.663	0.000	0.000	0.000	
Complex Needs Care	0.110	0.000	0.000	0.000	0.000	0.000	
Early Support Service	1.673	1.673	1.673	0.000	0.000	0.000	
Early Help&Childrens	0.069	0.069	0.069	0.000	0.000	0.000	
Business Support	2.180	2.180	2.180	0.000	0.000	0.000	
Directorate Total	(0.000)	0.000	0.000	0.000	0.000	0.000	0.000

Housing Revenue Account

- 1.1 A balanced overall revenue position is forecast, with any net overspends or underspends to be managed by corresponding adjustments to the level of HRA borrowing repaid or Reserves.

£m	Annual		
	Budget	Forecast	Variance
Expenditure	205.015	205.015	0.000
Income	(274.089)	(274.089)	0.000
Below the Line Analysis	69.074	69.074	0.000
Net Expenditure	0.000	0.000	0.000

- 1.2 Pressures on the HRA include:
- repairs contract pension provision for 2020/21 and 2021/22 based on extending the current contracts for 2 years, estimate £1.000m.
 - In addition, 'seed funding' for the Ladywood Development project, estimate as £0.600m in the current year and £0.700m in future years.
 - HRA Restructure Phase 2 costs are estimated £0.400m
 - Other pressures arising, including impact of Hackett report, tenancy conditions review and stock condition survey are yet to be quantified over the coming weeks.
- 1.3 Overall there are sufficient forecast savings on HRA expenditure to cover current specific pressures where costs have been identified.
- Savings on Repairs Contract - Voids £1.100m if void levels similar to 2018/19, Price Per Property / Price Per Gas £0.500m due to numbers of properties.
 - Savings on employee costs - a combination of savings identified from the Phase 1 restructure and other vacancies

The table below shows further requested uses of or contributions to Reserves that have been requested at Month 2.

Directorate making request	Reserve	Reason for request	Detailed Breakdown of Proposed Use of / (Contribution to) Reserves				
			Original Base Budget	Budget Assumed Month 1	Changes Proposed Month 2	Forecast Proposed Use	Variance To original
			£m	£m	£m	£m	£m
	Use of General Reserves						
	Financial Resilience Reserve		(5.910)	(5.910)	0.000	(5.910)	0.000
	Subtotal Use of General Reserves		(5.910)	(5.910)	0.000	(5.910)	0.000
	Use of Non General Reserves						
Partnerships, Insight and Prevention							
	Brexit funding	Brexit Grant funding required in 19/20	0.000	0.000	(0.052)	(0.052)	(0.052)
	INLOGOV	18/19 under-spend to be used in 19/20. The £21,000 is already budgeted for	(0.021)	(0.021)	(0.005)	(0.026)	(0.005)
	Public Health	Transition funding required in 2019/20	(1.593)	(1.593)	(1.795)	(3.388)	(1.795)
	Policy Contingency - Future Council Programme	To fund Birmingham Independent Improvement Panel (BIIP) costs	0.000	0.000	(0.018)	(0.018)	(0.018)
	Policy Contingency - Graduate Development Programme	Fund National Graduate Development Programme	0.000	0.000	(0.050)	(0.050)	(0.050)
	Subtotal Partnerships, Insight and Prevention		(1.614)	(1.614)	(1.921)	(3.535)	(1.921)
Digital & Customer Services	DCLG Local Digital Fund Grant	18/19 under-spend to be used in 19/20	0.000	0.000	(0.042)	(0.042)	(0.042)
	Landing Team	18/19 under-spend to be used in 19/20	(2.665)	(2.665)	(0.387)	(3.052)	(0.387)
	Revenues and Benefits-Service Transformation	Fund transformation for Revs and Bens	0.000	0.000	(1.000)	(1.000)	(1.000)
	Policy Contingency - Information Assurance (GDPR)	18/19 under-spend to be used in 19/20 on Information Assurance (GDPR)	0.000	0.000	(0.190)	(0.190)	(0.190)
	Subtotal Digital & Customer Services		(2.665)	(2.665)	(1.619)	(4.284)	(1.619)
Education & Skills	DFE Grant - System Improvement	Fixed term Children's Service Improvement Programme	0.000	0.000	(0.070)	(0.070)	(0.070)
	Non-Schools Dedicated Schools Grant (DSG)	School Forum at the meeting on the 10th January 2019, agreed to fund the shortfall of £699,000 in the 2019/20 growth Fund from the DSG carry forward.	0.000	0.000	(0.699)	(0.699)	(0.699)
	SEND preparation for Employment	Job Coach Training funded by DfE	0.000	0.000	(0.198)	(0.198)	(0.198)
	SSI-SEND	Special Educational Needs (SEN) grant required	0.000	0.000	(0.270)	(0.270)	(0.270)
	Subtotal Education & Skills		0.000	0.000	(1.237)	(1.237)	(1.237)
Finance & Governance	Elections Individual Electoral Registration Grant	Reduce budgeted use of reserve in line with the available reserve balance.	(0.200)	(0.200)	0.044	(0.156)	0.044
	Insurance	To fund potential claims in 2019/20. This is subject to review.	0.000	0.000	(1.950)	(1.950)	(1.950)
	Unidentified Income	Unidentified Income carried forwards to be allocated to Directorates	0.000	0.000	(1.112)	(1.112)	(1.112)
	World Indoor Athletics Championship	Finance & Governance will be unable to contribute to the World Indoor Athletics (WIA)(2018) reserve due to an ongoing shortfall in advertising income.	0.682	0.682	(0.682)	0.000	(0.682)
	Subtotal Finance & Governance		0.482	0.482	(3.700)	(3.218)	(3.700)
Inclusive Growth	CIL - City Wide Projects	Known amounts to be received during year	0.000	0.000	0.183	0.183	0.183
	Section 106's-Inclusive Growth	S106 Received to Period 2	0.000	0.000	0.205	0.205	0.205
	Underpayments & Disputed Sum Reserve	PFI payment deductions to period 2	(15.000)	(15.000)	5.478	(9.522)	5.478
	Subtotal Inclusive Growth		(15.000)	(15.000)	5.866	(9.134)	5.866
Human Resources	Policy Contingency - HR records and payments	Review of HR records to ensure that these are up-to-date and that all payments are made correctly	0.000	0.000	(0.170)	(0.170)	(0.170)
	Subtotal Human Resources		0.000	0.000	(0.170)	(0.170)	(0.170)
Other	Other Uses of Non General Reserves		(2.267)	(2.267)	0.000	(2.267)	0.000
	Subtotal Other		(2.267)	(2.267)	0.000	(2.267)	0.000
	Subtotal Use of Non General Reserves		(21.065)	(21.065)	(2.781)	(23.846)	(2.781)
	Total Use of Reserves		(26.975)	(26.975)	(2.781)	(29.756)	(2.781)

Table 2a: Overview of the Forecast Delivery of the 2019/20 Savings Programme- Original Approved Savings								
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber- At Risk	Red-Non Delivery	Purple- Undeliverable	One off Mitigations
	£m	%	£m	£m	£m	£m	£m	£m
Adult Social Care	(14.620)	86.9	(2.102)	(10.607)	0.000	0.000	0.000	(1.911)
Digital & Cust Services	(2.773)	23.5	1.407	(2.058)	(2.122)	0.000	0.000	0.000
Education & Skills	(8.837)	55.7	0.212	(5.137)	(1.184)	(0.400)	(1.318)	(1.010)
Finance & Governance	(2.261)	71.4	(0.399)	(1.216)	(0.646)	0.000	0.000	0.000
Human Resources	(0.514)	100.0	(0.068)	(0.446)	0.000	0.000	0.000	0.000
Inclusive Growth	(2.836)	91.7	(1.196)	(1.406)	(0.100)	0.000	(0.134)	0.000
Neighbourhoods	(14.982)	61.3	(6.188)	(2.991)	(4.237)	(0.566)	(1.000)	0.000
Partnerships, Insight and Prevention	(0.548)	86.7	(0.475)	0.000	(0.073)	0.000	0.000	0.000
Directorate Subtotal	(47.371)	69.0	(8.809)	(23.861)	(8.362)	(0.966)	(2.452)	(2.921)
Corporate Savings	1.180	100.0	1.180	0.000	0.000	0.000	0.000	0.000
Total Programme	(46.191)	68.2	(7.629)	(23.861)	(8.362)	(0.966)	(2.452)	(2.921)

Table 2b: Overview of the Forecast Delivery of the 2019/20 Savings Programme- One Off Savings								
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber- At Risk	Red-Non Delivery	Purple- Undeliverable	One off Mitigations
	£m	%	£m	£m	£m	£m	£m	£m
Adult Social Care	(1.690)	100.0	(1.690)	0.000	0.000	0.000	0.000	0.000
Digital & Cust Services	(4.145)	0.0	0.000	0.000	(4.145)	0.000	0.000	0.000
Education & Skills	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Finance & Governance	(0.530)	0.0	0.000	0.000	(0.530)	0.000	0.000	0.000
Human Resources	(0.204)	100.0	(0.164)	(0.040)	0.000	0.000	0.000	0.000
Inclusive Growth	(1.934)	61.4	(0.211)	(0.977)	0.000	(0.694)	0.000	(0.052)
Neighbourhoods	(3.582)	1.7	0.000	(0.060)	(0.725)	(2.097)	(0.700)	0.000
Partnerships, Insight and Prevention	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Directorate Subtotal	(12.085)	26.0	(2.065)	(1.077)	(5.400)	(2.791)	(0.700)	(0.052)
Corporate Savings	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Total Programme	(12.085)	26.0	(2.065)	(1.077)	(5.400)	(2.791)	(0.700)	(0.052)

Overview

Appendix No	Description
B1	Overview
B2	Capital Budget Movements
B3	Capital Budget Movements Commentary
B4	Capital Forecast Variations
B5	Major Risks/Issues

This report takes each Directorate in turn, in the format;
a) capital budget changes
b) forecast variations from budget
c) commentary on major risks/issues

The capital budget is a resource and expenditure planning tool and does not confer approval for individual budget items to proceed. Individual approvals are sought through Business Case reports under the Gateway process.

		Budget Movements					
		Current Year			All Years		
Ref.		Month 1 Budget £m	Current Budget £m	Change £m	Month 1 Budget £m	Current Budget £m	Change £m
ADULT SOCIAL CARE DIRECTORATE							
Adult Care & Health							
	Property Schemes	0.570	0.764	0.194	1.113	1.308	0.194
	Adults IT	0.309	0.820	0.510	0.755	1.266	0.510
A1	Improvements To Social Care Delivery	3.184	0.244	(2.940)	10.851	7.911	(2.940)
	Total Adult Social Care Directorate	4.063	1.828	(2.235)	12.719	10.484	(2.235)
EDUCATION AND SKILLS DIRECTORATE							
Education & Early Years							
	Devolved Capital Allocation to Schools	1.776	2.379	0.602	1.776	2.379	0.602
	School Condition Allocations	11.295	10.914	(0.381)	12.895	12.514	(0.381)
E1	Basic Need - Additional School Places	16.865	7.442	(9.423)	123.188	113.765	(9.423)
	Other Minor Schemes - Schools	0.000	0.013	0.013	0.000	0.013	0.013
	EarlyYrs&Childcare	1.130	1.057	(0.072)	1.130	1.057	(0.072)
	IT Investment	2.005	2.640	0.635	2.292	2.927	0.635
	Total Education & Early Years	33.070	24.445	(8.625)	141.281	132.656	(8.625)
Skills & Employability							
	Adult Ed & Youth	1.722	1.141	(0.581)	1.722	1.141	(0.581)
	Birmingham Libraries	2.143	2.467	0.324	4.143	4.467	0.324
	Total Skills & Employability	3.865	3.608	(0.257)	5.865	5.608	(0.257)
Total Education and Skills Directorate		36.935	28.053	(8.883)	147.146	138.263	(8.883)
NEIGHBOURHOODS DIRECTORATE							
Street Scene							
	Waste Management Services	22.054	22.167	0.112	58.854	58.967	0.112
	Parks & Nature Conservation	15.214	16.544	1.330	18.683	20.013	1.330
	Total Street Scene	37.269	38.711	1.442	77.537	78.979	1.442
Housing Services							
	Housing Options Service	0.000	0.284	0.284	0.000	0.284	0.284
	Private Sector Housing	0.747	0.926	0.179	1.279	1.458	0.179
Housing Revenue Account							
	Housing Improvement Programme	69.311	71.016	1.705	651.928	653.633	1.705
	Redevelopment	59.431	60.516	1.085	400.574	401.659	1.085
	Other Programmes	5.297	5.462	0.165	56.964	57.129	0.165
	Total Housing Services	134.786	138.204	3.418	1,110.745	1,114.163	3.418
Neighbourhoods							
	Community, Sport & Events	2.544	2.566	0.022	2.544	2.566	0.022
	Neighbourhoods	0.000	0.002	0.002	0.392	0.394	0.002
N1	Cultural Development	0.000	3.000	3.000	0.000	3.000	3.000
	Total Neighbourhoods	2.544	5.568	3.024	2.935	5.959	3.024
Regulation & Enforcement							
	Bereavement	0.000	0.095	0.095	0.000	0.095	0.095
	Markets Services	0.000	0.759	0.759	0.000	0.759	0.759
	Mortuary/Coroners	0.271	0.287	0.016	0.271	0.287	0.016
	Total Regulation & Enforcement	0.271	1.141	0.870	0.271	1.141	0.870
Total Neighbourhoods Directorate		174.870	183.624	8.755	1,191.488	1,200.243	8.755
INCLUSIVE GROWTH DIRECTORATE							
Planning & Development							
Major Projects							
I1	Enterprise Zone - Paradise Circus	21.997	34.845	12.848	50.479	63.327	12.848
	Enterprise Zone - Site Development & Access	2.500	2.500	0.000	8.045	8.045	0.000
	Enterprise Zone - Connecting Economic Opportunities	0.485	1.000	0.515	141.698	142.213	0.515
	Enterprise Zone - Southern Gateway Site	0.000	0.000	0.000	34.530	34.530	0.000
	Enterprise Zone - Southside Public Realm	0.000	0.000	0.000	6.378	6.378	0.000
	Enterprise Zone - LEP Investment Fund	0.000	0.000	0.000	20.000	20.000	0.000
	Enterprise Zone - HS2-Interchange Site	0.000	0.000	0.000	20.000	20.000	0.000
	EZ Phase II - HS2 Station Environment	1.500	3.006	1.506	57.904	59.410	1.506
	EZ Phase II - HS2 Site Enabling	1.750	2.250	0.500	101.000	101.500	0.500
	EZ Phase II - Local Transport Improvements	0.000	0.000	0.000	104.800	104.800	0.000
	EZ Phase II - Metro Extension to E Bham/Solihull	0.000	0.000	0.000	183.300	183.300	0.000
	EZ Phase II - Social Infrastructure	0.000	0.000	0.000	109.900	109.900	0.000
	EZ Capitalised Interest	4.380	4.499	0.118	87.852	87.970	0.118
	Jewellery Quarter Cemetary	1.779	1.798	0.019	1.779	1.798	0.019
	Unlocking Housing Sites	5.550	5.554	0.004	5.550	5.554	0.004
	Life Sciences	0.000	0.000	0.000	0.973	0.973	0.000
	Other (Major Projects)	0.278	0.173	(0.105)	0.625	0.520	(0.105)
	Total Major Projects	40.220	55.624	15.405	934.813	950.218	15.405
Employment & Skills		6.705	2.171	(4.534)	6.705	6.723	0.018
I2	Public Realm	2.301	4.339	2.039	2.301	4.339	2.039

		Budget Movements					
		Current Year			All Years		
Ref.		Month 1 Budget £m	Current Budget £m	Change £m	Month 1 Budget £m	Current Budget £m	Change £m
Infrastructure/Site Enabling Programme		0.035	0.084	0.049	0.035	0.084	0.049
Grants/Loans Programme		0.000	0.000	0.000	1.000	1.000	0.000
Total Planning & Development		49.260	62.219	12.959	944.854	962.365	17.511
<u>Housing Development</u>							
I3	In Reach	33.182	39.695	6.513	134.702	141.215	6.513
	CMW-Sale To In Reach	10.000	10.000	0.000	100.000	100.000	0.000
	Total Housing Development	43.182	49.695	6.513	234.702	241.215	6.513
<u>Transport Connectivity</u>							
<u>Major Schemes</u>							
	Ashted Circus	0.898	1.128	0.230	0.898	1.128	0.230
	Metro Extension	0.000	0.000	0.000	4.474	4.474	0.000
	Iron Lane	4.258	4.207	(0.051)	10.267	10.216	(0.051)
	Minworth Unlocking	0.100	0.100	0.001	0.100	0.100	0.001
	Battery Way Extension	1.511	1.568	0.057	1.612	1.669	0.057
	Longbridge Connectivity	0.254	0.375	0.121	0.254	0.375	0.121
	A457 Dudley Road	1.330	1.285	(0.045)	28.941	28.896	(0.045)
	Journey Reliability	0.610	0.756	0.146	0.610	0.756	0.146
	Tame Valley Phase 2 & 3	0.200	0.554	0.354	85.253	85.607	0.354
	Selly Oak New Road Phase 1B	5.995	6.000	0.005	7.307	7.312	0.005
	Wharfdale Bridge	2.530	2.542	0.012	2.683	2.695	0.012
	Snow Hill Station	4.054	4.268	0.214	7.846	8.060	0.214
	Other (Major Schemes)	1.394	1.627	0.234	1.844	2.077	0.234
	Total Major Schemes	23.133	24.412	1.279	152.088	153.367	1.279
	Inclusive & Sustainable Growth	19.523	20.069	0.545	25.172	25.718	0.545
	Walking & Cycling	9.305	8.467	(0.838)	15.283	14.445	(0.838)
	Local Measure	0.000	(0.001)	(0.001)	0.000	(0.001)	(0.001)
	Infrastructure Dev	0.678	0.688	0.009	4.420	4.430	0.009
	Transportation & highways Funding Strat	0.000	0.000	0.000	4.025	4.025	0.000
	Section 278/S106	0.000	(0.343)	(0.343)	0.000	(0.343)	(0.343)
	Total Transport Connectivity	52.640	53.292	0.652	200.989	201.641	0.652
<u>Highways Infrastructure</u>							
	Safer Routes to Schools	0.666	0.669	0.002	1.866	1.869	0.002
	Network Integrity and Efficiency	1.887	1.572	(0.315)	3.887	3.572	(0.315)
	S106 & S278 Schemes	0.075	0.069	(0.007)	0.075	0.069	(0.007)
	Road Safety	0.829	0.887	0.059	2.929	2.987	0.059
	District Schemes	0.692	0.544	(0.149)	0.692	0.544	(0.149)
	Total Highways Infrastructure	4.149	3.740	(0.409)	9.449	9.040	(0.409)
<u>Property Services</u>							
	Attwood Green Parks	0.059	0.059	0.000	0.059	0.059	0.000
	AttwoodGreen-Holloway Head Playing Field	0.038	0.038	0.000	0.038	0.038	0.000
	Attwood Green-Woodview Community Centre	0.090	0.090	0.000	0.090	0.090	0.000
	Bham Crisis Centre-Nursery Extension	0.000	0.005	0.005	0.000	0.005	0.005
	Lee Bank Business Centre	0.000	0.000	0.000	0.000	0.000	0.000
	Highbury Hall Essential Works	0.450	0.463	0.013	0.450	0.463	0.013
	Property Strategy	26.000	26.500	0.500	54.500	55.000	0.500
	Total Property Services	26.636	27.153	0.517	55.136	55.653	0.517
Total Inclusive Growth Directorate		175.868	196.100	20.232	1,445.130	1,469.914	24.784
<u>DIGITAL & CUSTOMER SERVICES DIRECTORATE</u>							
	ICT & Digital	7.960	8.856	0.897	47.887	48.783	0.897
	Total Digital & Customer Services Directorate	7.960	8.856	0.897	47.887	48.783	0.897
<u>FINANCE & GOVERNANCE DIRECTORATE</u>							
<u>Development & Commercial</u>							
F2	Gateway/Grand Central Residual Costs	0.000	6.690	6.690	0.000	6.690	6.690
	Capital Loans & Equity	1.950	1.950	0.000	3.242	3.242	0.000
	Total Development & Commercial	1.950	8.640	6.690	3.242	9.932	6.690
<u>Corporately Held Funds</u>							
F1	Revenue Reform Projects	19.828	26.918	7.090	32.467	39.557	7.090
	Corporate Capital Contingency	5.000	5.000	0.000	25.000	25.000	0.000
	Total Corporately Held Funds	24.828	31.918	7.090	57.467	64.557	7.090
	SAP Investments	1.970	2.097	0.127	3.862	3.989	0.127
Total Finance & Governance Directorate		28.749	42.656	13.907	64.571	78.478	13.907
<u>COMMONWEALTH GAMES 2022</u>							
F3	CWG Village	174.600	231.743	57.143	437.000	494.143	57.143
	CWG Alexander Stadium	26.200	27.183	0.983	69.818	70.801	0.983
	CWG Organising Cttee	2.261	2.261	0.000	72.730	72.730	0.000

Ref.	Budget Movements					
	Current Year			All Years		
	Month 1 Budget £m	Current Budget £m	Change £m	Month 1 Budget £m	Current Budget £m	Change £m
Total Commonwealth Games 2022	203.061	261.187	58.126	579.548	637.674	58.126
Total Capital Programme	631.505	722.304	90.798	3,488.489	3,583.839	95.350

ADULT SOCIAL CARE DIRECTORATE				
Ref.	Project/Programme	Comments	2019/20 Increase (Decrease) £m	All Years Increase /(Decrease) £m
A1	Improvements To Social Care Delivery	The £2.940m decrease in budget for 2019/20 relates to acceleration into 2018/19 as per the outturn report.	(2.940)	(2.940)

EDUCATION AND SKILLS DIRECTORATE				
Ref.	Project/Programme	Comments	2019/20 Increase (Decrease) £m	All Years Increase /(Decrease) £m
E1	Basic Need - Additional School Places	The £9.423m decrease in budget for 2019/20 relates to acceleration into 2018/19 as per the outturn report.	(9.423)	(9.423)

NEIGHBOURHOODS DIRECTORATE				
Ref.	Project/Programme	Comments	2019/20 Increase (Decrease) £m	All Years Increase /(Decrease) £m
N1	Cultural Development	The £3.000m increase in budget for 2019/20 relates to slippage from 2018/19 as per the outturn report.	3.000	3.000

INCLUSIVE GROWTH DIRECTORATE				
Ref.	Project/Programme	Comments	2019/20 Increase (Decrease) £m	All Years Increase /(Decrease) £m
I1	Enterprise Zone - Paradise Circus	The £12.848 increase in budget for 2019/20 relates to slippage from 2018/19 as per the outturn report.	12.848	12.848
I2	Public Realm	The £2.039 increase in budget for 2019/20 relates to slippage from 2018/19 as per the outturn report.	2.039	2.039
I3	In Reach	The £6.513 increase in budget for 2019/20 relates to slippage from 2018/19 as per the outturn report.	6.513	6.513

FINANCE & GOVERNANCE DIRECTORATE				
Ref.	Project/Programme	Comments	2019/20 Increase (Decrease) £m	All Years Increase /(Decrease) £m
F1	Revenue Reform Projects	The increase in budget relates to slippage from 2018/19 as per the outturn report.	7.090	7.090
F2	Gateway/Grand Central Residual Costs	The increase in budget relates to slippage from 2018/19 as per the outturn report.	6.690	6.690
F3	CWG Village	The increase in budget relates to slippage from 2018/19 as per the outturn report.	57.143	57.143

Forecast Variations							
Current Year				All Years			
Current Budget £m	Forecast £m	Variation £m	Month 1 Variation £m	Current Budget £m	Forecast £m	Variation £m	Month 1 Variation £m
0.764	0.764	0.000	0.000	1.308	1.308	0.000	0.000
0.820	0.820	0.000	0.000	1.266	1.266	0.000	0.000
0.244	0.244	0.000	0.000	7.911	7.911	0.000	0.000
1.828	1.828	0.000	0.000	10.484	10.484	0.000	0.000
2.379	2.379	0.000	0.000	2.379	2.379	0.000	0.000
10.914	10.914	0.000	0.000	12.514	12.514	0.000	0.000
7.442	7.442	0.000	0.000	113.765	113.765	0.000	0.000
0.013	0.013	0.000	0.000	0.013	0.013	0.000	0.000
1.057	1.057	0.000	0.000	1.057	1.057	0.000	0.000
2.640	2.640	0.000	0.000	2.927	2.927	0.000	0.000
24.445	24.445	0.000	0.000	132.656	132.656	0.000	0.000
1.141	1.141	0.000	0.000	1.141	1.141	0.000	0.000
2.467	2.467	0.000	0.000	4.467	4.467	0.000	0.000
3.608	3.608	0.000	0.000	5.608	5.608	0.000	0.000
28.053	28.053	0.000	0.000	138.263	138.263	0.000	0.000
22.167	22.167	0.000	0.000	58.967	58.967	0.000	0.000
16.544	16.544	0.000	0.000	20.013	20.013	0.000	0.000
38.711	38.711	0.000	0.000	78.979	78.979	0.000	0.000
0.284	0.284	0.000	0.000	0.284	0.284	0.000	0.000
0.926	0.926	0.000	0.000	1.458	1.458	0.000	0.000
71.016	71.016	0.000	0.000	653.633	653.633	0.000	0.000
60.516	60.516	0.000	0.000	401.659	401.659	0.000	0.000
5.462	5.462	0.000	0.000	57.129	57.129	0.000	0.000
138.204	138.204	0.000	0.000	1,114.163	1,114.163	0.000	0.000
2.566	2.566	0.000	0.000	2.566	2.566	0.000	0.000
0.002	0.002	0.000	0.000	0.394	0.394	0.000	0.000
3.000	3.000	0.000	0.000	3.000	3.000	0.000	0.000
5.568	5.568	0.000	0.000	5.959	5.959	0.000	0.000
0.095	0.095	0.000	0.000	0.095	0.095	0.000	0.000
0.759	0.759	0.000	0.000	0.759	0.759	0.000	0.000
0.287	0.287	0.000	0.000	0.287	0.287	0.000	0.000
1.141	1.141	0.000	0.000	1.141	1.141	0.000	0.000
183.624	183.624	0.000	0.000	1,200.243	1,200.243	0.000	0.000
34.845	34.845	0.000	0.000	63.327	63.327	0.000	0.000
2.500	2.500	0.000	0.000	8.045	8.045	0.000	0.000
1.000	1.000	0.000	0.000	142.213	142.213	0.000	0.000
0.000	0.000	0.000	0.000	34.530	34.530	0.000	0.000
0.000	0.000	0.000	0.000	6.378	6.378	0.000	0.000
0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000
0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000
3.006	3.006	0.000	0.000	59.410	59.410	0.000	0.000
2.250	2.250	0.000	0.000	101.500	101.500	0.000	0.000
0.000	0.000	0.000	0.000	104.800	104.800	0.000	0.000
0.000	0.000	0.000	0.000	183.300	183.300	0.000	0.000
0.000	0.000	0.000	0.000	109.900	109.900	0.000	0.000
4.499	4.499	0.000	0.000	87.970	87.970	0.000	0.000
1.798	1.798	0.000	0.000	1.798	1.798	0.000	0.000
5.554	5.554	0.000	0.000	5.554	5.554	0.000	0.000
0.000	0.000	0.000	0.000	0.973	0.973	0.000	0.000
0.173	0.173	0.000	0.000	0.520	0.520	0.000	0.000
55.624	55.624	0.000	0.000	950.218	950.218	0.000	0.000
2.171	2.171	0.000	0.000	6.723	6.723	0.000	0.000
4.339	4.339	0.000	0.000	4.339	4.339	0.000	0.000
0.084	0.084	0.000	0.000	0.084	0.084	0.000	0.000

	Forecast Variations							
	Current Year				All Years			
	Current Budget £m	Forecast £m	Variation £m	Month 1 Variation £m	Current Budget £m	Forecast £m	Variation £m	Month 1 Variation £m
Grants/Loans Programme	0.000	0.000	0.000	0.000	1.000	1.000	0.000	0.000
Total Planning & Development	62.219	62.219	0.000	0.000	962.365	962.365	0.000	0.000
Housing Development								
In Reach	39.695	39.695	0.000	0.000	141.215	141.215	0.000	0.000
CMW-Sale To In Reach	10.000	10.000	0.000	0.000	100.000	100.000	0.000	0.000
Total Housing Development	49.695	49.695	0.000	0.000	241.215	241.215	0.000	0.000
<u>Transport Connectivity</u>								
<u>Major Schemes</u>								
Ashted Circus	1.128	1.128	0.000	0.000	1.128	1.128	0.000	0.000
Metro Extension	0.000	0.000	0.000	0.000	4.474	4.474	0.000	0.000
Iron Lane	4.207	4.207	0.000	0.000	10.216	10.216	0.000	0.000
Minworth Unlocking	0.100	0.100	0.000	0.000	0.100	0.100	0.000	0.000
Battery Way Extension	1.568	1.568	0.000	0.000	1.669	1.669	0.000	0.000
Longbridge Connectivity	0.375	0.375	0.000	0.000	0.375	0.375	0.000	0.000
A457 Dudley Road	1.285	1.285	0.000	0.000	28.896	28.896	0.000	0.000
Journey Reliability	0.756	0.756	0.000	0.000	0.756	0.756	0.000	0.000
Tame Valley Phase 2 & 3	0.554	0.554	0.000	0.000	85.607	85.607	0.000	0.000
Selly Oak New Road Phase 1B	6.000	6.000	0.000	0.000	7.312	7.312	0.000	0.000
Wharfedale Bridge	2.542	2.542	0.000	0.000	2.695	2.695	0.000	0.000
Snow Hill Station	4.268	4.268	0.000	0.000	8.060	8.060	0.000	0.000
Other (Major Schemes)	1.627	1.627	0.000	0.000	2.077	2.077	0.000	0.000
Total Major Schemes	24.412	24.412	0.000	0.000	153.367	153.367	0.000	0.000
Inclusive & Sustainable Growth	20.069	20.069	0.000	0.000	25.718	25.718	0.000	0.000
Walking & Cycling	8.467	8.467	0.000	0.000	14.445	14.445	0.000	0.000
Local Measure	(0.001)	(0.001)	0.000	0.000	(0.001)	(0.001)	0.000	0.000
Infrastructure Dev	0.688	0.688	0.000	0.000	4.430	4.430	0.000	0.000
Section 278/S106	(0.343)	(0.343)	0.000	0.000	(0.343)	(0.343)	0.000	0.000
Transportation & highways Funding Strat	0.000	0.000	0.000	0.000	4.025	4.025	0.000	0.000
Total Transport Connectivity	53.292	53.292	0.000	0.000	201.641	201.641	0.000	0.000
<u>Highways Infrastructure</u>								
Safer Routes to Schools	0.669	0.669	0.000	0.000	1.869	1.869	0.000	0.000
Network Integrity and Efficiency	1.572	1.572	0.000	0.000	3.572	3.572	0.000	0.000
S106 & S278 Schemes	0.069	0.069	0.000	0.000	0.069	0.069	0.000	0.000
Road Safety	0.887	0.887	0.000	0.000	2.987	2.987	0.000	0.000
District Schemes	0.544	0.544	0.000	0.000	0.544	0.544	0.000	0.000
Total Highways Infrastructure	3.740	3.740	0.000	0.000	9.040	9.040	0.000	0.000
<u>Property Services</u>								
Attwood Green Parks	0.059	0.059	0.000	0.000	0.059	0.059	0.000	0.000
AttwoodGreen-Holloway Head Playing Field	0.038	0.038	0.000	0.000	0.038	0.038	0.000	0.000
Attwood Green-Woodview Community Centre	0.090	0.090	0.000	0.000	0.090	0.090	0.000	0.000
Bham Crisis Centre-Nursery Extension	0.005	0.005	0.000	0.000	0.005	0.005	0.000	0.000
Highbury Hall Essential Works	0.463	0.463	0.000	0.000	0.463	0.463	0.000	0.000
Property Strategy	26.500	26.500	0.000	0.000	55.000	55.000	0.000	0.000
Total Property Services	27.153	27.153	0.000	0.000	55.653	55.653	0.000	0.000
Total Inclusive Growth Directorate	196.100	196.100	0.000	0.000	1,469.914	1,469.914	0.000	0.000
<u>DIGITAL & CUSTOMER SERVICES DIRECTORATE</u>								
ICT & Digital	8.856	8.856	0.000	0.000	48.783	48.783	0.000	0.000
Total Digital & Customer Services Directorate	8.856	8.856	0.000	0.000	48.783	48.783	0.000	0.000
<u>FINANCE & GOVERNANCE DIRECTORATE</u>								
<u>Development & Commercial</u>								
Gateway/Grand Central Residual Costs	6.690	6.690	0.000	0.000	6.690	6.690	0.000	0.000
Capital Loans & Equity	1.950	1.950	0.000	0.000	3.242	3.242	0.000	0.000
Total Development & Commercial	8.640	8.640	0.000	0.000	9.932	9.932	0.000	0.000
<u>Corporately Held Funds</u>								
Revenue Reform Projects	26.918	26.918	0.000	0.000	39.557	39.557	0.000	0.000
Corporate Capital Contingency	5.000	5.000	0.000	0.000	25.000	25.000	0.000	0.000
Total Corporately Held Funds	31.918	31.918	0.000	0.000	64.557	64.557	0.000	0.000
SAP Investments	2.097	2.097	0.000	0.000	3.989	3.989	0.000	0.000
Total Finance & Governance Directorate	42.656	42.656	0.000	0.000	78.478	78.478	0.000	0.000
<u>COMMONWEALTH GAMES 2022</u>								
CWG Village	231.743	231.743	0.000	0.000	494.143	494.143	0.000	0.000
CWG Alexander Stadium	27.183	27.183	0.000	0.000	70.801	70.801	0.000	0.000
CWG Organising Cttee	2.261	2.261	0.000	0.000	72.730	72.730	0.000	0.000
Total Commonwealth Games 2022	261.187	261.187	0.000	0.000	637.674	637.674	0.000	0.000
Total Capital Programme	722.304	722.304	0.000	0.000	3,583.839	3,583.839	0.000	0.000

ADULT SOCIAL CARE DIRECTORATE	
Project/Programme	Comments
None	None

EDUCATION AND SKILLS DIRECTORATE	
Project/Programme	Comments
Schools Academisation	Some schools have/are in the process of converting to Academies, but have significant deficits that have to be funded by the LA. £8.5m of corporate funding has been allocated to pick this up however, there is a risk that more schools could follow suit.

NEIGHBOURHOODS DIRECTORATE	
Project/Programme	Comments
Stechford Cascades New build	Further asbestos has been discovered creating a likely overspend of £178k which can be funded from capital receipts allocated to the Directorate, subject to approval. A firmer view of the forecast variation and remedial action will be brought at month 3.
HRA - Fire Protection Programme	A financial risk of approximately £28m has been identified to address measures recommended from the Hackett Review as Fire Precautions for High Rise Blocks. The proposed programme anticipates that £14m is required for the current year with the balance to be spent in future years. This will need to be contained within HRA financial resources.
HRA - Adaptations	There is financial risk due to a significant backlog of adult referral cases. Both Neighbourhoods and Adults Social Care are working together to address the operation and financial issues through a comprehensive implementation plan alongside a financial mitigation plan. An update will be provided for P3.

INCLUSIVE GROWTH DIRECTORATE	
Project/Programme	Comments
Tame Valley Phase 2 & 3	A potential pressure has been identified in 2024/25 totalling around £2.2m, a result of further work to better define the full cost of the programme as outlined in the February 2019 Cabinet report. A firmer view of the forecast variation and remedial action will be brought at month 3.

DIGITAL & CUSTOMER SERVICES DIRECTORATE	
Project/Programme	Comments
None	None

FINANCE & GOVERNANCE DIRECTORATE	
Project/Programme	Comments
None	None

TREASURY MANAGEMENT MONITORING DASHBOARD: MAY 2019

	value	comparator	difference
1 gross loan debt	£m	£m	£m
at month end	3,204		
year end Forecast (vs Plan)	3,565	3,591	-25
year end Forecast (vs Pru Limit for loan debt*)	3,565	3,868	-302
<i>*monitoring of the full set of prudential indicators is reported quarterly to Cabinet</i>			
2 short term borrowing			
at month end (vs Guideline)	358	500	-142
interest rate year to date on outstanding deals (vs assumption)	0.89%	1.00%	-0.11%
3 Treasury investments			
at month end (vs Guideline)	74	40	34
interest rate year to date on outstanding deals (vs assumption)	0.70%	0.70%	0.00%
4 Long term loans taken			
year to date (vs plan for year)	0	225	-225
ave. interest rate obtained (vs assumption)	0	2.90%	
Long term loans repaid early and replaced:	30		
5 Assurance			
were Credit criteria complied with?	yes		
were investment defaults avoided?	yes		
was the TM Code complied with?	yes		
were prudential limits complied with?	yes		