

CORPORATE REVENUE BUDGET MONITORING REPORT 2016/17 MONTH 5

(up to 31st August 2016)

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1. **Executive Summary**

- 1.1 The City Council has a General Fund net revenue budget of £835.281m. The City Council Business Plan 2016+ recognised that in order to accommodate resource losses and fund budget pressures, savings of £88.210m would be required from Directorates in 2016/17. In addition, there are savings from 2015/16 of £34.814m, where delivery still needs to be monitored, including where they were met on a one-off basis and £0.214m of costs identified relating to the implementation of savings. Total savings to be met in 2016/17 are therefore £123.238m.
- 1.2 Latest projections indicate a pressure of £9.683m in the base budget delivery at year-end and £27.810m of risks relating to the savings programme, giving combined pressures and savings risks of £37.493m at year end. This is a limited net reduction of £0.089m since Month 4. The overall position is summarised in Table 1 overleaf.
- 1.3 It was recognised in the month 4 budget monitoring report to Cabinet that this is an exceptional level of challenge at this stage in the year, and the position is receiving the full attention of senior management and the Cabinet.
- 1.4 A comprehensive mid-year review was carried out as part of the Month 4 Revenue Monitoring report. This identified those areas within the Savings Programme that were considered not deliverable and the extent to which these could be offset by one-off mitigations. As part of this review, a number of new savings proposals were also agreed. Directorates are currently working to ensure that the necessary actions are being put in place to ensure these savings are delivered in 2016/17 and future years.
- 1.5 Directorates are also developing and implementing plans to further manage the financial issues and risk that the City Council faces in 2016/17. Progress will be reported upon further in future monitoring reports.
- 1.6 Despite this, it should be recognised that the risk of a 'Council-wide' overspend at year end is substantially higher than in recent years. As identified in the Month 4 report, the Council has an unallocated balance of £60m in the Organisational Transition Reserve "available as a contingency to provide a level of safeguard". This unallocated balance is available, if necessary, to address any residual year end overspend. The potential impact on this reserve will be taken into account in the preparation of the 2017+ Business Plan.
- 1.7 A review of the position on each of the savings initiatives is undertaken each month, and the overall Directorate position at Month 5 is summarised for the City Council in Table 2 overleaf (and detailed on a Directorate basis in Appendix 3). This is an interim update, with work continuing to identify solutions. After mitigations, £95.428m (77.4%) of the required savings of £123.238m are on course to be delivered.
- 1.8 Section 2 of this report details budget pressures on the net revenue budget and savings not deliverable by Directorates.

Table 1 - Summary forecast position of base budget and risks relating to savings programme

Directorate	Current Budget	Net Base Budget Pressures			Savings Programme not Deliverable			TOTAL		
		as at			as at			as at		
		Month 5	Month 4	Movement	Month 5	Month 4	Movement	Month 5	Month 4	Movement
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
People Directorate	474.070	6.871	6.880	(0.009)	28.252	28.332	(0.080)	35.123	35.212	(0.089)
Place Directorate	135.433	4.312	4.312	0.000	8.064	8.064	0.000	12.376	12.376	0.000
Economy Directorate	67.988	0.000	0.000	0.000	1.250	1.250	0.000	1.250	1.250	0.000
Corporate Resources	35.666	0.000	0.000	0.000	0.290	0.290	0.000	0.290	0.290	0.000
Sub-total Directorates	713.157	11.183	11.192	(0.009)	37.856	37.936	(0.080)	49.039	49.128	(0.089)
Policy Contingency	42.323	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Corporate Items	79.801	(1.500)	(1.500)	0.000	(10.046)	(10.046)	0.000	(11.546)	(11.546)	0.000
City Council General Fund	835.281	9.683	9.692	(0.009)	27.810	27.890	(0.080)	37.493	37.582	(0.089)
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Table 2 - Summary of Directorate Savings Programme delivery

	Position as at Month 5 £m	Position as at Month 4 £m
Actions in place to fully achieve savings (in line with Policy Decision)	38.520	36.476
Actions in place to fully achieve savings (new Policy Decision required)	0.024	0.024
Actions in place to achieve savings in year only	20.814	20.414
Actions in place but may be some risk to delivery	26.024	24.217
Savings not deliverable	37.856	42.107
Total Directorate Savings Programme	123.238	123.238

Notes:

1. The month 4 savings not deliverable of £42.107m is shown before the approval of the new savings proposals (£4.171m). This is now reflected in the month 5 position.

2. Detailed Revenue Commentaries by Directorate

The following paragraphs comment on the major financial issues identified at this point in the year. Detailed figures for each Directorate are shown in Appendix 3.

2.1 People Directorate

The Directorate is forecasting a variation of £35.123m (Month 4 £35.212m). This is made up of pressures of £6.871m (Month 4 £6.880m) on the base budget and £28.252m (Month 4 £28.332m) of net savings deemed to be not deliverable in 2016/17.

The reduction of £0.089m since Month 4 relates to a net increase in costs for additional placements and home support packages of £2.165m (after applying £1m for Public Health funding) and £0.544m increase in Homelessness. This has been offset by savings achieved from the reduction in agency staff and employee numbers of £1.843m, £0.500m reduction in contribution to the Care Homes Refurbishment reserve and other mitigations of £0.455m.

Base Budget

The base budget pressure of £6.871m forecast at Month 5 relates to the following:

Adults - £8.411m pressure

- **Adult Social Care Packages - £5.309m pressure**

This represents the gap between the estimated budget requirements for packages of care and the forecast commitment based on current packages of care. The position has increased by £3.165m since Month 4 as a result of additional placements and an increase in Home Support packages. In addition, the use of £1m Public Health grant previously reflected within this area has been shown against Other Net Variations.

The demand for placements based on assessed needs continues to rise and is now at unprecedented levels. Numbers of service users supported following hospital discharges is increasing.

The Directorate is implementing a number of actions to mitigate the pressures, including:

- reviewing the application of new responsibilities within the Care Act
- ensuring that all available income is considered
- improved data cleansing the information within the Directorate's management information system to ensure that the commitment on which the projected spend is based is as accurate as possible
- careful scrutiny of other financial commitments including the use of agency staff

- **Assessment and Support Planning - Deprivation of Liberty Safeguards - £1.500m pressure**

'The Cheshire West Judgement' increased considerably the number of people who may be deprived of their liberty and therefore subject to the statutory scheme contained in the Mental Health Act 2005.

The Government provided a one-off grant of £0.597m in 2015/16 to cover the initial cost implications of this decision. The number of cases meant that costs quickly exceeded this amount. The Directorate's budget was increased by £0.625m in 2016/17 to assist in mitigating these pressures. No additional funding has been made available from Government.

The Directorate has trained and recruited additional Best Interest Assessors for this work and has commissioned additional resource to support the in-house provision. Progress is reported on a monthly basis to the Cabinet Member.

This is a significant national issue and lobbying continues through the Association of Directors of Social Services. A class action against the Government has been raised by four local authorities arguing that there has been a failure to fund the new burden and that this has caused thousands of people to be unlawfully detained. Other current and potential legal cases may extend this issue to include a wider range of cases, including in Children's services, and may result in a further increase in the projected overspend in this area.

To the extent that there is a base budget pressure in 2016/17, it has already been agreed as part of the Month 2 Corporate Revenue Monitoring report that this will be dealt with corporately.

- **Homelessness - £3.359m pressure**

The projected pressure includes additional Temporary Accommodation costs of £2.479m which is an increase of £0.344m from Month 4. The numbers of homelessness cases continues to rise and the pressure on temporary accommodation increases. The number of Bed and Breakfast placements at the end of August was 287, which is an increase of 34 from the end of July. Following a review of bad debts, early indications show an in-year increase in bad debts of £0.880m in 2016/17 (an increase of £0.200m from Month 4).

The Council has a statutory duty to homeless people which includes a duty to provide temporary accommodation. The Council meets this duty through providing a range of different temporary accommodation options for households including hostels, bed and breakfast accommodation (B&B), Council housing stock and properties procured from the private rented sector. The number of people presenting to the Council as homeless has increased significantly during the past 12 months and the availability of suitable property has become scarce and more expensive. Indications are that this is a national problem and may continue to increase in the foreseeable future.

A further consequence relating to the lack of supply of suitable housing is an increase in the rate paid to procure the required accommodation. The payment

levels are now above the benefit rates and this has resulted in additional cost for the Council. The People Directorate is required to meet the shortfall between the subsidy cap and the rental levels. The Directorate is reviewing options to address this ongoing pressure. A business case is being developed to explore usage of redeveloping HRA properties to house homeless citizens. However, this does have capital cost implications. Relationships are being brokered with third sector housing providers to explore mutual benefits to maximising this market for the use of homelessness services.

- **Other net variations - £1.757m underspend**

The net overspend of £1.586m reported at Month 4 has been mitigated by forecast savings as a result of reductions in the use of agency staff and reductions in employees numbers.

The forecast underspend at Month 5 is as a result of £1m relating to Public Health (previously reflected within Adult Social Care Packages) and, in recognition of the financial challenges of the Directorate, it is planned to make no contribution to the Refurbishment Reserve for Care Centres. This is estimated to result in a saving of £0.500m. There are also other net mitigations of £0.257m.

Children - £1.540m underspend

- **Education Service Grant (ESG) - £0.711m pressure**

Reductions of £2.400m were required in 2016/17 to offset the impact of changes in ESG grant. Various mitigations have been identified and applied but there is still a residual amount of £0.711m for which mitigations have not been identified.

- **Early Help & Children's Social Care - £2.503m underspend**

There is a projected £1.660m underspend in internal foster care. The service has undertaken a review of current internal foster care capacity in readiness for implementation of the next phase of the improvement plan to grow the in house service.

There is a projected underspend of £1.300m due to a longer mobilisation period on the phased go live of the residential block contract due to securing planning permission and OFSTED registration for individual properties.

The reduction in the number of externally commissioned residential and community based assessment has resulted in a further underspend of £0.420m. This is due to more direct social work with families which mitigates court requests for separate independent assessments.

In addition there are other net underspends of £0.043m.

These have been offset by a pressure of £0.350m relating to Secure Remand beds costs as a result of decrease in the Youth Justice Board Secure Grant and an increase in bed nights at Secure Training Centres and Secure Children's

homes and £0.570m due to the increasing costs of accommodation and support to No Recourse to Public Fund families.

- **Travel Assist - £0.500m pressure**

A forecast budget pressure of £0.500m is reported on pupil guides arising from factors such as increased demand for Guiding hours and increase of casual cover for additional routes not covered by permanent Guides. These are expected to create an overspend of £0.839m. However, it is anticipated that this will be mitigated by reductions to reflect actions to achieve travel assist savings and, therefore, an overall pressure of £0.500m is forecast. Further work is being undertaken by the service to better understand and explain the factors behind this increase and improve the overall level of monitoring and management information which in turn may require major system and process changes.

- **Other net variations- £0.248m underspend**

These include pressures on Other Education and Unattached Playing Fields offset by an underspend on Disabled Children Social Care as a result of fewer placements than budgeted.

The Directorate will continue to work to identify other appropriate actions that can be taken.

Savings Programme

People Directorate are forecasting net savings not deliverable of £28.252m.

Following on from the Future Council programme, initiatives in the Maximising Independence of Adults (MIA) work-stream have been brought together as an overall change programme. This will have connections with the Better Care Fund (BCF) and the Sustainability and Transformation Plan (STP). The Programme will work to deliver key offers to support vulnerable adults by helping them to help themselves, offering help when it is needed, and providing ongoing support for those who need it. It has three Sub-Programmes: Assessment and Support Planning Customer Journey, Market Shaping, and Prevention. The Programme is responsible for delivering a number of savings initiatives. However not all original planned savings are deliverable.

The explanations are as follows:

Adults - £11.376m

- **Adult Care Packages - £9.362m**

The Adult Social Care Service has delivered significant savings in recent years whilst tackling the continued increases in demand. Savings were achieved against the Younger Adults re-provisioning programme up to the end of 2015/16 through re-assessments of younger adult clients and moves to more appropriate care settings or through changes to the arrangements commissioned from some providers. However, the scale and pace of the

savings targets have proved to be very challenging and there continues to be a shortfall against the figures included in the budget.

The People Directorate Leadership Team is actively looking at how best to implement further savings and, where necessary, is considering appropriate alternative activities to mitigate this shortfall.

In Month 4 the Directorate identified £3.771m of new saving proposals. These relate primarily to additional elements of the Maximising Independence of Adults programme and a review of legacy and third party contracts held within People Directorate. These new savings have reduced the shortfall in delivery of the Adult Care Packages savings.

- **Supporting People (SP)- balanced position**

The commissioning of new SP contracts for Disabilities was delayed by three to four months due to the complexity of introducing new arrangements together with the commissioned services from the Third Sector. It has been agreed that this pressure of £1.054m will be covered in 2016/17 by a transfer from the Supporting People reserve.

- **Specialist Care Services - £2.014m**

- Enablement £1.500m: A review of the enablement service is being undertaken. Specific plans are currently being evaluated to change the way the service operates.
- Care Centres £0.514m: Cabinet on 26th July 2016 agreed to consult on changes in the use of two of the four Care Centres. The outline Business Case identified that the preferred option would not deliver the savings target of £0.300m in 2016/17 and that there are likely to be one-off costs of £0.214m which would lead to a higher overall pressure. The Business Cases for Change are currently out to consultation.

Health - £15.400m

The position assumes that £13m will be received from Health as a result of NHS bodies collectively being able to operate within their control totals and release the 1% non-recurrent contingency CCGs are required to hold for BCC care costs. This has been assumed to be allocated £8.400m towards the Better Care Fund and a further contribution of £4.600m towards the £20m set out in STP section below.

- **Better Care Fund (BCF) - balanced position**

In early 2016, the Council and health partners submitted a Better Care Fund Plan in line with Government Guidance. The BCF contained funding transferred from the Department of Health's NHS budget through the Department of Communities and Local Government (DCLG) to local government to allow local care and health communities to share investment in sustaining and improving their local system. The Plan included a collective vision for the Birmingham health and care system by 2019.

The priorities set out in the Better Care Fund Plan and a wide range of work supporting this aimed to produce cost savings. As part of the BCF Plan it was originally assumed that the City Council will receive £8.400m in 2016/17. Due to a revision by Government of the performance element of the BCF these savings will not be delivered in the way originally envisaged in the Plan. We are therefore working closely with health colleagues to develop detailed plans to mitigate this change and this will form part of the wider discussions referred to in the Sustainability and Transformation Plan mentioned below.

- **Sustainability and Transformation Plan (STP) - £15.400m**

The STP is a Government requirement to make wide reaching changes to the national health and social care system. Sustainability and Transformation Plans are being prepared by 44 areas across the country including the Birmingham and Solihull area. This offers the opportunity to build a place based collaborative care and health system that moulds itself around the needs of local people. A System Board has been established in order to oversee the preparation of the STP, and manage its subsequent delivery. The City Council's Business Plan 2016+ has assumed £20m of efficiency savings resulting from whole system change on adult social care and NHS spend. This and later year assumptions, combined with the BCF savings described above, have been incorporated into the STP gap analysis. An updated position will be reported in due course as part of future monitoring reports.

Children - £1.476m

- **Travel Assist - £1.388m**

The service has a £2.463m savings target for 2016/17. A plan has been developed and this covers a number of areas including programme engagement; consultation and development of policy change; implementation of policy change; team redesign and infrastructure improvement. The project expects to deliver a total saving of £2.463m on an ongoing basis. However, due to delays in implementation, deliverable savings for 2016/17 are projected at £1.075m in year. This has resulted in a projected in year savings shortfall of £1.388m.

The service is being substantially reviewed as part of the overall review of Travel Assist currently in place. It is expected that the financial impact as a result of challenges relating to service delivery will be quantified by the end of October after providing time for the routes to settle after the start of the academic year and the processing of any further appeals.

- **Unattached Playing Fields - £0.088m**

The total saving of £0.268m has been brought forward from 2015/16 as the action plan for savings progressed slowly during last year due to complex legal issues. This covers 31 unattached playing fields with a number of different solutions. Options are being considered ranging from transfer to schools, renegotiation of leases and disposal of sites. There is expected to be an in year

shortfall against delivery of £0.088m due to the complexities around delivery of the saving.

- **Private Finance Initiative (PFI) / Building Schools for the Future (BSF) - balanced position**

Work has been undertaken by the service to reduce the costs and affordability gap associated with the PFI / BSF contracts. For 2016/17 this is expected to yield total savings of £1.863m, of which approximately £1.000m is non recurrent. This will be used to fully meet the savings target of £0.700m in year and the balance of £1.163m will be used to offset the ongoing PFI pressure from 2015/16 and Education Services Grant base budget shortfall.

2.2 **Place Directorate (excluding Housing Revenue Account)**

The Directorate is reporting a forecast variation of £12.376m (no net movement from Month 4), made up of pressures of £4.312m on the base budget and a net £8.064m of Savings Programme deemed to be not deliverable in 2016/17.

Base Budget

A base budget pressure of £4.312m is forecast at Month 4 relating to the following:

- **Waste Management Services - £2.634m pressure**

A Service Improvement Plan has been developed and is being implemented to stabilise the service following the completion of the roll out of the wheeled bins. A number of projects and management actions are being implemented including: performance management framework, optimising the route planning, reducing missed collections, waste prevention and enforcement, rebalancing the workforce and reducing agency staff and completing the restructuring of the back office support. This base budget pressure relates primarily to employees and other operational costs in the delivery of the new service and this is expected to reduce as the Service Improvement Plan continues to be implemented.

- **Sport and Events - £1.000m pressure**

The Directorate has previously reported a pressure of £1m relating to the externalisation of the Alexander Stadium – this was due to delay in implementing the initial strategy following concerns expressed during the consultation with the market. A new strategy was approved by Cabinet on 20th September 2016 and this will now be implemented as soon as practicable. It is unlikely that the reported pressure in 2016/17 will be reduced but it is expected to be mitigated in 2017/18 providing the externalisation is successfully completed by April 2017.

- **Other Services - £0.678m pressure**

This relates to:

- £0.150m for Markets, due in part to the on-going legal lease negotiations and the impact from the relocation of the existing traders

to the new Wholesale Market in Witton. This is the net pressure after mitigations from the resources set out to develop the new Wholesale Market

- Regulatory Services of £0.352m. These relate to a range of services including Registrars (lower income than expected), Coroners (greater external autopsy fees) and Licensing
- Other minor pressures of £0.176m

Savings Programme

Place Directorate is forecasting net savings that are considered not deliverable of £8.064m.

The overall position for Place Directorate has not changed since Month 4. However, there has been a recategorisation of mitigations from Other Services to Community Safety. This has resulted in a reduction in the Community Safety forecast of £0.200m and a corresponding increase of £0.200m in Other Services.

This explanation of the savings considered not deliverable is as follows:

- **Community Safety and Equalities - £0.922m**

This saving includes the re-organisation of the Equalities Team of £0.322m, securing some potential resources from the Local Police and Crime Panel for the public CCTV of £0.300m and the Safer Places Team of £0.500m, offset by £0.200m use of reserves. Alternative long term proposals will be developed by the Council for the CCTV and Safer Places Team. In addition, a review of the Equalities Team is in progress following the recent retirements within the Equalities Team and it may be possible to partially deliver some savings in 2016/17. The latter will be reported in future reports.

- **Neighbourhood and Community Services - £2.166m**

This relates primarily to the Community Libraries Services (due to delays in the development of a new operational model). There are also delays in the decommissioning of the Community Play and Development Service and the programme to redesign and rationalise local assets to deliver services in the future with fewer separate buildings.

- **Waste Management Services - £4.366m**

The major savings not deliverable include the transfer of the Queslett Site to private ownership, the partial delivery of the three R's project to Reduce, Reuse and Recycle waste, the redesign of street cleaning and the proposal to pass on cost new bins on to the developers of new estates. A number of management actions (as part of the Service Improvement Plan) continue to be implemented including the rigorous control of non-essential expenditure to reduce spend as far as possible without impacting of important health and safety issues – and this was reported as part of the Month 4 position. In addition, the Council is undertaking some complex discussions with the workforce on the re-alignment of working patterns and current working methods to ensure that service is delivered in the most effective and efficient

manner. This is expected to deliver savings in 2017/18, with a part-year effect in 2016/17.

- **Other Services - £0.610m**

This relates to a range of services including Licensing, Coroner and Mortuary, Markets and Parks. This has been offset by use of reserves (mainly underspend balances from 2015/16) and other technical adjustments including capitalisation of maintenance.

Additional work continues to be undertaken by the Directorate to identify further necessary management actions and mitigations needed to be implemented to improve the position.

2.3 Economy

Economy is forecasting an overall pressure of £1.250m (no movement since Month 4). This relates to savings considered to be not deliverable.

Base Budget

There are no base budget pressures being forecast within Economy.

Savings Programme

Following the mid-year review an assessment has been undertaken of those savings that are no longer deemed to be achievable in 2016/17.

Economy is reporting £1.250m of savings as not deliverable at Month 5.

- **Reduce the Council's energy bill - £0.600m and Establish an Energy Services Company - £0.650m**

It has already been agreed as part of the Month 2 Corporate Revenue Monitoring report that the extent to which there is non-delivery of these savings, this will be addressed corporately. This has been reflected within Corporate Mitigations in Table 1.

2.4 Corporate Resources

Corporate Resources is reporting an overspend position of £0.290m (no movement from Month 4). This relates to an assessment of the deliverability of the Savings Programme.

Base Budget

There is a forecast break-even position at Month 5.

Savings Programme

At Month 5, the Savings Programme is forecasting savings not deliverable of £0.290m. This relates to a new supplier finance scheme which is being introduced across the supplier base and is dependent upon both demand and timing of council approval processes. Work is underway on both of these aspects and although a small element of around £0.010m will be delivered in year, the majority of the saving is considered not deliverable.

2.5 Housing Revenue Account

A balanced HRA Budget was approved for 2016/17 (expenditure of £283.4m funded by equivalent income). The budget was based on the new national rent policy of -1% that will be implemented in each year from 2016/17 to 2019/20.

A balanced year-end position is projected. The current budgets and the forecast year-end financial position are summarised in the table below:

Service	Current Budget £m	Year End Variation Projection £m
Rent/Service Charges (net of Voids)	(283.4)	1.5
Repairs and Maintenance	65.6	0.0
Contributions for Capital Investment	75.2	-
Capital Financing Costs	54.8	1.4
Local Office / Estate Services / Equal Pay	87.8	(2.9)
Net Position	-	-

The strategy of utilising any underspends for the repayment of debt is prudent and considered value for money (as interest payments on debt outstanding are greater than interest received on balances). It is also in line with the HRA Self Financing Business Plan for the repayment of debt (the debt re-payment has already been re-profiled to take into account the new national rent policy and as reported to City Council on 1st March 2016 as part of the City Council Business Plan 2016+).

2.6 Resource Allocations and Other Corporate Updates

General Policy Contingency

The unallocated balance on the General Policy Contingency is £2.951m.

Business Rates Pilot

The Government is planning to implement the 100% local retention of business rates by the end of this Parliament, and is giving an opportunity to authorities that have agreed to

a devolution deal to pilot the new arrangements from 2017/18 onwards. Pilots will operate on a “no detriment” basis, so that no participating authority can be any worse off financially than they would otherwise have been, but there is the potential for financial benefit arising from the real terms growth in the current central share of business rates that has accrued to date. Furthermore, participation in a pilot will afford the opportunity to shape national thinking about the way the full national scheme will be implemented in due course, and will also facilitate discussions with Government about further devolution. It is being proposed that in the West Midlands pilot area Revenue Support Grant will be discontinued, and appropriate adjustments will be made to Top-up / Tariff grants to compensate.

The Leaders of the West Midlands Metropolitan District Councils have each agreed to seek approval to their council participating in a pilot. For this to go ahead, it will be necessary for all of the seven councils to agree to participate, and for approval to be granted by the Secretary of State.

It is recommended that the City Council agrees to participate in a West Midlands business rates retention pilot and, if it proceeds, that it acts as the Lead Authority in its operation. Whilst the core components have been clearly defined, there are some details still to be finalised and so it is recommended that authority to agree to the final details is delegated to the Strategic Director – Finance & Legal, in consultation with the Leader.

Transfer of service areas

The Council continues to periodically review the Directorate Service responsibilities with the aim of securing the most appropriate service delivery arrangements to ensure that these are delivered effectively in a co-ordinated manner. After due consideration, it is proposed to transfer the Homelessness Service from the People Directorate to the Place Directorate – this will assist in the provision of a single focus on the delivery of front line housing services across public and private sector housing. The revenue and capital budgets that will transfer are £2.817m and £0.745m respectively (in addition all associated projected overspends in 2016/17, future approved savings, reserves and balances).

Financial Position analysed by Directorate - budget pressures (including budget savings)

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Adults with Mental Health Needs	14.588	(0.144)	14.444	0.412	0.895	1.307
Older Peoples Services	83.600	13.888	97.487	(2.729)	4.981	2.252
Persons with No Recourse to Public Funds	0.104	0.000	0.104	0.019	0.000	0.019
Homelessness	2.877	(0.060)	2.817	3.359	0.000	3.359
Adults with a Physical Disability	22.613	0.878	23.491	1.333	1.537	2.870
Service Strategy	67.362	(12.952)	54.410	1.565	0.000	1.565
Adults with a Learning Disability	90.765	(2.156)	88.609	3.948	5.835	9.783
Housing Strategy	1.952	(0.100)	1.852	(0.829)	0.000	(0.829)
Other Adult Services	3.755	2.269	6.023	2.344	(0.872)	1.472
Supporting People	24.666	0.000	24.666	(2.012)	0.000	(2.012)
Public Health	(0.006)	0.006	0.000	1.000	(1.000)	0.000
Subtotal Adults	312.276	1.628	313.903	8.411	11.376	19.787
Education and Skills	53.974	11.286	65.259	1.211	0.000	1.211
Schools Budgets	(143.014)	(12.926)	(155.940)	0.000	0.000	0.000
Commissioning & Performance	5.143	(0.079)	5.064	(0.321)	0.000	(0.321)
Children With Complex Needs	104.497	1.756	106.253	0.207	1.388	1.595
Early Help & Childrens Soc Care	152.064	0.421	152.485	(2.503)	0.000	(2.503)
Business Support	21.065	0.101	22.075	(0.133)	0.088	(0.045)
Accounting Adjustment/MRP Component of Contract Payments	(6.491)	0.000	(6.491)	0.000	0.000	0.000
Subtotal Children	187.238	1.468	188.706	(1.540)	1.476	(0.064)
Health	(28.539)	0.000	(28.539)	0.000	15.400	15.400
Subtotal Health	(28.539)	0.000	(28.539)	0.000	15.400	15.400
People Directorate Total	470.974	3.096	474.070	6.871	28.252	35.123
Community Sports & Events	6.916	(0.070)	6.846	1.400	0.000	1.400
Fleet and Waste Management	52.041	1.060	53.101	2.634	4.366	7.000
Parks and Nature Conservation	14.424	(0.253)	14.171	(0.020)	0.426	0.406
Bereavement Services	(2.626)	(0.071)	(2.697)	0.000	0.000	0.000
Markets	(2.064)	(0.042)	(2.106)	0.150	0.150	0.300
Business Support	2.479	(0.029)	2.450	0.000	(0.200)	(0.200)
Equalities, Cohesion & Safety	0.217	0.481	0.698	(0.222)	0.922	0.700
Engineering & Resilience Services	0.292	0.241	0.533	0.000	0.000	0.000
Regulatory Services	5.393	(0.179)	5.214	0.366	0.434	0.800
Private Sector Housing	0.098	(0.543)	(0.445)	0.300	0.000	0.300
Neighbourhood Community Services	12.134	1.850	13.984	0.104	2.166	2.270
Birmingham Adult Education	0.227	(0.213)	0.014	0.000	0.000	0.000
Central Support Costs	11.210	2.035	13.245	(0.400)	(0.200)	(0.600)
Culture & Visitor Economy	33.099	(0.050)	33.049	0.000	0.000	0.000
City Centre Management	0.007	(0.005)	0.002	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(2.625)	0.000	(2.625)	0.000	0.000	0.000
Place Directorate Total	131.219	4.213	135.433	4.312	8.064	12.376
Development Management Services	4.250	4.002	8.252	0.000	0.000	0.000
Planning & Regeneration	4.588	(0.243)	4.344	0.000	0.000	0.000
Highways Services	33.041	(0.212)	32.829	0.000	0.000	0.000
Transportation and Connectivity	49.146	0.233	49.379	0.000	1.250	1.250
Shelforce	(0.101)	0.000	(0.101)	0.000	0.000	0.000
Employment Services	1.117	4.260	5.377	0.000	0.000	0.000
GBSLEP Executive	0.226	0.000	0.226	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(32.319)	0.000	(32.319)	0.000	0.000	0.000
Economy Directorate Total	59.947	8.040	67.988	0.000	1.250	1.250

Appendix 1

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget	Savings	Total
				Pressures / (Savings)	Programme not Deliverable	
	£'m	£'m	£'m	£'m	£'m	£'m
City Finance	6.833	1.313	8.146	0.000	0.000	0.000
Birmingham Audit	2.377	0.000	2.377	0.000	0.000	0.000
Elections Office	1.732	0.000	1.732	0.000	0.000	0.000
Legal & Democratic Services	5.822	0.010	5.831	0.000	0.000	0.000
Shared Services Centre	2.198	0.000	2.198	0.000	0.290	0.290
Business Transformation Legacy Costs	39.267	(0.873)	38.394	0.000	0.000	0.000
Charities & Trusts - Support	0.050	0.045	0.095	0.000	0.000	0.000
Directorate Wide Recharges	(28.346)	(0.460)	(28.806)	0.000	0.000	0.000
Insurance	0.014	(0.013)	0.000	0.000	0.000	0.000
Corporate Resources Other Services	1.708	0.052	1.760	0.000	0.000	0.000
Building Consultancy	1.164	0.001	1.165	0.000	0.000	0.000
Urban Design	(0.533)	0.000	(0.533)	0.000	0.000	0.000
Catering & Building Cleaning	(0.100)	0.000	(0.100)	0.000	0.000	0.000
Facilities Management	(0.631)	0.000	(0.631)	0.000	0.000	0.000
Business Loans & Other Investments	(0.727)	0.976	0.249	0.000	0.000	0.000
Subtotal Finance & Legal	30.829	1.049	31.878	0.000	0.290	0.290
Corporate Strategy	(0.096)	(0.053)	(0.149)	0.000	0.000	0.000
Procurement	(0.338)	0.000	(0.338)	0.000	0.000	0.000
Human Resources	7.437	1.407	8.844	0.000	0.000	0.000
Revenues & Benefits Division	(2.548)	0.048	(2.500)	0.000	0.000	0.000
Core ICT	(10.132)	0.000	(10.132)	0.000	0.000	0.000
Customer Services	8.629	0.000	8.629	0.000	0.000	0.000
Subtotal Integrated Support Services and Change	2.952	1.402	4.354	0.000	0.000	0.000
Birmingham Property Services	(1.337)	0.719	(0.618)	0.000	0.000	0.000
Major Projects	0.000	0.053	0.053	0.000	0.000	0.000
Subtotal Major Projects	(1.337)	0.772	(0.565)	0.000	0.000	0.000
Corporate Resources Total	32.443	3.223	35.666	0.000	0.290	0.290
Total Directorate Spending	694.584	18.573	713.157	11.183	37.856	49.039
Policy Contingency	54.469	(12.147)	42.322	0.000	0.000	0.000
Other Corporate Items	86.228	(7.427)	79.801	(1.500)	(10.046)	(11.546)
Centrally Held Total	140.696	(19.573)	122.123	(1.500)	(10.046)	(11.546)
Proposed Transfers to / (from) reserves				0.000	0.000	0.000
Net Budget Requirement	835.281	0.000	835.281	9.683	27.810	37.493
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000

Policy Contingency Month 5 Monitoring to 31st August 2016

	Original Budget 2016/17	Approvals / Adjustments in Voyager	Revised Budget 2016/17	Approvals / Allocations not yet in Voyager as at 31st August	Proposals awaiting approval at 31st August	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs			0			0
Car Park Closure Resources	350	(98)	252	(252)		0
Carbon Reduction	1,020		1,020			1,020
Inflation Allowance	15,641		15,641	(1,240)		14,401
Highways Maintenance	750		750			750
Provision for unachievement of savings	10,750	(750)	10,000			10,000
Youth Strategy	1,000	(1,000)	0			0
Birmingham Jobs Fund	2,000	(2,000)	0			0
Business Charter for Social Responsibility	6,539		6,539	(6,539)		0
Improvement Expenditure	11,395	(7,000)	4,395	(133)		4,262
Combined Authority	500		500			500
Subtotal Specific Contingency	49,945	(10,848)	39,097	(8,164)	0	30,933
General Contingency	4,524	(1,299)	3,225	(274)		2,951
Total Contingency	54,469	(12,147)	42,322	(8,438)	0	33,884

Directorate Savings Programme – Position at Month 5

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not deliverable £m	Savings not deliverable - last month £m
	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	5.209	5.209	0.000	0.000	0.000	0.000	0.000
People	Reduction in Adult Running Costs.	1.111	1.111	0.000	0.000	0.000	0.000	0.000
	Step up of savings re: Third Sector Commissioning and Supporting People.	3.400	2.346	0.000	1.054	0.000	0.000	0.000
	Adults and Communities Transformation programme.	10.631	1.000	0.000	0.000	2.945	6.686	6.686
	Joint Adults and Children's approach to transitions	1.000	0.000	0.000	0.000	0.000	1.000	1.000
	Redesign and integrate services at scale across the health and social care economy.	20.000	0.000	0.000	0.000	4.600	15.400	15.400
	Better Care Fund	8.400	0.000	0.000	0.000	8.400	0.000	0.000
	Public Health – Commissioning.	1.250	1.250	0.000	0.000	0.000	0.000	0.000
	Public Health – Decommissioning.	3.315	3.315	0.000	0.000	0.000	0.000	0.000
	Public Health. Recommission of contracts and change of specifications for 'lifestyle services'.	1.200	0.000	0.000	0.000	1.200	0.000	0.000
	Step up of previous Early Years savings.	1.000	0.000	0.000	0.000	1.000	0.000	0.000
	Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy.	2.463	0.000	0.000	0.000	1.075	1.388	1.388
	Assistive Technology	1.600	0.800	0.000	0.000	0.000	0.800	0.800
	Expansion of internal services – Shared Lives.	1.785	0.000	0.000	0.000	0.000	1.785	1.785
	Changes in internal services – Home Care Enablement.	1.480	0.000	0.000	0.000	0.000	1.480	1.480
	Further reduction in Younger Adults Care Packages (additional support).	1.068	0.000	0.000	0.000	0.000	1.068	1.068
	Further reduction in Younger Adults Care Packages (BAU).	7.638	0.000	0.000	0.000	0.000	7.638	7.538
	Joint Adults and Children's approach to transitions.	1.000	0.000	0.000	0.000	0.000	1.000	1.000
	Expansion of Internal Services - Shared Lives	1.707	0.000	0.000	0.000	0.000	1.707	1.707
	Changes to Internal Services - Home Care Enablement	1.050	0.000	0.000	0.000	0.000	1.050	1.050
	Internal Care Review - Home Care Enablement.	1.500	0.000	0.000	0.000	0.000	1.500	1.500
	Other	(16.145)	(5.167)	0.000	0.100	3.172	(14.250)	(14.070)
People Total		61.662	9.864	0.000	1.154	22.392	28.252	28.332
	Markets	1.000	0.850	0.000	0.000	0.000	0.150	0.150
	Redesign street cleansing and a combination of enforcement, education and community marketing to encourage residents and businesses to keep streets/footpaths tidy.	1.500	0.000	0.000	0.000	0.000	1.500	1.500
	SN7 Reduce Reuse Recycle - Reduce failures/failed waste collections.	3.082	1.400	0.000	0.000	0.000	1.682	1.682
	Other	12.916	8.560	0.024	0.000	0.000	4.332	4.332
Place Total		25.328	17.240	0.024	0.000	0.000	8.064	8.064

Appendix 3

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not deliverable £m	Savings not deliverable - last month £m
Economy	Highways Maintenance. Refinance of the PFI contract, review capital expenditure, review routine and reactive maintenance.	1.500	0.000	0.000	1.500	0.000	0.000	0.000
	Highway Maintenance & Management Services (Private Finance Initiative)	1.000	0.000	0.000	1.000	0.000	0.000	0.000
	Other	5.166	1.563	0.000	1.889	0.464	1.250	1.250
Economy Total		7.666	1.563	0.000	4.389	0.464	1.250	1.250
Corporate Resources	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	2.360	0.000	0.000	2.187	0.173	0.000	0.000
	Reduce Local Welfare Assistance Provision Scheme.	1.600	1.600	0.000	0.000	0.000	0.000	0.000
	Service Birmingham	6.800	0.500	0.000	6.300	0.000	0.000	0.000
	Service Birmingham. We are proposing to reduce our ICT costs.	2.800	0.000	0.000	2.800	0.000	0.000	0.000
	Targeted net improvement in the housing benefit subsidy by reclaiming Housing Benefit Grant overpayments.	2.000	2.000	0.000	0.000	0.000	0.000	0.000
	To reduce the amount the Council spends on Information and Communication Technology (ICT) over the next few years.	2.500	2.500	0.000	0.000	0.000	0.000	0.000
	Acceleration of savings.	1.500	1.500	0.000	0.000	0.000	0.000	0.000
	Other	4.476	1.607	0.000	0.784	1.795	0.290	0.290
Corporate Resources Total		28.436	9.707	0.000	15.271	3.168	0.290	0.290
Cross Cutting	Other	0.146	0.146	0.000	0.000	0.000	0.000	0.000
Cross Cutting Total		0.146	0.146	0.000	0.000	0.000	0.000	0.000
Grand Total		123.238	38.520	0.024	20.814	26.024	37.856	37.936

MONTH 4

123.238

41.247

0.024

20.414

23.617

37.936

Notes:

1. Corporate mitigations of £10.046m have been identified against the Savings Programme (as outlined in Months 2 and 4). These would result in total net savings not deliverable of £27.810m.