

Birmingham City Council

Report to Cabinet

14 May 2024



Subject: Section 151 Officer Update on the Financial Position of the Council – May 2024

Report of: Fiona Greenway, Director of Finance and Section 151 Officer

Relevant Cabinet Member: Leader and Cabinet Member for Finance & Resources, Councillor John Cotton

Relevant O&S Chair(s): Chair of Finance & Resources Overview & Scrutiny, Councillor Jack Deakin

Report author: Fiona Greenway, Director of Finance and Section 151 Officer

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential: N/A		

1. Executive Summary

1.1 This report outlines the financial situation of Birmingham City Council as of May 2024. This report follows a series presented to Cabinet between November 2023 and January 2024, providing an update on the financial position of the City Council. Throughout the 2024/25 financial year regular updates will be presented to the City Council on the financial position, including updates on the 2023/24 financial outturn, 2024/25 in-year position, 2024/25 savings delivery, and 2025/26 forecast.

- 1.2 This report will focus on:
- a) A brief update on the budget for 2024/25 as agreed in 5 March 2024 (paragraphs 3.1 to 3.13 refers); and
 - b) An update on the timeline for setting the budget and Council Tax Requirement for 2025/26, with a particular focus on activities in April and May 2024 (paragraphs 3.14 to 3.48 refers).
- 1.3 On 27 February 2024, the Leader of the City Council received confirmation from Simon Hoare MP, Minister for Local Government, that the Department for Levelling Up, Housing and Communities (DLUHC) was minded to approve a capitalisation direction of a total not exceeding £1,225.1m for the financial years 2020/21 to 2024/25.
- 1.4 Following receipt of this minded to letter, a supplementary report was presented to City Council on 5 March 2024 confirming the receipt of Exceptional Financial Support (EFS) from DLUHC. As such, this enabled the City Council to set a balance budget and commence the journey to rebuild a credible and sustainable financial plan for the medium term.
- 1.5 The presented budget was approved by City Council on 5 March 2024, allowed the commencement of delivery against a significant savings programme of £149.8m of savings during the 2024/25 financial year. It is imperative that savings targets are achieved, failure to do so must be mitigated by Directors in-year. Since savings are cumulative, every £1m of saving not achieved in 2024/25 results in £2m of savings to be delivered in 2025/26. Any delay to savings will continue to have a devastating impact on services.
- 1.6 Key to the success of the 2024/25 budget will be the delivery of a capital receipts programme which addresses the permitted capitalisation for the 2024/25 financial year. DLUHC has confirmed that it is minded to allow the Council a capitalisation to cover the Equal Pay accounting liability, the costs involved in the redundancy scheme, and support to deliver a balanced budget for the 2024/25 financial year. The Council intends to address this through the application of capital receipts from the sale of assets. If the City Council is unable to make up the totality of this EFS requirement during the 2024/25 financial year through capital receipts, the Council

will be forced to borrow at a penalty rate, which will increase interest charges for the Council and increase the revenue budget gap for future years.

- 1.7 As outlined in the papers presented on 5 March 2024, before identified savings proposal there is a £143.7m budget gap for the 2025/26 financial year. In the papers presented, proposals for up to £76.3m of savings were presented, with a further £67.4m still to be identified. As such, work must now commence to prepare for the presentation of a balanced budget that addresses the full £143.7m budget gap for the coming financial year.
- 1.8 To achieve this, a timeline must be presented and agreed that delivers a balanced budget for the 2025/26 financial year earlier than in prior years. Lessons learned from the 2024/25 financial year demonstrate the challenges with identifying savings in a short timeframe. In order to identify sustainable efficiency savings, rather than service cuts, work must commence on identification of transformational savings. Critical to success of this is the development of a whole Council Target Operating Model, and cross-cutting approach to savings which links efficiencies to the Council's overarching priorities.
- 1.9 To return the Council to a stable medium term financial position, a Medium Term Financial Plan (MTFP) must be developed during the 2024/25 financial year which delivers a four-year plan, 2025/26 to 2026/27 balanced, and 2027/28 to 2028/29 forecast. This means addressing the £143.7m budget gap in 2025/26 and a savings target for the 2026/27 financial year (target to be presented following refreshing pressures for future financial years).
- 1.10 Further detail on the proposed timeline is found within this report.

2. Recommendation(s)

2.1 Cabinet is recommended to:

- a) Note the update on the **budget for 2024/25** (paragraphs 3.1 to 3.13 refers); and
- b) Endorse the **timeline presented for setting the budget and Council Tax Requirement for 2025/26** (paragraphs 3.14 to 3.48 refers).

3. Background

Update on Budget for 2024/25

- 3.1 On 27 February 2024, the Leader of the City Council received confirmation from Simon Hoare MP, Minister for Local Government, that the Department for Levelling Up, Housing and Communities (DLUHC) was minded to approve a capitalisation direction of a total not exceeding £1,225.1m for the financial years 2020/21 to 2024/25.
- 3.2 Following receipt of this minded to letter, a supplementary report was presented to City Council on 5 March 2024 confirming the receipt of Exceptional Financial Support (EFS) from DLUHC. This EFS provides the ability to capitalise revenue expenditure and is unfunded, requiring capital receipts generated by asset disposals. These requests were twofold:
- a) Permission to increase the Council Tax level above the referendum limit to 9.99% and to support this, the Council will review and revise the Council Tax Support Scheme to offset the potential impact to citizens; and
 - b) A formal application for a Capitalisation Direction of £1.255bn and 'minded to' letter to cover the Equal Pay accounting liability, the costs involved in the redundancy scheme, and support to deliver a balanced budget for the 2024/25 financial year.
- 3.3 Following confirmation of the EFS, this enabled the City Council to set a balance budget and commence the journey to rebuild a credible and sustainable financial plan for the medium term.
- 3.4 The presented budget was approved by City Council on 5 March 2024, allowed the commencement of delivery against a significant savings programme of £149.8m of savings during the 2024/25 financial year. It is imperative that savings targets are achieved, failure to do so must be mitigated by Directors in-year.
- 3.5 Saving delivery has commenced, and updates on the status of savings will be presented to Cabinet throughout the year. The first interim savings report has been presented to Commissioners and the Commissioner Finance Sub-Board for comment.
- 3.6 It should be noted that savings are cumulative, as such every £1m of saving not achieved in 2024/25 results in £2m of savings to be delivered in 2025/26. Any delay to savings will continue to have a devastating impact on services.

- 3.7 At this stage of the 2024/25 financial year, Finance have not been made aware of any additional pressures. A refresh to the in-year financial position for 2024/25 will be completed over the coming months.
- 3.8 In order to maintain control on Council spend, a review of the current Section 151 Officer Spend Control process has been completed. Initial findings indicate that although these processes have been effective at stopping spend at a Directorate level, there remains 5% of spend requests which are submitted and rejected on a monthly basis. Communications must continue across the organisation to highlight the challenging financial position the Council faces. It is proposed that controls remain in place until a maximum of 2% of spend requests are rejected at a Directorate level.

Capital Receipts Programme for 2024/25

- 3.9 Key to the success of the 2024/25 budget will be the delivery of a capital receipts programme which addresses the permitted capitalisation for the 2024/25 financial year. DLUHC has confirmed that it is minded to allow the Council a capitalisation to cover the Equal Pay accounting liability, the costs involved in the redundancy scheme, and support to deliver a balanced budget for the 2024/25 financial year. The Council intends to address this through the application of capital receipts from the sale of assets. If the City Council is unable to make up the totality of this EFS requirement during the 2024/25 financial year through capital receipts, the Council will be forced to borrow at a penalty rate, which will increase interest charges for the Council and increase the revenue budget gap for future years.
- 3.10 The Council has developed a programme of asset sales which addresses the Council's capital receipts requirement. The value of this programme is £500m during the 2024/25 financial year, and £250m during the 2025/26 financial year.
- 3.11 To date, the Council has achieved £66m of the targeted 2024/25 asset disposals, leaving £434m of assets left to be sold during the coming financial year. Legal contracts are exchanged on a further £38m, with £155m under offer and bidding on a further £124m. This means that there is good visibility on just over 75% of the 2024/25 target.

- 3.12 Due to the significant programme of asset sales, and the current pressure on the Council's revenue budget, there continues to be constraints on the Council's capital programme. As such, new inclusions to the programme are restricted, and the Council does not intend to increase the current borrowing requirement which has an impact on revenue funding via interest charges.
- 3.13 The size and scale of the Council's capital programme and capital asset base means that there is opportunity for rationalisation and optimisation. This should be realised through driving the Corporate Landlord model, to rationalise operational usable of property leading to consolidation, capital receipts, and a resultant revenue saving. It is critical that the Corporate Landlord model is accelerated during 2024/25.

Lessons Learned from 2024/25 Budget Setting

- 3.14 Following the completion of the 2024/25 Budget Setting, it is key that lessons are learnt from this process in order to inform the approach to 2025/26. The key themes identified within this review are as follows:

3.15 Short Timescales

The 2024/25 Budget was set in a short timeframe. Work towards setting the budget was accelerated in earnest from in October 2023, which limited the engagement and creativity that could be implemented into this process. It is therefore imperative that the 2025/26 budget setting the process is started much earlier in order to allow for increased engagement and innovative thinking to savings identification. This has been reflected in the timetable in Appendix 1, with indicative savings targets allocated to Directorates in April 2024, initial savings proposals being submitted at the end of May 2024, and a draft MTFP being taken to Cabinet in October 2024.

3.16 Service Reductions instead of Efficiencies and Transformation

The majority of the savings proposals for 2024/25 were related to the reduction of services rather than efficiency and transformation of service delivery. For future years, savings must focus on the transformation of services, cross-cutting savings and delivery of a leaner organisation. The timeline in Appendix 1 sets out a series of thematic workshops which will focus on transformation and cross-cutting savings, as well as providing opportunities for engagement with Staff and residents to gather savings ideas to transform existing services.

3.17 Leader Budget Assurance sessions and Overview & Scrutiny Task & Finish

The Leader's Budget Assurance sessions and the Overview & Scrutiny Budget Task and Finish Groups, both of which were held in December 2023, helped with challenging the proposed savings. The effectiveness of these forums mean that these are planned to be held again for 2025/26 Budget Setting. It's proposed the Leader's Budget Assurance sessions are held earlier in the year, beginning in July 2024.

3.18 Transparency and Accountability

Key to the ability for the Council to deliver on the 2024/25 Budget Setting has been transparency and accountability. This has been achieved through reporting of delivery against the timeline to the Commissioner Finance Board and Cabinet, utilising Section 151 Officer updates. This will continue throughout the 2024/25 financial year, and this papers forms the first in this series of updates.

2025/26 Budget and Council Tax Requirement timeline

3.19 As outlined in the papers presented on 5 March 2024, before identified savings proposal there is a £143.7m budget gap for the 2025/26 financial year. In the papers presented, proposals for up to £76.3m of savings were presented, with a further £67.4m still to be identified. As such, work must now commence to prepare for the presentation of a balanced budget that addresses the full £143.7m budget gap for the coming financial year.

3.20 To return the Council to a stable medium term financial position, a Medium Term Financial Plan (MTFP) must be developed during the 2024/25 financial year which delivers a four-year plan, 2025/26 to 2026/27 balanced, and 2027/28 to 2028/29 forecast. This means addressing the £143.7m budget gap in 2025/26 and a savings target for the 2026/27 financial year (target to be presented following refreshing pressures for future financial years).. For the 2027/28 and 2028/29 financial years a list of savings areas under development must be identified to accelerate the savings process in future years and focus minds on a four-year savings programme.

3.21 To achieve these targets, a timeline has been developed that delivers a balanced budget for the 2025/26 financial year earlier than in prior years. Lessons learned from the 2024/25 financial year demonstrate the challenges with identifying savings

in a short timeframe. In order to identify sustainable efficiency savings, rather than service cuts, work must commence on identification of transformational savings.

3.22 Savings proposals for the 2025/26 financial year must link to “Shaping Birmingham’s Future Together”. This exercise helps to consider how savings proposals will fit with and underpin the Council in the future. Critical to success of this is the development of a whole Council Target Operating Model, and cross-cutting approach to savings which links efficiencies to the Council’s overarching priorities.

3.23 This means aligning to key Operating Principles, which are used to inform the 2025/26 budget savings:

Image 1 – Operating Principles



3.24 Key themes that will be a focus during the 2025/26 savings exercise are:

- a) Focussing on **efficiencies** as a greater proportion of savings compared to service cuts, with a focus on reducing duplication, process inefficiency, etc.;
- b) **Transformational change**, focussing on rethinking service delivery models across a range of services combined;
- c) **Early Intervention and Prevention** as a key driver for how the Council moves forwards and builds on previous successes;
- d) **Working with partners**, operating in a more joined up way and reduction friction and duplication;
- e) **Engagement with community organisations and citizens** to find solutions, to identify what matters to citizens most;
- f) **Engaging with front-line staff** to find innovative solutions;

- g) Looking **outside of Birmingham** to identify good ideas; and
- h) **Benchmarking services** to use the best use of resources and set savings targets.

3.25 A detailed timeline of activities between April 2024 and March 2025 is outlined at Appendix 1. This timeline reflects the need to deliver a plan sooner, provide further detail behind savings proposals, and engage with Member and citizens on the impact of proposals.

3.26 The proposed key deadlines for the coming financial year are:

- a) May 2024 – Submission of updated savings for the 2025/26 financial year;
- b) June 2024 – Saving theme workshops concluded;
- c) June 2024 – Deadline for savings proposals and pressures for 2025/26;
- d) July 2024 – Corporate & Finance Overview & Scrutiny Committee commences on 2025/26 budget;
- e) August 2024 – Delivery Plans produced for submitted savings proposals
- f) September 2024 – Member challenge sessions
- g) September 2024 – CLT, EMT, and Information Cabinet review
- h) October 2024 – Launch of refreshed Corporate Plan
- i) October 2024 – Draft MTFP shared with CLT, EMT and Cabinet for comment;
- j) November 2024 – Refreshed MTFP for comment;
- k) December 2024 – Refreshed MTFP for comment;
- l) February 2025 – Cabinet / Full Council.

3.27 The new timeline focuses on regular updates to Cabinet and Full Council, regular engagement with Members across Cabinet, Overview and Scrutiny, and Full Council, and sufficient time for open discussion with Citizens on savings proposals.

3.28 The timeline proposed will continue to be refined following feedback from Officers and Members, and a regular update on the status of activities will be reported to forums via the Section 151 Officer.

3.29 The key activities for April and May are covered below in additional detail, which will focus on commencing savings identification workshops for 2025/26 and extending the MTFP to consider future financial years within the plan.

Commence Regular Updates (Appendix 1, ID 4, 5, 8, 11, 12, 13)

3.30 A key element to the success of 2025/26 budget setting process will be engagement with parties across the Council in a timely manner. As such, regular updates will be provided to a number of forums. These updates commence in April 2024.

3.31 Updates will be provided to the Portfolio Holder for Finance and Resources (weekly), Informal Cabinet (29th April and 29th May 2024), EMT (30th April and 28th May 2024), CLT (23rd April and 21st May 2024), Commissioners (weekly), and the Commissioner Finance Board (15th April and 29th May 2024). This process will also be a key element in the Transformation Board, with savings and transformation intrinsically linked.

3.32 These updates will continue during the whole of the 2025/26 budget setting process.

Update MTFP Model to Reflect 4-year MTFP (Appendix 1, ID 1, 3)

3.33 Following the agreement of the 2024/25 budget, the Medium Term Financial Plan (MTFP) model needs to be refreshed for the coming 4-year period. The model itself has a 10-year forecast, however the accuracy of assumptions decreases over time both for external and internal factors. This means that there is an inherent optimism bias and short termism in the current modelling, and these assumptions therefore need to be refreshed and refined to deliver a realistic 4-year MTFP.

3.34 The Council intends to develop and present a 4-year MTFP for the period 2025/26 to 2028/29. The target is to present a two-year balanced budget for 2025/26 and 2026/27, and a forecast for the 2027/28 and 2028/29 financial years.

3.35 Refreshing the underlying assumptions will support with allocation of indicative targets to Directorates. Following the refresh of assumptions the accuracy of targets will improve. The MTFP will also be informed by in-year information and decision making, and as such will be refreshed on a regular basis to reflect the financial

performance of the Council during 2024/25 and the ability to deliver on savings targets.

- 3.36 Finance will commence the refresh process during April 2024, presenting a current-state position. The refresh process is a collaborative effort between Finance Business Partners and Directorates, and we do not expect a position with fully refreshed assumptions to be presented to Cabinet until July 2024, informed by in-year data.

Indicative Target Allocations for 2025/26 (Appendix 1, ID 2)

- 3.37 Directorates are continuing to review potential areas for savings and transformation on the basis of targets for the 2025/26 financial year allocated during the budget setting process for the 2024/25 financial year. This includes reviewing Alternative Budget proposals, savings proposals from other Councils, and proposals from other Councils under S114 conditions, Commissioner Led Intervention, or in receipt of EFS.
- 3.38 During the 2024/25 budget setting process the allocation of savings was completed on a controllable net revenue budget basis. Following a review of budgets, there are a number of areas of each Directorates budget for which Directors have more or less control over areas of spend. As such, a refined allocation process is being developed to provide allocation of targets for the 2025/26 financial year, this will be completed by 30th April 2024.
- 3.39 Directorates should aim to utilise all information available, such as benchmarking data, controllable revenue data, and information on Statutory/Non-Statutory services in order to inform savings decisions which provide Best Value to the Council. This includes working with third parties, such as engaging with Core Cities or Midlands peers to understand good practice, and working with partners to understand opportunities to operate in a more joined up way.

Savings Workshops (Appendix 1, ID 6, 10, 18)

- 3.40 Once savings targets have been allocated, and alongside the Directorate led work to identify savings, a thematic approach will be taken to the development of savings

during the 2025/26 financial year. This means working on ideas that focus on cross-cutting themes that deliver savings across multiple Directorates within the Council.

3.41 A series of workshops will be scheduled and held during April and May 2024 to explore the potential to make savings across these themes. Nominated owners for themes will be identified based on skillsets, and then these individuals will drive the development of cross-Directorate savings.

3.42 Themes include exploring savings across Procurement, Fees & Charges, Consolidation, Agency Spend, Corporate Landlord, and other transformational saving areas. Savings for the 2025/26 financial year must focus on delivering efficiencies which result in a much leaner cost base for the Council for a sustainable financial future.

3.43 Further, a long-list of savings opportunities have been identified through leveraging proposals from other Council budget reports, research in to other Local Authorities with a particular focus on Core Cities and Councils in receipt of EFS, research in to third parties, prior year savings, and staff suggestions.

Staff, Member, and Trade Union Suggestion Process (Appendix 1, ID 7, 14)

3.44 In order to gather savings opportunities from a range of informed sources, processes for the engagement and collaboration with Staff, Members and Trade Unions in the savings identification process will be developed.

3.45 These new processes will go live 17th April 2024 and will allow for the submission of responses via a Service and Policy Improvement survey, with responses collated and shared with CLT on a regular basis. Responses from CLT to the savings ideas will also be published on the intranet, and ideas will inform workshops and how Directorates address their savings targets.

3.46 Learning from other Directorates will be leveraged to gather engagement. This includes practices such as 'Hackathon's', working in a collaborative rapid environment to challenge the status quo on current working practices to identify new ways of working. These types of events and engagement will provide a route for all levels of the organisation to engage in savings identification and transformation.

Directorate Deep Dives (Appendix 1, ID 9, 16)

- 3.47 Each Directorate will complete a review process and 'deep-dive' of their Budget Book with the relevant Finance Business Partner. This means reviewing each line of spend within the budget, and providing information and justification for the existence of this spend.
- 3.48 This process will continue the re-basing work completed on the 2024/25 budget, and helps to ensure that no stone is unturned in the baseline budget information. Sessions will also be informed by data from Directorate and Section 151 Officer Spend Control Board sessions in 2023/24, to provide challenge to areas of spend which were rejected in-year. Further, 2022/23 outturn and draft 2023/24 positions on over and under spends will help to prioritise budget lines for investigation.
- 3.49 Further, Third Parties will be engaged where appropriate to support with Service review and challenge. The Council has identified an individual to support with challenge with significant experience of transformation and savings with Councils in challenging financial situations. This approach will be piloted in selected service areas to demonstrate the value, before exploring a rollout to other Directorates.

Outcome from April/May Activities (Appendix 1, ID 15, 17)

- 3.50 Following the significant efforts outlined above in April and May 2024, there are two key papers that will be produced by Finance.
- 3.51 First, an updated Section 151 Office Update Cabinet Report will be presented to Cabinet in June 2024 outlining the initial findings of the savings exercises and updating on the progress against the 2025/26 budget setting timeline.
- 3.52 Second, Directorates will have submitted their first updated set of savings for the 2025/26 financial year by the end of May. This will provide the first informed update on the Council's ability to meet the £143.7m savings target for the 2025/26 financial year presented to Cabinet in July 2024.
- 3.53 Following completion of these two papers, a refresh of the timeline, savings targets, and MTFP position will be completed in order to inform the next steps in the 2025/26 budget setting process.

4. Public Consultation and Engagement

- 4.1 This report has been written in consultation of CLT members and has been discussed with EMT. The content of this report is also based on presentations to the Commissioner led Finance Sub-Board.
- 4.2 The full 2025/26 budget will be subject to legal advice and guidance regarding statutory consultation, at that point specific plans will be developed to ensure all relevant groups and communities are appropriately and meaningfully consulted with.

5. Risk Management

- 5.1 All savings presented against as part of the 2025/26 budget will be fully risk assessed. Further, risk assessments are completed as part of the ongoing savings delivery for the 2024/25 financial year.

6. Compliance issues

- 6.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?** All implications and priorities will be considered in the development of savings proposals alongside CLT and Cabinet Members. EMT engagement sessions ensure that there is alignment of proposals with City Council priorities, plans and strategies.
- 6.2 **Legal Implications:** Members have a statutory responsibility to ensure that the Council acts lawfully. The Council must set and maintain a legally balanced budget and must take steps to deal with any projected overspends and identify savings or other measures to bring budget pressures under control. Cabinet is responsible for preparing the annual Council budget in good time for the Council budget meeting in 2025.
- 6.3 Members are reminded in this context of their fiduciary duty to the Council Taxpayer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of the Council's resources.
- 6.4 The Council must comply with all relevant legal requirements to complete Council Tax Setting in 2025, including employment consultation and consultation with the public where appropriate on the implications of proposals as part of this process.

The Council will make sure that Equality Impact Assessments and all appropriate statutory consultation takes place in the development of savings proposals. This will be referenced in future reports to Cabinet and City Council.

6.5 **Financial Implications:** Financial implications are included in the body of this report.

6.6 **Public Sector Equality Duty:** The Council will ensure that all actions taken in response to these recommendations are in line with the Public Sector Equality Duty, this includes aligning to Equality Impact Assessments completed in the development of savings proposals, and ensuring the impact of savings proposals are aligned to the Public Sector Equality Duty.

7. Appendices

7.1 Appendix 1 – Budget Timeline for 2025/26

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ID	Date	Milestone
1	Early-April 2024	2024/25 budgets loaded into Oracle, budget books issued to directorates.
2	April 2024	Indicative targets allocated - Directorates continue to review potential areas for savings and transformation, including Alternative Budget proposals and other councils' savings list.
3	April 2024	Update MTFP model to reflect a 4-year MTFP, update assumptions.
4	April 2024	Briefing to Leader as Finance Portfolio – weekly
5	April 2024	Update to Informal Cabinet
6	April 2024	Workshops are held on saving themes and areas for review
7	April 2024	Staff, Member and Trade Union suggestions process to be set up for savings ideas
8	April – May 2024	Fortnightly updates to CLT and EMT
9	May 2024	Deep dives of Directorates spend to identify initial areas of potential savings
10	May 2024	Further workshops are held on saving themes and areas for review
11	May 2024	Briefing to Leader as Finance Portfolio - weekly
12	May 2024	Update to Informal Cabinet
13	May 2024	Cabinet finance report outlining approach to MTFP and budget consultation
14	Late-May 2024	Review of staff suggestions and sharing with CLT
15	Late-May 2024	Deadline for submission for updated savings (2025/26 prior submissions), savings identified from the review of Alternative Budget proposals and other council's savings list.
16	June 2024	Further deep dive reviews are held with Directorates
17	June 2024	Cabinet finance report update on progress made.

Appendix 1 – Budget Timeline for 2025/26

ID	Date	Milestone
18	Late-June 2024	Saving themes workshops conclude – areas identified as possible savings to be worked up
19	Late-June 2024	Deadline for Directorates to put forward further savings proposals and pressures for 2025/26 onwards
20	June – July 2024	Review of existing Capital Programme - Review the existing capital programme from the current financial year to identify ongoing projects, commitments, and any carry-over funding requirements. Review existing capital programme to ensure projects are still aligned to Corporate priorities. Assess any emerging needs, priorities, or strategic initiatives that may require capital investment in the upcoming year.
21	June 2024	Issue Capital Budget Guidance and Communications - Issue guidance and instructions to departments and stakeholders regarding the capital budget process, including submission deadlines, evaluation criteria, and any policy considerations. Communicate the overarching financial constraints, strategic priorities, and expectations for the upcoming capital budget cycle.
22	June – August 2024	Big Birmingham Conversation – including budget consultation
23	July 2024	Leader’s Budget Assurance sessions are held, Leader will review proposed savings and challenge and scrutinise Directors and Cabinet Members to ensure proposed savings are deliverable.
24	July 2024 onwards	Corporate & Finance Overview & Scrutiny Committee to start scrutiny of 2025/26 Budget
25	July 2024	Savings from theme workshops are worked up and submitted
26	Mid-July 2024	Q1 2024/25 Budget Monitor – revised 2025/26+ budget gap based on latest position
27	July 2024	Cabinet finance report update on progress made, including latest value of savings identified, milestones reached, and latest timetable shared.
28	Late-July 2024	Savings and pressures shared with CLT for review and challenge
29	Late-July 2024	Savings and pressures shared with EMT for review and challenge

Appendix 1 – Budget Timeline for 2025/26

ID	Date	Milestone
30	July – August 2024	Submission of Capital pressures / Requirements - Directorates and FBPs submit capital bids for new projects, enhancements, replacements, or expansions, adhering to the prescribed format and guidelines. Bids should include detailed project proposals, cost estimates, anticipated benefits, risks, and alignment with strategic objectives.
31	August 2024	Delivery Plans produced for submitted savings proposals
32	September 2024	Service review sessions with a cross-directorate challenge group to scrutinise Delivery Plans
33	September 2024	Cabinet finance report update on progress made, including latest value of savings identified, milestones reached, and latest timetable shared.
34	August – September 2024	Review and Evaluation of Capital Bids - Establish a review panel comprising finance experts, Directorate representatives, and other relevant stakeholders to evaluate capital bids. Assess the merits of each proposal based on criteria such as strategic alignment, financial sustainability, value for money, feasibility, and potential impact on service delivery. Conduct financial analysis, risk assessment, and sensitivity analysis for selected projects.
35	September 2024	Capital Bid Prioritisation and Allocation - Prioritise capital bids based on the outcomes of the evaluation process and the available budgetary resources. Allocate provisional funding to approved projects, taking into account the strategic importance, urgency, and capacity constraints.
36	Late-September 2024	Member challenge sessions held to scrutinise Delivery Plans
37	Late-September 2024	Final savings and pressures position, deadline to receive all known pressures and proposed savings with delivery plans
38	Late-September 2024	Savings and pressures shared with CLT for final review, this includes saving delivery plans
39	Late-September 2024	Savings and pressures shared with EMT for final review, this includes saving delivery plans

Appendix 1 – Budget Timeline for 2025/26

ID	Date	Milestone
40	Late-September 2024	Savings and pressures shared with Informal Cabinet for final review, this includes saving delivery plans
41	October 2024	Launch of the refreshed Corporate Plan
42	October 2024	Draft MTFP shared with CLT for comment
43	October 2024	Draft MTFP shared with EMT for comment
44	October 2024	Draft Capital Budget for Review - Present the proposed capital budget. Provide project summaries, financial projections, and risk assessments, to support budget deliberations. Address any queries, concerns, or requests for clarification from decision-makers.
45	Mid-October 2024	Cabinet finance report update on draft MTFP will this also request agreement on Council Tax
46	Mid-October 2024	Q2 2024/25 Budget Monitor – revised 2025/26+ budget gap based on latest position
47	October-November 2024	Further review, challenge and refinement of saving proposals
48	Early-November 2024	Final review and update of inflation model using Bank of England Forecasts for November
49	Mid-November 2024	Draft MTFP shared with CLT for comment, changes since previous draft highlighted
50	Mid-November 2024	Draft MTFP shared with EMT for comment, changes since previous draft highlighted
51	November 2024	Cabinet finance report update on latest MTFP position, changes since previous draft highlighted
52	Mid-December 2024	2025/26 Provisional Local Government Finance Settlement
53	December 2024	Cabinet finance report update on latest MTFP position, changes since previous draft highlighted
54	Early-January 2025	Council tax request sent to DLUHC

Appendix 1 – Budget Timeline for 2025/26

ID	Date	Milestone
55	January 2025	Cabinet finance report update on impact of provisional Local Government Finance Settlement, and latest MTFP position
56	Mid-January 2025	2025/26 Final Local Government Finance Settlement
57	Mid-January 2025	O&S Budget Task & Finish Group
58	Mid-February 2025	Cabinet Member budget briefings
59	Mid-February 2025	Political Group budget briefings
60	Late-February 2025	Cabinet – Receives budget
61	Late-February/Early-March 2025	Full Council – Council tax setting