

CORPORATE REVENUE BUDGET MONITORING REPORT 2015/16

MONTH 6

(up to 30th September 2015)

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1. Executive Summary

- 1.1 The City Council has a General Fund net revenue budget of £874.541m. Latest projections indicate a pressure of £8.779m in the base budget delivery at year-end and £10.517m of risks relating to the savings programme, giving combined pressures and savings risks of £19.296m at year end. This is a reduction of £4.967m since Month 5. The overall position is summarised in Table 1 overleaf.
- 1.2 As in previous years, plans continue to be developed to manage these financial issues and risks to ensure the City Council balances its budget by the year end. Progress will be reported upon further in future monitoring reports.
- 1.3 Section 2 of this report details budget pressures on the net revenue budget and savings with actions not yet in place by Directorates.
- 1.4 The City Council Business Plan 2015+ recognised that in order to accommodate resource losses and fund budget pressures, savings of £105.400m would be required from Directorates in 2015/16. In addition, there are savings from 2014/15 of £4.855m, where delivery still needs to be monitored, including where they were met on a one-off basis. Total savings to be met in 2015/16 are therefore £110.255m.
- 1.5 A review of the position on each of the savings initiatives is undertaken each month, and the position at Month 6 is summarised for the City Council in Table 2 overleaf (and detailed on a Directorate basis in Appendix 3). This shows that £99.738m (90.5%) of the required savings of £110.255m are on course to be delivered. Work continues to identify ways of achieving the delivery of the remaining £10.517m of the overall savings target.
- 1.6 Cabinet are also requested to approve the writing off of Irrecoverable Housing Benefit, Council Tax and Business Rate income.
- 1.7 Section 5 of this report details a summary overview of the Collection Fund.

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

Directorate	Current Budget £m	Net Base Budget Pressures			Savings Programme Actions Not Yet in Place			TOTAL		
		as at			as at			as at		
		Month 6 £m	Month 5 £m	Movement £m	Month 6 £m	Month 5 £m	Movement £m	Month 6 £m	Month 5 £m	Movement £m
People Directorate	541.806	2.032	2.756	(0.724)	7.187	6.463	0.724	9.219	9.219	0.000
Place Directorate	175.411	5.089	7.389	(2.300)	2.014	4.514	(2.500)	7.103	11.903	(4.800)
Economy Directorate	167.569	1.658	1.950	(0.292)	1.316	1.191	0.125	2.974	3.141	(0.167)
Policy Contingency	32.483	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Corporate Items	(42.728)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Council General Fund	874.541	8.779	12.095	(3.316)	10.517	12.168	(1.651)	19.296	24.263	(4.967)
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 Savings Programme delivery

	Position as at Month 6 £m	Position as at Month 5 £m
Actions in place to fully achieve savings	78.592	78.992
Actions in place to achieve savings in year only	12.043	9.457
Actions in place but may be some risk to delivery	9.103	9.638
Actions not yet in place	10.517	12.168
Total Savings Programme	110.255	110.255

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 1.

2.1 People Directorate

The Directorate is forecasting a pressure of £2.032m (Month 5 £2.756m) on the base budget and £7.187m (Month 5 £6.463m) of risks relating to the Savings Programme.

Base Budget

A base budget pressure of £2.032m (Month 5 £2.756m) is forecast at Month 6 and relates to the following:

- £1.227m on external children's placements budget in Early Help and Children's Social Care where demand, the mix of care packages and their unit prices are running ahead of the projections on which the budget is based. As part of the improvement agenda, rigorous controls have reduced this overspend over recent months with a view to mitigating this position going forward
- £0.580m on legal services within Early Help and Children's Social Care due to disbursements for court fees
- £0.340m on Other Adult Services in respect of the Independent Living Fund as a result of 5% attrition rate applied
- £1.652m arising from increased care packages, agency and other costs in all areas above the available resources. This includes demographic pressure on Older Peoples care, higher cost packages in Younger Adults, and the impact of Care Act and joint working with Health
- £0.625m in relation to Deprivation of Liberty Safeguards
- £0.112m of other minor pressures

The above position is reduced by holding employee vacancies of £0.374m and spreading Pension Fund Strain costs over three years rather than funding all of the cost in 2015/16 saving £0.380m. The Directorate is seeking to further mitigate the impact of the continuing pressure on care package costs by reviews of the costs of new packages of care of £1.000m and the use of agency staff across the Directorate of £0.750m and will continue to work to identify other appropriate actions which can be taken.

Savings Programme

The assessment of the Savings Programme is that £7.187m (Month 5 £6.463m) is at risk. The worsening position relates to the Younger Adults savings programme,

partially offset by one-off resources identified to fully meet the 2015/16 savings requirement for Early Years. The risks at Month 6 relate to the following:

- £6.919m for Younger Adults, particularly in Learning Disability. The Directorate continues to implement a range of actions including commissioning new services, improving programme management arrangements, learning from other Councils, securing wider public support to move people from residential care, reviewing in-house learning disability day care needs to be provided in future and increasing the scale of Direct Payments. The increase in the overspend this month has arisen from a number of factors which work against these actions including the need to reassess the suitability of some providers for delivering Supported Living and market pressure on home-care rates and Direct Payments
- £0.268m for unattached School Playing Fields. The action plan for savings is progressing slowly due to complex legal issues. A revised project cost will be available in the next few months once the timescales for the proposed leases and disposals have been clarified

The Directorate is developing other mitigations and management actions to address savings where actions are currently not in place to deliver savings, and these will be reported in future monitoring reports.

2.2 Place Directorate (excluding Housing Revenue Account)

The Directorate is reporting a pressure of £5.089m (Month 5 £7.389m) on the base budget and £2.014m (Month 5 £4.514m) of risks relating to the Savings Programme.

This represents an improvement of £4.800m in the overall position of the Directorate from £11.903m at Month 5 to £7.103m at Month 6. This relates mainly to corporate mitigations for the former District Services and Pest Control.

Base Budget

A base budget pressure of £5.089m is forecast at Month 6 (Month 5 £7.389m) relating to the following:

- The delay in the planned transfer of the Alexander Stadium as part of the new Sport and Physical Activity Transformation Programme will result in a base pressure of £0.800m (due to the on-going work to transfer the other community sports and leisure facilities to the new service provider and the complex nature of the Alexander Stadium framework contract). The base pressure has reduced by £0.400m since Month 5 as a result of income that is expected from Harborne Pool as part of the contractual agreement to share surpluses
- Pressures on the Refuse Collection Service of £3.800m. A major transformation of the service has been in progress (with the introduction of a wheeled bin service) and this is expected to be completed by December 2015. However, a number of pressures on the operational day to day service have been identified

(mainly employees / agency staff) and this is resulting in an additional projected pressure of £3.800m. This projection assumes that there will be no liabilities to the Council from the operational problems with the generator at the incinerator. In addition, it does not include the potential implications from the abolition of the credits from the climate change levies that were announced by the Chancellor in his Statement on 8th July 2015. Further work is in progress to consider any potential mitigations including the improvement in productivity, reduction in the use of agency staff and savings in the acquisition of new vehicles / wheeled bins

- A pressure on Regulatory Services of £0.480m has been identified (relating to income related under-recovery on Registrar Services and additional staffing costs on Coroner Services)
- Other minor pressures of £0.009m

A number of projects are in progress to develop new future operation models for services including Neighbourhood Officers, Community Libraries, Community Play/Development, Local Car Parks and operational Management Structures (all services formally devolved and managed by the Districts). These programmes are complex and will require extensive consultation locally. In view of this, it is proposed that the estimated pressures of £1.8m relating to these services will be funded from corporate resources as these are structural financial issues pre-dating establishment of the Place Directorate.

A detailed review continues to be undertaken in the Directorate of the necessary management actions and mitigations needed to be implemented to address the pressure (a moratorium on non-essential health and safety expenditure has already been established for Refuse Collection Services).

Savings Programme

The assessment of the Savings Programme is that £2.014m (Month 5 £4.514m) is at risk. This is as follows:

- £0.100m for Pest Control. The savings target of £1.300m will not be fully delivered due to service and competitive market considerations. Further work has identified that around £0.100m of this saving can be achieved by the service and in recognition of the limited scope for savings by the Licencing and Public Protection Committee, the residual £1.200m will be funded from corporate resources.
- £1.000m for Markets – The detailed review that has been undertaken of the service now indicates that the full savings target is potentially at risk. Savings of £0.300m were planned by actively seeking short term lets in the Wholesale Market and reducing void units in the Indoor Market. However, Legal Services have advised against short term lets given the impending closure and relocation of the Wholesale Market. A process of establishing new leases between the City Council and Indoor Market Traders has commenced and Legal Services have similarly advised against accepting new tenants until a

new lease has been established. Options to resolve the issues in the medium term continue to be developed and are expected to be delivered

- £0.700m for Fleet and Waste – the Service Review process proposed a 15% increase in Trade Waste fees in 2015/16, with the target of increasing income by £1.500m. However, an increase of 8% (£0.800m) was approved by Cabinet, as recommended by the Street Services Task and Finish Group following its investigation into the viability of a 15% increase. The remaining saving requirement (£0.700m) was to be achieved by reductions in operational costs and discontinuing uneconomic services such as glass collection and cesspit emptying. Work is ongoing to look at ways that this can be delivered
- Slippage of £0.160m relating to the Birmingham Careers Service as a result of prior year pension strain costs
- Other savings at risk of £0.054m

The estimated slippage of £1.7m in the savings programme for the former District Services (see explanation above in base pressures) will also be funded from corporate resources to resolve the structural financial issues, pre-dating the establishment of the Place Directorate.

2.3 **Economy Directorate**

The Directorate is reporting a pressure of £1.658m (Month 5 £1.950m) on the base budget and £1.316m (Month 5 £1.191m) of risks relating to the Savings Programme.

This is a favourable movement of £0.167m from the forecast position reported at Month 5 of £3.141m.

Base Budget

A base budget pressure of £1.658m (Month 5 £1.950m) is forecast at Month 6. This relates to the following:

Deferred Services - £0.259m overspend

The catering events service operates from Highbury Hall, a property held by the Council in trust. The costs of maintaining and operating the property are split between Acivico and the Council based on the split of activity. Parts of the building are in poor condition and the final detail on the split of charges for the maintenance of the property is not yet complete. At present, a pressure of £0.259m is reported. However, part of this is expected to be offset by income from the catering service.

Corporate Strategy - £0.808m overspend

There is a £0.388m pressure within the Corporate Strategy team as a result of challenging or residual income targets across some of its component teams, print brokerage, document room and European Team. Mitigations through reduced spending or new income for these pressures will be sought across the service where possible. There is also a pressure relating to the Cabinet Office of £0.374m and other

minor variations of £0.046m. The decrease from Month 5 of £0.106m relates to reclassification of base budget pressures in Communications to the Savings Programme.

Planning and Regeneration - Balanced position

Local land charges expected income is £0.452m less than budgeted. Within the service, additional Planning Application income of £1.250m to date is being used to offset pressures of £0.213m as a result of delays in reducing the City Centre Management Team and additional costs associated with the management of festive lighting plus additional costs arising from Master Planning of £0.365m and pension fund strain cost of £0.220m. The Planning and Regeneration service are therefore reporting a balanced position.

Trading Income Target - £0.250m

Acivico is contracted to make a commercial return to the Council. The company is achieving this and making a modest surplus in excess of that. However, the projected return from Acivico is currently unlikely to meet the Council's higher retained income budget which was based on a higher rate of turnover for the company from Council projects of £0.783m, and a pressure of £0.250m is expected.

Trading Services

Civic Catering, Cleaning and Birmingham City Laboratories (BCL) trading services have transferred to Acivico. The contract included assumptions regarding surplus targets to be generated from the services. The targets negotiated with Acivico for surplus in these areas are stretch targets and these will be monitored throughout the year.

Shelforce

Shelforce, the Council's supported manufacturing business, has a healthy short term pipeline of orders and is currently on track to perform within budget. They have experienced trading problems in the past and are very susceptible to any slippage or delays in capital works and orders coming forward. Consequently, Shelforce's pipeline will be closely monitored throughout the year and performance reported as appropriate.

Other - £0.341m overspend

There are other pressures of £0.341m within the Directorate.

Savings Programme

Economy is reporting £1.316m (Month 5 £1.191m) of savings at risk at Month 6. These relate to the following:

- £0.521m relating to Employment and Skills. This saving will not be achieved and the Directorate is currently looking at ways to fund this pressure
- There are risks around the delivery of £0.320m to Strategic Transport and £0.100m to Planning and Regeneration relating to savings of bringing teams together and reducing costs. The merging of the teams is in the process of consultation and the progress will be reported in future monitoring reports

- £0.125m of savings with actions not in place relating to the realignment of marketing & communications budgets which is part of an ongoing redesign of the service.
- Other savings with actions not yet in place of £0.250m which relate to savings anticipated through implementation of the Joint Economic Unit and a planned reorganisation of services

Work is ongoing to identify alternative ways of delivering the savings.

2.4 **Housing Revenue Account**

A balanced HRA Budget was approved for 2015/16 (expenditure of £290.0m funded by equivalent income). 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 Projection £'m
Rent/Service Charges (net of Voids)	(290.0)	3.0
Repairs and Maintenance	67.3	(0.5)
Contributions for Capital Investment	53.6	-
Capital Financing Costs	65.2	7.1
Local Office/Estate Services/Equal Pay	103.9	(9.6)
Net Position	-	-

The rent income adverse variation of £3.000m is primarily a combination of:

- empty property rent loss (due to a small number of difficult to let properties and the moves by existing tenants to new Birmingham Municipal Housing Trust properties)
- provisions for current tenant arrears and housing benefit overpayments (due primarily to the new Welfare Reforms as part of the introduction of Universal Credit and direct payments to tenants)
- former tenant arrears (relating to early identification of abandoned properties as a result of the annual visits programme)

The forecast underspend on local office/estate services of £9.600m is mainly the re-phasing of equal pay and employee savings from vacancies.

These savings will be used for additional repayment of debt (as opposed to retaining the savings as reserves). This represents better value for money as it will generate in-year and future year debt interest savings.

A number of financial pressures will arise within the HRA for 2016/17 and onwards following the Chancellor's announcements on the 8th July 2015 relating to rent policy and housing benefits. These will be evaluated and reported to Cabinet and Council as part of the Business Plan 2016+.

2.5 Resource Allocations

General Policy Contingency

Trusts and Charities

Professional support (legal, finance and Building Property Services) is provided to Trusts that fall under the remit of the Trusts and Charities Committee. Trusts that have the ability to pay for the support costs will be charged accordingly. Policy Contingency funding of £0.042m is requested to be approved for those trusts that do not have the ability to pay for professional support provided by Officers.

If approved, the unallocated balance on the General Policy Contingency is £3.913m.

Fleet and Waste Management Service (including Waste Strategy)

The proposed use of reserves to complete and implement the new Waste Vision and Strategy was reported to Cabinet on 20th October. The phasing of the expenditure has been reviewed in the light of the work programmes and will be brought forward over 2015/16 to 2017/18 instead of 2016/17 to 2018/19.

The table below sets out the proposed revised use of these resources over the next 3 years:

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Project Management Support	0.040	0.040	0.040	0.120
Interim and Additional Management Support	0.050	0.100	0.100	0.250
Specialist Technical Advisors	0.050	0.100	0.100	0.250
Financial Advisors	0.040	0.150	0.150	0.340
Legal Advice	0.040	0.100	0.100	0.240
Total	0.220	0.490	0.490	1.200

Discretionary Housing Payments

The allocation of Discretionary Housing Payments (DHP) from central government was reduced for 2015/16 and is expected to be exhausted by January 2016, leaving an anticipated deficit in funding available to assist vulnerable tenants with a shortfall between their contractual rent and their housing benefit. The Council is allowed under

the Permitted Totals Order to increase the level of DHP above that allocated by Government. The predicted shortfall in DHP for the remainder of the current financial year, amounting to £1.000m, is requested to be vired from the current Housing Benefit reserves to the DHP fund. This will allow for adequate financial support to be provided to housing benefit claimants through the use of DHP and also adequate funds remain in the Local Welfare Provision (LWP) for the remainder of the current year for crisis and community support assistance.

3. Irrecoverable Housing Benefit

In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or returned to the city.

The cost to the Council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. There is no direct effect on the revenue account.

Cabinet are requested to approve the writing off of a separate Housing Benefit debt to the Council which is greater than £0.025m, totalling £0.026m. Appendix 5 details the nature of the debt, action taken to seek its recovery and the reasons for the recommendation for write off.

In 2015/16, from 1st September 2015 up to 30th September 2015, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £0.118m, which Members are asked to note.

Age Analysis	Up to 2009/10	2010/11 - 12/13	2013/14 15/16	Total
	£m	£m	£m	£m
Benefit Overpayment	0.001	0.017	0.100	0.118
Total				0.118

Appendix 4 to this report gives a more detailed age analysis of overpayments and income written off.

4. Irrecoverable Council Tax & Business Rates

All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).

If an account case is subject to this, then consideration is given to write the debt off subject to the requirement for Service Birmingham Revenues to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.

In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised by and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.

Cabinet are requested to approve the writing off of Business Rates debts to the Council, each greater than £0.025m totalling £0.589m. Appendix 5 details the nature of the debts and actions undertaken to seek their recovery. The reasons for the write offs relate either to dissolution or insolvency of the company.

In 2015/16, from 1st September 2015 up to 30th September 2015, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £1.465m, which Members are asked to note.

Age Analysis	Up to 2009/10	2010/11	2013/14	Total
		12/13	15/16	
	£m	£m	£m	£m
Council Tax	0.643	0.258	0.142	1.043
Business Rates	0.422	0.000	0.000	0.422
Total				1.465

Appendix 4 to this report gives a more detailed age analysis of income written off.

5. Collection Fund

- 5.1 The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. However, for the most part, the impact on the budget is as set out in the Council Business Plan and Budget 2015+, with any surplus or deficit being required to be carried forward and taken into account as part of the 2016/17 budget setting process.

Council Tax

- 5.2 The overall net budget for Council Tax is £271m in 2015/16. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities. A small in-year surplus is forecast, of which the Council's share is expected to be £0.062m. However, a cumulative surplus brought forward from 2014/15 (over and above that budgeted for) has previously been reported, of which the Council's share is £3.180m.
- 5.3 This therefore results in a forecast net surplus of £3.242m expected to be carried forward by the Council into 2016/17. This will be taken into account in the 2016/17 budget setting process.

Business Rates

- 5.4 The Council retains just under half of all business rates collected under the Business Rates Retention Scheme. The overall budgeted level of Business Rates in 2015/16 is £404.9m (excluding Enterprise Zone growth), of which the Council's retained share is £198.4m.
- 5.5 The cumulative deficit brought forward from 2014/15 was more than that originally forecast, of which the Council's share is £3.895m. This was mainly due to the impact of providing for Business Rates appeals earlier than originally anticipated when setting the 2015/16 budget. All else being equal and as a result of providing for these appeals earlier, an in year surplus would be expected. However, the latest information from the valuation office indicates that the average reduction in income as a result of appeals has increased resulting in a forecast balanced position in year. A forecast deficit of £3.895m is therefore anticipated to be taken into account in 2016/17.
- 5.6 In addition, aspects of the Business Rates regime also impact on the General Fund in the form of grants for specific types of reliefs awarded. There is a forecast reduction in income of £1.217m anticipated for the General Fund relating to Business Rates that will impact upon the current year. This is mainly due to a lower uptake of Retail Relief than was previously anticipated. This is now thought to be a more prudent assumption given the mid-year actual position.

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

Division of Service Area	FULL YEAR BUDGET			YEAR TO DATE				YEAR END Savings		
	Original Budget	M'ments	Revised Budget	Profiled Budget	Actuals	Variation to Date: Adverse / (Favourable)		Base Budget Pressures / (Savings)	Programme Actions not yet in place	Total
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000
Adults with Mental Health Needs	15,716	57	15,773	7,764	8,758	994	13	(0)	0	(0)
Older Peoples Services	113,618	2,027	115,645	58,206	62,892	4,686	8	0	0	0
Persons with No Recourse to Public Funds	147	(4)	143	72	94	22	31	(2)	0	(2)
Adults with a Physical Disability	23,036	230	23,266	11,582	12,395	813	7	2,704	0	2,704
Service Strategy	9,432	(573)	8,859	3,361	2,202	(1,159)	(34)	(619)	0	(619)
Adults with a Learning Disability	94,718	(218)	94,500	47,123	49,534	2,411	5	(2,197)	6,919	4,722
Government Grant Income	0	0	0	0	0	0	0	0	0	0
Other Adult Services	6,363	30	6,393	3,046	6,184	3,139	103	(151)	0	(151)
Policy & Commissioning	33,255	(53)	33,202	16,277	15,457	(820)	(5)	(151)	0	(151)
Public Health	0	0	0	(10,008)	(10,008)	0	0	0	0	0
Education and Skills	66,569	(1,112)	65,457	42,184	45,376	3,193	8	588	268	856
Schools Delegated Budgets	(101,535)	(6,744)	(108,278)	(66,115)	(156,188)	(90,073)	(136)	439	0	439
Commissioning & Performance	33,166	(460)	32,706	15,631	16,601	970	6	256	0	256
Children With Complex Needs	90,037	(676)	89,361	44,139	43,606	(533)	(1)	(729)	0	(729)
Strategic Leadership & Improvement	2,988	(90)	2,898	1,449	1,144	(305)	(21)	77	0	77
Early Help&Childrens Soc Care	149,112	155	149,266	73,293	74,108	815	1	1,807	0	1,807
Business Support	17,130	84	17,214	13,077	14,349	1,272	10	(33)	0	(33)
Business Transformation	1,811	82	1,893	946	716	(231)	(24)	43	0	43
Accounting Adjustment/MRP Component of Contract Payments	(6,491)	0	(6,491)	0	0	0	0	0	0	0
People Directorate Total	549,071	(7,265)	541,806	262,027	187,219	(74,808)	(29)	2,032	7,187	9,219
Highways	57,672	27,363	85,035	40,530	34,675	(5,855)	(14)			0
Sports & Events	6,234	(2,297)	3,937	1,584	2,026	442	28	800	0	800
Community Development & Play	(182)	0	(182)	(91)	31	122	134	0	19	19
Fleet and Waste Management	37,948	19,372	57,320	15,905	17,928	2,023	13	3,800	700	4,500
Parks and Nature Conservation	17,544	(1,052)	16,492	8,900	8,407	(493)	(6)	0	0	0
Bereavement Services	(3,107)	(0)	(3,107)	(1,594)	(1,882)	(287)	(18)	0	0	0
Markets	(1,932)	(6)	(1,938)	(1,565)	(728)	837	53	0	1,000	1,000
Performance Management & Review	2,655	(136)	2,519	1,543	1,649	107	7	0	0	0
Equalities, Cohesion & Safety	1,400	100	1,500	928	1,146	218	23	0	0	0
Emergency Planning	411	64	475	225	204	(20)	(9)	0	0	0
Regulatory Services	3,942	456	4,398	2,425	3,753	1,328	55	480	100	580
Voluntary Advice Agency Funding	313	200	513	191	117	(74)	(39)	0	0	0
Birmingham Careers Service	1,295	90	1,385	720	1,045	325	45	0	160	160
Private Sector Housing	2,047	(776)	1,271	727	1,012	286	39	0	0	0
Central Support Costs	16,710	15	16,725	8,026	8,026	0	0	0	0	0
Sport & Leisure	7,818	2,411	10,229	5,328	6,788	1,460	27	0	0	0
Neighbourhood Advice	1,571	(2)	1,569	1,286	2,217	931	72	0	37	37
Libraries	5,593	(35)	5,559	2,546	3,264	717	28	0	0	0
Community Chest	0	518	518	518	110	(409)	(79)	0	0	0
School Crossing Patrols	881	0	881	423	484	61	14	200	0	200
Car Parks	(1,184)	62	(1,122)	(563)	(318)	245	43	0	0	0
Business Support	990	181	1,171	472	777	306	65	0	0	0
Former District Services - Other	49,430	(48,554)	876	70	527	457	653	(191)	(2)	(193)
Youth Service	3,003	250	3,253	1,686	1,210	(476)	(28)	0	0	0
Birmingham Adult Education	318	29	346	(1,039)	(1,631)	(592)	(57)	0	0	0
Use of Reserves & Balances	(1,893)	0	(1,893)	0	0	0	0	0	0	0
Accounting Adjustment/MRP Component of Contract Payments	(32,319)	0	(32,319)	0	0	0	0	0	0	0
Place Directorate Total	177,158	(1,747)	175,411	89,180	90,837	1,656	2	5,089	2,014	7,103

Appendix 1

Division of Service Area								Savings		
	Original Budget £'000	M'ments £'000	Revised Budget £'000	Profiled Budget £'000	Actuals £'000	Variation to Date: Adverse / (Favourable) £'000 %		Base Budget Pressures / (Savings) £'000	Programme Actions not yet in place £'000	Total £'000
Building Consultancy	1,165	0	1,165	582	3	(580)	(100)	0	0	0
Culture and Visitor Economy	42,461	819	43,281	23,995	23,435	(560)	(2)	0	0	0
Development Management Services	7,921	770	8,691	6,637	6,387	(250)	(4)	191	100	291
Planning & Regeneration	13,943	(9,088)	4,855	2,569	1,610	(958)	(37)	0	100	100
Transportation and Connectivity	51,570	840	52,410	26,177	27,965	1,788	7	100	841	941
Urban Design	(783)	0	(783)	(392)	1,164	1,555	397	250	0	250
Catering & Building Cleaning	12	(112)	(100)	0	117	117	0	225	0	225
Facilities Management	(680)	0	(680)	1,112	1,402	290	26	34	0	34
Shelfforce	(75)	0	(75)	(38)	143	180	479	0	0	0
Employment Services	885	4,000	4,885	1,891	1,289	(601)	(32)	0	0	0
City Finance	5,762	872	6,634	3,777	3,523	(254)	(7)	0	0	0
Corporate Strategy	788	3,554	4,342	1,922	3,582	1,660	86	808	125	933
Procurement	1,410	514	1,924	878	911	33	4	0	0	0
Birmingham Audit	2,305	200	2,505	1,109	456	(653)	(59)	0	0	0
Human Resources	8,196	620	8,816	3,369	4,264	895	27	0	0	0
Elections Office	1,830	0	1,830	820	911	91	11	0	0	0
Birmingham Property Services	5,624	(153)	5,471	6,196	4,996	(1,200)	(19)	0	100	100
Legal & Democratic Services	5,503	(25)	5,478	(1,467)	35	1,502	102	0	0	0
Revenues & Benefits Division	2,137	(619)	1,518	2,955	1,241	(1,714)	(58)	0	0	0
Shared Services Centre	2,396	148	2,544	1,204	979	(225)	(19)	0	0	0
NEC/ICC/NIA	0	0	0	0	0	0	0	0	0	0
Staff Seconded to Service Birmingham	0	0	0	0	0	0	0	0	0	0
Core ICT	(4,093)	1,107	(2,986)	14,542	20,090	5,548	38	0	0	0
Transformation Management	45,037	(956)	44,081	32,000	19,794	(12,206)	(38)	0	0	0
Charities & Trusts - Support	50	32	82	0	3	3	0	0	0	0
Interim HB Subsidy	0	0	0	0	0	0	0	0	0	0
CSC Recharges	(49,568)	0	(49,568)	(49,568)	(49,568)	0	0	0	0	0
Pension Contributions	516	0	516	516	474	(42)	(8)	0	0	0
Other Non Distributed Costs	11,162	0	11,162	11,162	11,162	0	0	0	0	0
Insurance	1,484	0	1,484	3,752	3,539	(213)	(6)	0	0	0
Unallocated Savings	0	0	0	0	0	0	0	0	0	0
Customer Services	8,706	(473)	8,233	5,506	5,907	401	7	50	0	50
Corporate Resources Other Services	3,600	(199)	3,400	540	110	(431)	(80)	0	50	50
Use of Reserves & Balances	(162)	0	(162)	0	0	0	0	0	0	0
Accounting Adjustment/MRP Component of Contract Payments	(2,625)	0	(2,625)	0	0	0	0	0	0	0
Business Loans & Other Investments	(758)	0	(758)	(379)	(1,083)	(704)	(186)	0	0	0
Economy Directorate Total	165,717	1,852	167,569	101,366	94,837	(6,529)	(6)	1,658	1,316	2,974
Total Directorate Spending	891,946	(7,161)	884,785	452,573	372,893	(79,681)	(18)	8,779	10,517	19,296
Policy Contingency	39,658	(7,174)	32,483	1,412	(555)	(1,967)	(139)	0	0	0
Other Corporate Items	(57,062)	14,335	(42,728)	(122,425)	(55,891)	66,533	(797)	0	0	0
Centrally Held Total	(17,405)	7,160	(10,245)	(121,012)	(56,446)	64,566	53	0	0	0
Net Budget Requirement	874,541	(0)	874,541	331,561	316,447	(15,114)	(5)	8,779	10,517	19,296
Housing Revenue Account	0	0	0	(77,347)	(79,579)	(2,232)	(3)	0	0	0

Policy Contingency Month 6 Monitoring to 30th September 2015

	Original Budget 2015/16	Approvals / Adjustments in Voyager	Revised Budget 2015/16	Approvals / Allocations not yet in Voyager as at 30th September	Proposals awaiting approval at 30th September	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs	10,728	(2,441)	8,287			8,287
Car Park Closure Resources	350		350			350
Management Capacity for Change	1,000	(1,000)	0			0
Carbon Reduction	991		991			991
Superannuation- Pension Fund	250		250			250
Inflation Allowance	4,522		4,522			4,522
Highways Maintenance	500		500			500
Provision for unachievement of savings	10,000		10,000			10,000
Youth Strategy	1,000	(270)	730			730
Birmingham Jobs Fund	2,000	(2,000)	0			0
SEN Reform Grant	795	(795)	0			0
Business Charter for Social Responsibility	3,390		3,390			3,390
General Contingency	4,132	(113)	4,019	(64)	(42)	3,913
Total Contingency	39,658	(6,619)	33,039	(64)	(42)	32,933

Savings Programme – Position at Month 6

Directorate	Description	Savings Target 2015/16 £000	Actions in place to fully achieve Savings £000	Actions in place to Achieve savings in year only £000	Actions in place but may be some risk to delivery £000	Actions not yet in place £000	Action not yet in place - last month £000
People	Adults - Business Transformation	7,384	1,707	1,715	0	3,962	2,683
	Further Reduction in Younger Adult Care Packages	2,966	2,966	0	0	0	0
	School Trading	1,000	0	1,000	0	0	0
	Expansion of Internal Services - Shared Lives	1,791	84	0	0	1,707	1,707
	Joint Adults and Children's approach to transitions	1,000	0	0	0	1,000	1,000
	Changes to Internal Services - Home Care Enablement	1,050	0	1,050	0	0	0
	Step 2: Supporting People – Older People	2,800	2,800	0	0	0	0
	Step 1: Public Health – Commissioning	1,250	1,250	0	0	0	0
	Step 2: Public Health – Decommissioning	5,895	5,895	0	0	0	0
	Previous Proposals to Reshape Services	1,663	1,663	0	0	0	0
	Assessment and Support Planning	5,468	5,468	0	0	0	0
	Specialist Care Service (internally delivered care services)	3,300	3,300	0	0	0	0
	Education Capital Financing	12,010	12,010	0	0	0	0
	Early Years	5,000	4,445	555	0	0	555
	Public Health	1,000	0	1,000	0	0	0
	Other initiatives each under £1m	4,164	2,872	774	0	518	518
People Total		57,741	44,460	6,094	0	7,187	6,463
Place	Highway Maintenance & Management Services (Private Finance Initiative)	1,500		1,500			
	Pest Control	1,300		1,200		100	1,300
	Use of Reserves	2,000	2,000				
	Community Chest	1,390	1,390				
	Markets	1,000				1,000	700
	Other initiatives each under £1m	14,010	10,903	1,910	283	914	2,514
Place Total		21,200	14,293	4,610	283	2,014	4,514
Economy	Library of Birmingham (including Mobile and Housebound Service)	1,350	1,350				
	Integrated Transport Authority Levy Review	2,868	2,868				
	Finance operating Model	2,000	1,785	215			
	HR Future Operating Model	1,800	1,450	350			
	Birmingham Property Services	2,380	2,380				
	Service Birmingham	6,800			6,800		
	Acceleration of Savings	1,500	1,500				
	Library of Birmingham/ Strategic Library Services	1,300	0	0	1,300	0	
	Other initiatives each under £1m	10,493	7,683	774	720	1,316	1,191
Economy Total		30,491	19,016	1,339	8,820	1,316	1,191
Corporate	Other initiatives each under £1m	823	823				
Corporate Total		823	823				
		110,255	78,592	12,043	9,103	10,517	12,168
Month 5		110,255	78,992	9,457	9,638	12,168	

Summary 01/09/2015 – 30/09/2015

Housing Benefit Age Analysis of Overpayments and Debts written-off under delegated authority by Revenues and Benefits Division

Detail	1996-2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/5	2015/6	Total	No of Debtors
Housing Benefit debts written off under delegated authority	-	7	16	-	34	883	1,328	2,927	12,394	20,282	58,915	21,337	118,123	273
TOTAL	-	7	16	-	34	883	1,328	2,927	12,394	20,282	58,915	21,337	118,123	273

Housing Benefit Debt Size Analysis of Overpayments and Debts Written Off under Delegated Authority

Debt Size	Small		Medium		Large	Total	
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000	Cases	
245	£49,277	25	£48,291	3	£20,555	273	£118,123

Council Tax and Business Rates Debt Age Analysis of Overpayments and Debts written-off under delegated authority by Revenues and Benefits Division

Detail	1997-2005/6	2006/07	2007/08	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Council tax written off under delegated authority	383,923	58,292	75,326	42,386	83,190	83,571	54,967	119,926	141,624	-	-	1,043,205
Business rates written off under delegated authority	421,672	-	-	-	-	-	-	-	-	-	-	421,672
TOTAL	805,595	58,292	75,326	42,386	83,190	83,571	54,967	119,926	141,624	-	-	1,464,877

Total number of council tax debts: 2699

Total number of business rates debts: 259

Council Tax and Business Rates Debt Size Analysis of Overpayments and Debts written-off under delegated authority

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council tax written off under delegated authority	444,318	1,198	557,662	296	41,225	7	1,043,205	1,501
Business rates written off under delegated authority	54,927	86	255,717	115	111,028	14	421,672	215
TOTAL	499,245	1,284	813,379	411	152,253	21	1,464,877	1,716

September 2015 - Schedule of over £0.025m irrecoverable Housing Benefit and Business Rates recommended for write off

Supporting Information	Total Debt Outstanding (£)
<p>Liability Period(s)/Account Ref Number(s): 07.11.2005 – 08.11.2009 (3100081513) for Invoice Dated 16.11.09</p> <p>Summary of debt recovery process: The overpayment arose as a result of a number of investigations into an ineligible claim for Housing Benefit on the basis the claimant had no right to reside in the UK and consequently no right to public funds. This was identified by an allegation to Benefit Counter Fraud Team. The claim for Housing Benefit was paid incorrectly by the Benefit Service. The claim was cancelled and an overpayment was created for the above period and value. The overpayment decision was notified and the claimant exercised his right of appeal via a solicitor. The appeal was upheld on the basis the claimant's immigration status had not been fully verified and that the claimant had submitted a claim unaware they had no recourse to public funds. United Kingdom Border Agency did not send specific notifications that he had no recourse to public funds in a timely manner. The overpayment was classified as an official error. It was decided that the claimant could not have reasonably been expected to realise they were being overpaid and as such the overpayment is not recoverable under Housing Benefit Regulation 100(2).</p>	25,719.39
<p>Liability Period(s)/Account Ref Number(s): Business rates due for the period 28/10/2011 to 08/02/2014 (6005106530)</p> <p>Summary of debt recovery process: This property was brought into the rating list by the Valuation Office Agency on 25th October 2012 with an effective date of 1st April 2010, as a result of a merger of 2 other assessments. Those liable at these assessments had paid business rates up to the date the new assessment was created, and the matter was raised directly by the VOA following contact from the agents acting for the owner. The city council contacted the landlords to clarify who should be made liable for the new assessment. They initially provided the name of the company that had leased the premises from them, and a bill was issued to the leaseholder on 16th November 2012. However, they advised in March 2013 that they did not occupy these premises, which had been sub-let. A response was sent asking for a copy of the sub-lease confirming the occupation was by another company. A visit to the premises was carried out in April 2013, but there was inconclusive evidence to confirm their occupation. In June 2013 copies of invoices were provided by the leaseholder but this was not deemed to be sufficient evidence to amend liability. Finally in October 2013 satisfactory evidence was obtained to amend the liability into the name of the company.</p> <p>A bill was issued to the company on 18th October 2013. The statutory enforcement process was followed to recover the debt outstanding, which resulted in a liability order hearing on 19th March 2014 and the matter being referred to enforcement agents on 12th April 2014. They referred the debt back to the council on 5th June 2014 as the company had vacated their head office, and the matter was further investigated. The company remained active on Companies House, but their records did not show an alternative address and it could not be traced. Further checks confirmed that the company was dissolved on 17th February 2015. On that basis, there is no alternative but to write off this debt.</p>	68,645.23

Supporting Information	Total Debt Outstanding (£)
<p>Liability Period(s)/Account Ref Number(s): Business Rates due for the period 21/10/2011 to 29/10/2013 (6004713539)</p> <p>Summary of debt recovery process: This assessment was previously in the name of another company which went into liquidation. A new company was set up to trade at the premises, and a bill was sent on 22nd September 2011. Over £9,000 was paid between September 2011 and July 2012 when payment ceased. Recovery action was taken and a liability order was obtained in September 2012. The company contacted the office in early December to advise that due to financial difficulties the business had ceased trading on 30th November 2012 and the premises were unoccupied. The relevant 3-month unoccupied relief was awarded before the unoccupied charge was levied from 28th February 2013. The liability orders were passed to the enforcement agents in June and August 2013, but were returned uncollected due to the company having ceased trading in October 2013.</p> <p>A search of Companies House records carried out in November 2013 confirmed that the company had been dissolved on 29th October 2013. On that basis, there is no alternative but to write off this debt.</p>	27,777.60
<p>Liability Period(s)/Account Ref Number(s): Business Rates due for the period 22/08/2008 to 4/03/2014 (6004524047, 6004524070 & 6004524069)</p> <p>Summary of debt recovery process: The assessments for this liability were created following a re-organisation of one previous assessment into three new ones by the Valuation Office Agency. The city council was notified of this amendment to the rating list in June 2009 which was effective from August 2008, but was not party to the revaluation and had no knowledge of who should be liable for the new assessments at the time. A visit was carried out to the premises in December 2009 as there had been no response to enquiry forms issued to the properties. The visit was successful in determining that this company was in occupation, and demand notices were issued on 18th December 2009. As payment was not made, liability orders were obtained on 14th April 2010 for the first period of charge. Further liability orders were granted subsequently for following years' liabilities. The enforcement agents returned the initial order as they had been unable to collect the debt and there were no goods on which a levy could be placed to clear the balance outstanding. Subsequent years' debts were returned for the same reason.</p> <p>Receivers were appointed under the Law of Property Act in July 2011 on the instruction of another creditor, and the assessments became unoccupied as of 18th September 2011, exemptions being applied from that date due to the entire premises being a listed building.</p> <p>The building was eventually sold in March 2014, but there was no excess equity from the sale for the business rates to be discharged. The company was finally dissolved on 19th May 2015, so there is no alternative other than to write off this debt.</p>	218,822.52

Supporting Information	Total Debt Outstanding (£)
<p>Liability Period(s)/Account Ref Number(s): Business Rates due for the period 11/03/2013 to 28/10/2013 (6005023432)</p> <p>Summary of debt recovery process: The city council established that this company occupied the premises from 11th March 2013 and a demand notice was issued on 26th April 2013. As payment was not made in accordance with the statutory instalments recovery action was taken, with reminder and final notices being issued on 16th June and 11th July 2013 respectively. A liability order was granted on 25th September 2013 which was passed to the enforcement agents in November 2013. When the enforcement agents visited the premises it was established that the company was no longer trading, and although the company was pursued at their registered office, the premises were closed. The account was therefore returned uncollected by the enforcement agents in January 2014.</p> <p>Subsequent enquiries made at Companies House confirmed that the company was dissolved on 4th February 2014, meaning that there is no alternative other than to write off this debt.</p>	99,397.61
<p>Liability Period(s)/Account Ref Number(s): Business Rates due for the period 12/04/2012 to 3/03/2013 (6004896284)</p> <p>Summary of debt recovery process: The previous occupier at this address was paying the business rates due, but in July 2012 they advised that another company had taken over the premises from 12th April 2012. A demand notice was issued following receipt of this information, on 27th July 2012. As payment was not made in accordance with the statutory monthly instalments, reminder and final notices were issued on 20th September 2012 and 16th October 2012 respectively. A liability order was obtained on 12th December 2012 and the debt was passed to the enforcement agents for collection in January 2013. The enforcement agents attended the premises but were unable to make any contact, so the account was returned to the Council in February 2013.</p> <p>Correspondence was received from the appointed liquidator in February advising that the company had gone into liquidation on 14th February 2013; this was confirmed with Companies House. A proof of debt was issued to the liquidator on 26th February 2013, but the Council were subsequently advised that the company had no assets and no dividend would be paid. In view of the above there is no possibility of any money being paid on this account and as a consequence of the liquidation there is no alternative other than to write off the debt.</p>	137,303.23

Supporting Information	Total Debt Outstanding (£)
<p>Liability Period(s)/Account Ref Number(s): Property 1 - Business rates due for the period 13th April 2010 to 9th December 2010 (6005387386) – (£16,075.91) Property 2 - Business rates due for the period 13th April 2010 to 9th December 2010 (6005387342) – (£20,934.34)</p> <p>Summary of debt recovery process: There were originally assessments in the rating list for two individual units both occupied by this company between 13th April 2010 and 9th December 2010. On 22nd April 2010 the managing agents of the property wrote in and advised that the company had commenced occupation of the premises from 13th April 2010. On 24th May 2010 a bill was issued to the company which was sent to their registered office in Bournemouth. This was followed by a reminder notice on 17th August 2010, a final notice on 3rd September 2010 and then a summons on 24th November 2010. The case was placed into the hands of the Enforcement Agents in April 2011. Correspondence sent to the registered office was returned by the post office marked 'gone away'. The enforcement agent visited the actual business address on 16th May 2011 and found a new occupier at the premises who confirmed they had been there since 10th December 2010. On 24th May 2011 the new occupiers provided evidence to the enforcement agent that they had been there since 10th December 2010. On 16th June 2011 a check was made against Companies House records which confirmed that there was a proposal to strike off the company as it had ceased to trade. On 8th August 2011 a letter was sent to the director of the company asking for confirmation as to whether they had ceased to trade, and also asking if the company had any assets with which to settle the outstanding debt. No response was received. No further recovery action could be taken as the company was no longer at its business address or registered office and had ceased to trade.</p> <p>Subsequent to this, in November 2014 the Valuation Office Agency sent through an alteration to the rating list merging the two units into one, giving an effective date for the merger as 1st April 2010. By updating this alteration, the original accounts for this company on which all the action had been taken had to be deleted, as the assessments against which they had been billed did not exist in the rating list on the dates for which they had been charged. However, in April 2015 the VOA found that the date used for the merger was incorrect and sent through a further historical amendment which corrected the date of the merger to be effective from 31st May 2012. As a result, the charges to this company at the original assessment between 13th April 2010 and 9 December 2010 had to be reinstated, but this could only be done by raising new bills, which happened on 7th April 2015. These are the charges currently submitted for consideration and approval for write off. The company was actually dissolved on 27th September 2011 so there is no alternative other than to write off the debt.</p>	<p>37,010.25</p>