

PUBLIC REPORT

Report to:	CABINET	
Report of:	THE CHIEF EXECUTIVE AND THE STRATEGIC DIRECTOR FINANCE & LEGAL	
Date of Decision:	20th SEPTEMBER 2016	
SUBJECT:	CORPORATE REVENUE BUDGET MONITORING AND MID YEAR REVIEW 2016/17 - MONTH 4	
Key Decision: Yes	Relevant Forward Plan Ref: 001928/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive and Director of Economy approved O&S Chairman approved X	
Relevant Cabinet Member(s):	Councillor Ian Ward	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq	
Wards affected:	All	

1. Purpose of report:

- 1.1 This report forms part of the City Council's robust arrangements for controlling its revenue expenditure.
- 1.2 Each Directorate's financial performance to date in respect of the Business Plan 2016+ is shown, together with the issues identified to date and proposed mitigations in the Corporate Revenue Budget Monitoring Month 4 and Mid-Year Review document, which is appended to this report.

2. Decision(s) recommended:

- 2.1 Note the latest monitoring position in respect of the City Council's savings programme and the financial performance identified in its delivery.
- 2.2 Endorse the new savings proposals identified in Section 1.3 and detailed in Appendix 2 of the report and note that these proposals are subject to consultation in accordance with paragraph 4.4 overleaf.
- 2.3 Note that these proposals are revisions to those proposals set out in the Business Plan 2016+ approved by Full Council on 1st March 2016, and that the Net Budget remains as approved on 1st March 2016.
- 2.4 Approve the writing off of debts over £0.025m as summarised in Appendix 7 of the report.

Lead Contact Officer(s):	Jon Warlow, Strategic Director Finance and Legal
Telephone No: E-mail address:	0121-303-2950 jon.warlow@birmingham.gov.uk

3.	Consultation
	<p>Consultation should include those that have an interest in the decisions recommended.</p> <p>3.1 <u>Internal</u></p> <p>Cabinet Members, Strategic Directors, the Acting City Solicitor and Assistant Directors of Finance have been consulted in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>To the extent that the proposals identified in Appendix 2 of this report require public or staff consultation, this will be led by the relevant Directorate and duly undertaken.</p>
4.	Compliance Issues:
	<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The budget is integrated with the Council Business Plan 2016+, and resource allocation is directed towards policy priorities.</p> <p>4.2 <u>Financial Implications</u> <u>(Will decisions be carried out within existing finances and Resources?)</u></p> <p>The Corporate Revenue Budget Monitoring and Mid-Year Review document attached gives details of monitoring of service delivery within available financial resources.</p> <p>4.3 <u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Strategic Director of Finance & Legal (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Leadership Team by the City Council in discharging the statutory responsibility.</p> <p>A Council Business Plan is an important element in the Council's Policy Framework, as set out in the Local Government Act 2000.</p>

The Council must set a balanced revenue budget and Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011. These, together with the Capital Programme and Treasury Management Strategy and Policy, are key components of the Policy Framework which must be approved by the Council. These then set the resource framework and limits within which services must be delivered.

The proposals set out in Appendix 2, are proposals as to how or if services will be delivered so that the overall Budget and Directorate finance allocation, as set out in the Business Plan and Budget 2016+, remain the same.

4.4 Public Sector Equality Duty

An Equality Analysis (EA) of the savings proposals set out in the Business Plan and Budget 2016+ has been undertaken where appropriate, and in respect of those planned savings yet to be implemented, is still ongoing.

The Business Plan and Budget 2016+ sets out an overview of the processes and initial assessments which the Council has put in place.

Where necessary, consultation in respect of those proposals set out in Appendix 2 is planned and will be undertaken by Directorates and the full EA for service specific proposals will be considered by individual Cabinet Members / Cabinet (as appropriate) before decisions are implemented.

Where necessary, mitigations and the availability of alternatives have been and will be evaluated in order that the Council can fulfil its Public Sector Duty Equality.

5. Relevant background/chronology of key events:

- 5.1 At the Full Council meeting on 1st March 2016, the Council agreed a Net Revenue Budget for 2016/17 of £835.281m to be met by government grants and council tax payers. The proposals in this report, at Appendix 2, do not change this Net Revenue Budget.
- 5.2 The Month 2 Report presented to Cabinet on 26th July 2016 identified an exceptional level of financial pressures and non-deliverable savings at Month 2 and as a result of this it was agreed to carry out a mid-year review at Month 4. This review identifies the extent to which Directorates can mitigate these non-deliverables and pressures through delivery of existing savings, one off mitigations and, where necessary, the identification of new savings proposals.
- 5.3 The base budget forecast variations in each Directorate are detailed in Section 2 of the Corporate Revenue Budget Monitoring document, together with the actions presently proposed to contain spending within cash limits. The position is summarised in tabular form in Section 1 and also in Appendices 3 and 4 which incorporates the forecast year end pressures by Directorate and new savings proposals.
- 5.4 Directorate issues relating to the Savings Programme are detailed in Section 2 of the attached report. The position is summarised in tabular form in Appendix 5.

6.	Evaluation of alternative option(s):
6.1	Strategic Directors, in striving to manage their 2016/17 budgets, have evaluated the possible options available to them to maintain balance between service delivery and a balanced budget.

7.	Reasons for Decision(s):
7.1	<p><u>To inform Cabinet of:</u> The City Council's 2016/17 budget position, the level of gross pressures and new savings proposals identified as at 31st July 2016.</p> <p>The latest position in respect of the City Council's Savings Programme and the present financial performance identified in its delivery.</p> <p><u>To endorse:</u> The new savings proposals identified in Section 1.3 and detailed in Appendix 2 of the report, subject to the necessary public sector equality consultation.</p> <p>The writing off of debts over £0.025m as summarised in Appendix 7 of the report.</p>

Signatures	Date
Strategic Director Finance & Legal
Chief Executive
Deputy Leader

List of Background Documents used to compile this Report:
<p>City Council Business Plan 2016+ approved at Council (1st March 2016). Month 2 Revenue Monitoring Report approved at Cabinet (26th July 2016)</p>

List of Appendices accompanying this Report (if any):
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| 1. | Corporate Revenue Budget Monitoring Document – Month 4 |
| 2. | |
| 3. | |
| 4. | |
| 5. | |

Report Version	V1.0	Dated	8 th September 2016
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