

CORPORATE REVENUE BUDGET MONITORING REPORT 2019/20 OUT-TURN REPORT

(year to 31st March 2020)

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Revenue Budget Management Outturn Report

1. Executive Summary

- 1.1 The Council set a net budget of £851.6m for 2019/20 at its meeting on 26 February 2019. This net budget was after assuming savings of £58.3m, included approving a savings programme of £46.2m and required a further £12.1m savings to be delivered that were previously achieved on a one-off basis in 2018/19. This is set out in Table 2.
- 1.2 Directorate current budgets have increased by £10.3m since period 9, whilst corporate budgets have decreased by £10.3m. Details are set out in Annex 15.
- 1.3 The General Fund revenue outturn position for 2019/20 shows an underspend of **£11.5m**. This has improved by £10.0m since Month 9. Further details of the movements are provided in Annex 14. The outturn position for each Directorate is shown in Table 1 below, with further details in Annex 1-9. The net position broken down into base budget and savings in each Directorate can be seen in Table 2.
- 1.4 Following the settlement agreement in June 2019 between the Council, Birmingham Highways Limited and Amey LG Ltd, the sub-contract to Amey LG Ltd terminated on 31 March 2020. An estimate of the total expenditure incurred during the year on the highways network has been made. Evidence is currently being gathered to determine the relevant split of that expenditure between revenue and capital which may alter some elements of the financial presentation but is not expected to impact on the General Fund outturn reported.
- 1.5 The Council's accounts are still subject to audit and the date for publication of the Council's audited financial statements has been moved back from 31 July 2020 to 30 November 2020. Given the later date for publication this year and uncertainties arising from the current extraordinary situation in respect of Covid 19 there is the possibility that there may be further accounting entries or post balance sheet events that require a revision to the statement of accounts and the outturn for the year. Should there be any significant changes that impact on the reported outturn position they will be reported through the regular quarterly monitoring reports.
- 1.6 The directorate outturn position is an overspend of £5.2m largely relating to overspends in
- Neighbourhoods of £19.3m
 - Education & Skills of £0.6m
 - Inclusive Growth of £0.4m

offset by underspends in

- Adult Social Care of £12.7m

- Human Resources of £1.1m
- Finance & Governance of £1.0m
- Partnerships, Insight and Prevention of £0.2m

Digital & Customer Services has declared a balanced position

- 1.7 There is a £16.7m net underspend in Corporate Budgets including Policy Contingency. Further details can be seen in Annex 10.

Covid-19 Financial Impact 2019/20

- 1.8 The corporate position includes costs related to Covid-19 of £0.9m that have been incurred in 2019/20 and an estimated loss of income due to Covid-19 of at least £0.5m. Increases to specific bad debt provisions have been made for council tax and business rate income in the Collection Fund, housing rents in the Housing Revenue Account as well as for housing benefit overpayments. To reflect the risk to the remaining income streams in the General Fund a further £3.2m corporate bad debt provision has been established, in addition to normal bad debt provisions.
- 1.9 A summary of the Outturn position for each Directorate is set out in Table 1 below.

Table 1	A	B	C = B - A	D			E = C + D
Directorate	Final Revised Budget	Outturn Position	Outturn Variation [+ over / - (under)]	Proposed Year End Transfers to / (from) reserves			In Year Variation (under) / over spend
				Grant	Other	Total	
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care Directorate	331.396	317.603	(13.794)	1.067	0.000	1.067	(12.727)
Digital & Customer Services	31.388	28.665	(2.723)	0.000	2.741	2.741	0.018
Education & Skills	274.563	272.545	(2.017)	1.848	0.823	2.671	0.654
Finance & Governance Directorate	25.619	20.511	(5.108)	0.000	4.072	4.072	(1.036)
Human Resources	7.369	5.784	(1.585)	0.000	0.501	0.501	(1.084)
Inclusive Growth	98.287	110.045	11.758	(11.102)	(0.291)	(11.393)	0.365
Neighbourhoods	108.476	125.508	17.032	1.999	0.240	2.240	19.272
Partnerships, Insight and Prevention	6.788	4.502	(2.286)	2.055	0.000	2.055	(0.231)
Directorate Subtotal	883.884	885.162	1.278	(4.133)	8.087	3.953	5.231
Corporate Subtotal	(32.294)	(57.144)	(24.850)	0.391	7.733	8.125	(16.725)
City Council General Fund	851.590	828.018	(23.572)	(3.742)	15.820	12.078	(11.494)

- 1.10 Schools funded by Dedicated Schools Grant (DSG) is reporting a balanced position at outturn after a net recommended appropriation to reserves of £1.4m.
- 1.11 There is a balanced position in the Housing Revenue Account. Further detail is contained in Appendix E.
- 1.12 There are £12.1m additional requests for contribution to reserves and £4.3m contribution to Schools reserves since period 9. It is also proposed, given the

current environment, to transfer the net Council underspend of £11.5m to the Financial Resilience Reserve (FRR). Further details of these requests are provided in Annex 11. Cabinet are requested to approve a number of uses of and contributions to reserves as detailed in Annex 11.

Table 2: Summary Outturn Position										
Directorate	Original Budget	Current Budget	Outturn	Base Budget Over / (Under)	Savings Non-Delivered	Savings Mitigations	Total Over / (Under)	Period 9 Forecast Over / (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Adult Social Care	325.692	331.396	318.669	(12.727)	0.918	(0.918)	(12.727)	(12.206)	(0.521)	(0.16)
Digital & Cust Services	22.046	31.388	31.406	0.018	0.290	(0.290)	0.018	0.000	0.018	0.06
Education & Skills	261.902	274.563	275.217	(0.205)	8.650	(7.791)	0.654	0.584	0.070	0.03
Finance & Governance	25.397	25.619	24.583	(1.036)	1.175	(1.175)	(1.036)	1.073	(2.109)	(8.23)
Human Resources	6.597	7.369	6.285	(1.084)	0.000	0.000	(1.084)	(0.450)	(0.634)	(8.60)
Inclusive Growth	97.515	98.287	98.651	(1.138)	1.637	(0.134)	0.365	0.373	(0.008)	(0.01)
Neighbourhoods	99.565	108.476	127.748	15.213	5.228	(1.169)	19.272	14.637	4.635	4.27
Partnerships, Insight and Prevention	6.442	6.788	6.557	(0.231)	0.016	(0.016)	(0.231)	(0.100)	(0.131)	(1.92)
Directorate Sub Total	845.156	883.884	889.115	(1.190)	17.914	(11.493)	5.231	3.910	1.321	0.15
Policy Contingency	42.244	13.024	8.549	(4.475)	0.000	0.000	(4.475)	(7.092)	2.617	20.09
Corporately Managed Budgets	91.600	82.091	69.841	(12.250)	0.000	0.000	(12.250)	1.706	(13.956)	(17.00)
Corporate Grants	(127.409)	(127.409)	(127.409)	0.000	0.000	0.000	0.000	0.000	0.000	0.00
Corporate Subtotal	6.435	(32.294)	(49.019)	(16.725)	0.000	0.000	(16.725)	(5.386)	(11.339)	35.11
City Council General Fund	851.590	851.590	840.096	(17.915)	17.914	(11.493)	(11.494)	(1.476)	(10.018)	(1.18)
Dedicated Schools Grant	0.000	0.000	(0.000)	(0.000)	0.000	0.000	(0.000)	0.000	(0.000)	n/a
Housing Revenue Account	0.000	0.000	(0.000)	(0.000)	0.000	0.000	(0.000)	0.000	(0.000)	n/a
City Council Total	851.590	851.590	840.096	(17.916)	17.914	(11.493)	(11.494)	(1.476)	(10.018)	(1.18)

Note 1: Percentage movement is shown as a percentage of the current budget

Note 2: The original budget in table 1 included hierarchy movement after the Council set the net budget for 2019/20 at its meeting on 26th Feb 2019

2. Key Issues

2.1 At Outturn the Directorates position is an overspend of £5.2m primarily relating to the following:

- There is an underspend of £12.7m in Adult Social Care after recommended net transfer from reserves of £1.1m. The underspend largely relates to:
 - There is an £9.6m underspend in Packages of Care comprising £7.3m reductions in numbers and unit costs achieved in Older People client group as a result of the Directorate's transformation programme and work relating to the Three Conversations model and Customer Journey. In addition there is £1.9m lower than anticipated costs relating to the roll out of the Framework and £1.2m lower than anticipated costs relating to the provision for bad debts offset by £0.8m one off pressure for settlement of a legal case relating to historical residential packages of care costs.
 - There is a £1.2m underspend against Corporate Director budget. Birmingham Community Equipment Loan Store budget has underspends due to a credit in respect of the previous financial year of £0.5m and capitalisation of £0.5m. There is £0.2m of other minor underspends.
 - There is an underspend of £1.1m in Assessment and Support Planning due to vacancies of £1.0m and other minor underspend of £0.1m.
 - The underspend of £1.7m in Commissioning relates to £1.0m one-off third-party grant, £0.3m one off underspend against computer costs and £0.4m other minor variations
 - These are partially offset by an overspend of £0.9m against Specialist Care Services largely relating to staffing costs.
- Education and Skills has an overspend of £0.7m at outturn after recommended net transfers from reserves of £2.7m, relating to:
 - Cabinet has approved a contract variation of £7.0m for the Birmingham Childrens Trust (BCT). This overspend relates in the main to increases in children in care placement costs due to the continued increase in numbers and cost of children in care and additional remand costs. This was approved by Cabinet on 26 May 2020. This has been funded from underspends within Policy Contingency.
 - School Transport is overspent by £1.4m primarily due to an increase in the number of pupils transported since September 2019 along with the removal of the savings that were previously anticipated.

- Children's Trust Intelligent Client Function (ICF) reports an overspend of £0.5m as a result of £0.2m additional residual costs, mainly relating to care costs prior to the establishment of the Trust and £0.3m other pre-trust costs.
- Skills and Employability overspent by £0.7m primarily relating to reduced Adult Education income.
- There is an underspend of £0.4m in Strategic Leadership largely relating to budgets across Education & Skills transferred to Strategic Leadership.
- Education & Skills Infrastructure underspent by £0.6m due to savings associated with the PFI contract review.
- There is an underspend of £0.6m on School Setting/Improvements mainly due to an underspend on School Improvement Grant and staff vacancies in the Safeguarding service.
- There are other minor underspends of £0.3m.
- There is an overspend of £19.3m in Neighbourhoods Directorate after a recommended net transfer to reserves of £2.0m (mainly section 106 reserves), relating to:
 - Street Scene is reporting a £10.9m overspend comprising: £4.6m increased staff and agency costs arising from the delay in the implementation of the service redesign, £2.9m higher repair and maintenance as well as hire costs incurred for waste management vehicles due to the lead time in acquiring replacement vehicles and £1.9m income shortfall in trade waste, street cleansing and fleet repair services as a result of loss of customers. There is an income shortfall of £0.7m for mixed paper recycling due to a fall in market price, £0.7m IT licences costs and other minor overspends of £0.1m
 - Housing Service is reporting an overspend of £5.0m which £4.5m is in the housing options service due to increasing on demand. There is £1.4m overspend due to delays in savings implementation offset by a £1.1m underspend due to vacancies. There is overspend of £0.2m from other minor variations across the service and a £0.3m loss of income in Private Rented sector services.
 - There is an overspend of £2.8m in Regulation & Enforcement due to lower income from bereavement services and markets.
 - Business Support has an overspend of £1.2m as anticipated land and property disposals did not generate the sales income for the directorate.
 - These have been partially offset by a £0.6m underspend in the Neighbourhoods Division due to a managed underspend on staffing and on controllable supplies and services to support the overall Directorate position.
- Inclusive Growth is reporting an overspend of £0.4m after recommended net transfer from reserves of £11.4m, relating to:

- There is an underspend of £0.3m in Planning & Development (City Centre, Management & EZ) primarily due to £0.8m on in-year staff vacancies and difficulties in recruiting to Planning posts offset by £0.3m reduction in staff related income and £0.2m under-recovery on Planning Applications and Pre-application fees.
 - Transportation & Connectivity reports an underspend of £1.0m largely due to a surplus of £1.5m employee recharges to projects offset by £0.5m net overspend on employees' budget.
 - There is an underspend of £0.5m in Planning & Development (Strategy & BDI) due to £0.7m relating to staff vacancies offset by £0.2m shortfall in European & International Affairs income generation
 - Property Services reports an overspend of £2.2m comprising rental income shortfall of £0.8m in commercial portfolio, £1.0m overspend in central administration buildings arising from fewer repairs and maintenance jobs completed before the year-end than committed. There is also other minor overspend of £0.4m
 - There is an overspend of £0.6m in Housing Development due to the non-achievement of the surplus target in InReach as a result of difficulties bringing forward schemes
 - Highways & Infrastructure reports an underspend of £0.5m relating to a £0.3m employee underspend due to vacancies, a £0.8m surplus from developers' fees relating to major project works, a £0.7m surplus from parking bay suspensions due to development works in the city centre offset by a £0.9m shortfall in car parking and parking enforcement income and other minor overspends of £0.4m
 - There are £0.1m of net other minor underspends.
- Human Resources reports an underspend of £1.1m after a net recommended transfer to reserves of £0.5m, relating to an underspend in HR schools of £0.6m and a £0.5m underspend in HR services.
 - There is an underspend of £0.2m in Partnerships, Insight and Prevention (PIP) after a net recommended transfer to reserves of £2.1m. The underspend largely relates to a £0.4m underspend in the Assistant Chief Exec as a result of vacancies held pending implementation of new structure, offset by £0.2m overspend in Community Safety and Resilience mainly relating to CCTV cameras in Emergency Planning and Resilience.
 - Digital & Customer Services reports a balanced position after a net transfer to reserves of £2.7m. There is an underspend of £0.5m in Business Improvement as a result of vacancy management offset by a £0.5m overspend in Customer Services due to unbudgeted expenditure in respect of the Brum Account.
 - Finance & Governance reports an underspend of £1.0m after net recommended transfer to reserves of £4.1m, comprising:

- £2.0m overspend in Development and Commercial as a result of 1.8m income pressure for Digital Advertising offset, by £0.7m from not making a planned contribution to reserves. There is a net overspend of £0.3m in Cityserve Catering due to fall in income offset by reduced costs. In addition, there are income shortfalls of £0.4m in Civic Cleaning and £0.2m in Civic Catering.
- £1.8m underspend in Service Finance relating to £0.7m underspend on prudential borrowing costs resulting from reduced activity on the SAP capital programme pending implementation of the new Finance and HR system, £0.5m underspend from additional unidentified income balances unclaimed by Directorates, £0.3m underspend on Schools Financial Services due to vacancies and other minor underspends of £0.3m
- £0.9m underspend in City Solicitor as a result of minor underspends across the service area
- £0.3m underspend on Audit as a result of increased recoveries from the supplier statement income target.

Further details of each directorate outturn are set out in the Directorate Executive Summaries at Annexes 1-10 of this report.

3. Overview of the Savings Programme

3.1 The total approved savings programme was £58.3m in 2019/20. This comprised the approved savings plan of £46.2m plus £12.1m of savings that were delivered on a one-off basis in 2018/19. Of these £41.4m were delivered and £17.9m not delivered, as shown in Table 3. There is a breakdown by approved savings and one off savings in Tables 3a and 3b in Annex 12. £10.4m of one-off mitigations and £0.1m of new savings have been identified. In addition there is £0.9m overachievement of savings. Table 3 illustrates the movement between Period 9 and Outturn.

Directorate	2019/20 Agreed Savings	Fully Delivered against Programme	Fully Delivered	Not Delivered	One off Mitigations to address Savings Non-Delivery	Memo: Not Delivered at Period 9
	£m	%	£m	£m	£m	£m
Adult Social Care	(16.310)	94.4	(15.392)	(0.918)	0.000	(0.918)
Digital & Cust Services	(6.918)	95.8	(6.628)	(0.290)	(0.290)	(0.290)
Education & Skills	(8.797)	1.7	(0.147)	(8.650)	(7.791)	(2.728)
Finance & Governance	(2.831)	58.5	(1.656)	(1.175)	(1.175)	(0.717)
Human Resources	(0.718)	100.0	(0.718)	0.000	0.000	0.000
Inclusive Growth	(4.770)	65.7	(3.133)	(1.637)	0.000	(1.589)
Neighbourhoods	(18.564)	71.8	(13.336)	(5.228)	(1.169)	(4.664)
Partnerships, Insight and Prevention	(0.548)	97.1	(0.532)	(0.016)	(0.016)	0.000
Directorate Subtotal	(59.456)	69.9	(41.542)	(17.914)	(10.441)	(10.906)
Corporate Savings	1.180	100.0	1.180	0.000	0.000	0.000
Total Programme	(58.276)	69.3	(40.362)	(17.914)	(10.441)	(10.906)
New savings						
Inclusive Growth	0.000	n/a	(0.134)	0.000	0.000	0.000
New Savings Subtotal	0.000	n/a	(0.134)	0.000	0.000	0.000
Overachieved savings						
Adult Social Care	0.000	n/a	(0.918)	0.000	0.000	0.000
Overachieved Savings Subtotal	0.000	n/a	(0.918)	0.000	0.000	0.000
Total Programme	(58.276)	71.1	(41.414)	(17.914)	(10.441)	(10.906)
Percentage of Total Programme excluding new and overachieved savings	100.00%		69.26%	30.74%	17.92%	18.71%

Note: the new and overachieved savings are included in the mitigations column in Table 2.

3.2 Of the £10.4m one-off mitigations mentioned above, £0.3m are in Digital & Customer Services, £7.8m in Education & Skills, £1.2m in Finance & Governance, and £1.2m in Neighbourhoods.

- In Digital & Customer Services, the unachieved non-essential savings target of £0.1m and unachieved consolidation programme saving target of £0.2m have been absorbed through underspends within the directorate in 2019/20. There were no impacts on service delivery.
- In Education & Skills, Travel Assist savings non-delivery of £1.7m was covered in 2019/20 by a one-off Policy Contingency allocation. Savings of £1.0m for Efficiency, WOC and Management Review have been made on a one-off basis in 2019/20 from a one-off contingency no longer required.

A savings non-delivery of £5.0m related to Birmingham Childrens Trust are being covered by a one-off Policy Contingency allocation.

- In Finance & Governance, the unachieved savings of £1.2m have been covered by Directorate underspends.
- In Neighbourhoods the £0.5m non-delivery of savings in Health and Wellbeing has been covered by the £3.9m funding from Policy Contingency, and £0.6m of savings related to Parks have been covered by various one-off solutions.

3.3 In addition Adult Social Care have over-achieved savings of £0.9m relating to demand management within Packages of Care.

3.4 Table 3 illustrates the movement between Period 9 and Outturn.

Table 3: Movement in Delivery of the 2019/20 Savings Programme					
	Fully Delivered	At Risk	Not Delivered		One off Mitigations
	£m	£m	£m		£m
Outturn	(41.414)	0.000	(17.914)		(10.441)
Period 9 Forecast	(40.382)	(8.040)	(10.906)		(3.582)
(Increase)/Decrease	(1.032)	8.040	(7.008)		(6.859)
Percentage Change (%)	2.6	(100.0)	64.3		191.5

- There were movements of savings classed as at risk to not delivered of £5.9m within Education & Skills (of which £5.0m related to the Birmingham Children's Trust (BCT)), £0.5m within Finance & Governance, and £0.6m of within Neighbourhoods. The £5.0m savings mentioned above related to BCT not achieved were made up by £4.0m savings related to a reduction in the value of the Contract and £1.0m savings related to efficiencies and demand management.
- There was movement of £1.0m of various savings classed as at risk to delivered, nearly all relating to Neighbourhoods.
- However, there was an increase in one-off mitigations identified of £6.9m in the Directorates above which covered these savings identified as not delivered.

4. Reserves

4.1 The Council operates a policy of not using reserves unless they have been set aside for specific purposes and they will not be used to mitigate the requirement to make savings or meet on-going budget pressures. In the main, the major use of reserves relates to grant reserves where the funding has been received prior to the requirement to spend the resource. The Council also has earmarked reserves where it has decided to set money aside to fund specific costs when they occur in later years. Use of such reserves should be strictly in accordance with the purpose for which it was approved.

4.2 The Council anticipated the use of £27.0m of reserves in setting the 2019/20 budget. This is summarised in Table 5 below.

Table 5: Summary (Use of) / Contribution to Reserves					
Reserve	Original Budgeted (Use) /Contribution	Budget Approved Period 9	Changes Proposed at Outturn	Proposed (Use) /Contribution at Outturn	Variance to Original
	£m	£m	£m	£m	£m
General Reserves*	(5.910)	(5.910)	11.494	5.584	11.494
Corporate **	11.861	19.362	46.477	65.839	53.978
Subtotal All Corporate	5.951	13.452	57.971	71.423	65.472
Other Reserves					
Grant	(29.206)	51.833	(42.486)	9.348	38.554
Earmarked	(3.719)	(3.753)	8.087	4.333	8.053
Schools	0.000	0.000	3.582	3.582	3.582
Non Schools DSG	0.000	(1.199)	2.136	0.937	0.937
Subtotal Other	(32.926)	46.881	(28.681)	18.200	51.126
Total	(26.975)	60.333	29.290	89.623	116.598

* Budgeted Use of £5.9m agreed as part of the Reserves Policy

** £38.3m of Grant Reserves were released corporately (see paragraph 4.9 below)

Changes in Use of Reserves

4.3 Net changes to the original budgeted use of reserves of £116.6m have been requested. A net contribution of £60.3m was approved by Cabinet at Period 9. At outturn, a net contribution to reserves of £29.3m is requested. The outturn position set out in this report assumes that all the reserves changes will be approved. Details of how these reserves are proposed to change are set out in Tables 5 and 6. Specific changes in reserves at outturn are set out in Annex 11.

4.4 There is a budgeted use of £5.9m of General Reserves, which is in line with the Reserves Policy. This is to fund the additional revenue costs arising from a retrospective change in the Council Minimum Revenue Provision Policy (MRP), approved by the Council in February 2018. This is a planned use agreed within the Council's Reserves Policy and is due to be phased out over a number of years as the Council identifies alternative ways to address these additional costs. No further uses of general reserves are planned.

- 4.5 Because the Council has an underspend of £11.5m, it is proposed, given the current environment, to increase the Financial Resilience Reserve by this £11.5m.
- 4.6 Other Corporate net contribution to reserves of £46.5m requested at outturn largely relates to:
- £38.7m of unringfenced Government Grant funding to offset the impact of Covid-19 on the Council.
 - £6.3m repayment of borrowing from the Financial Resilience Reserve (FRR) related to Pension Fund timing differences.
 - £0.6m repayment of borrowing from the Financial Resilience Reserve (FRR) related to Pension Guarantees linked to the Highways PFI.
 - £0.5m repayment of borrowing from the Financial Resilience Reserve (FRR) related to Pension Guarantees linked to the West Midlands Growth Company.
 - £1.1m contributions to Policy Contingency Reserves due to in year underspend that will be required in 2020/21.
 - £0.4m contribution to Capital Fund from Directorates.
- Offset by:
- £0.9m Use of Commonwealth Games Reserves to cover timing differences in costs of the Games.
 - £0.1m Use of Reserves to cover residual costs of the National Exhibition Centre (NEC).
 - £0.1m Borrowing from Invest to Save Reserve to fund development of Workplace Parking Levy
 - £0.1m Use of Policy Contingency Reserve to meet costs related to Birmingham Museum and Art Gallery
- 4.7 It is proposed to transfer £2.6m from General Fund balances to create a Leasing Reserve to cover technical accounting charges expected in future years.
- 4.8 It is proposed to transfer £0.5m from General Fund balances back to the Policy Contingency Reserve where this funding was originally held in order to meet costs related to Birmingham Museum and Art Gallery, in line with the original Cabinet decision in July 2018.
- 4.9 The Council holds Grant Reserves for the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded. At outturn, there is net £42.5m requested use of Grant Reserves. These contributions to and uses of grant reserve are in line with the Reserves Policy approved by Cabinet in January 2019. This includes the use of £12.8m Improved Better Care Fund (IBCF) reserve. In the current environment the IBCF reserve, other than the £5.9m required in the financial plan for 2020/21, is no longer required to be earmarked. As a result the uncommitted balance of £12.8m has been released into the corporate budget. It also includes £25.5m of PFI Reserves required to cover PFI MRP costs held within Corporate budgets.

4.10 At outturn there are proposed net contributions of £8.1m to Earmarked Reserves. These contributions to earmarked reserves are in line with the Reserves Policy approved by Cabinet in January 2019.

4.11 Further details of all requested use of or contributions to Reserves at Outturn are provided in Annex 11.

Table 6: Proposed Reserves Balance						
Reserve	Balance 31/03/19	Reallocation of Reserves approved Period 9	Original Budgeted (use)/ contribution	Changes approved Period 9	Changes Proposed Since Period 9	Proposed Outturn Balance 31/03/20
	£m	£m	£m	£m	£m	£m
Corporate Reserves	219.587	(4.036)	5.951	7.501	57.971	286.973
Earmarked	36.375	4.036	(3.719)	(0.034)	8.087	44.745
Grant	262.597	0.000	(29.206)	81.040	(42.486)	271.945
Schools	34.255	2.700	0.000	0.000	3.582	40.537
Non Schools DSG	7.344	(2.700)	0.000	(1.199)	2.136	5.580
Total	560.158	0.000	(26.975)	87.307	29.291	649.780

Annex 1 Adult Social Care Directorate

1. Executive Summary

- 1.1 The Adult Social Care Directorate has a net budget of £331.4m for 2019/20. At Outturn, the net spend for the year is £318.7m. This results in an underspend of £12.7m.
- 1.2 The Outturn position is **after** recommended net transfers from reserves of £1.1m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(13.794)
Transfers to / (from) Grant Reserves	1.067
Transfers to / (from) Other Reserves	0.000
Net overspend / (underspend)	(12.727)

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Director	26.684	17.833	16.620	(1.213)	0.000	(1.213)	(0.944)	(0.269)	-2%
Community & Operational	64.823	72.552	72.350	(1.120)	0.918	(0.202)	0.015	(0.217)	0%
Assessment & Support Planning	35.752	41.991	40.877	(1.114)	0.000	(1.114)	(0.985)	(0.129)	0%
Specialist Care Services	29.071	30.561	31.473	(0.006)	0.918	0.912	1.000	(0.088)	0%
Adult Packages of Care Summar	202.394	211.955	202.373	(8.664)	(0.918)	(9.582)	(9.888)	0.306	0%
Adults with a Learning Disability	96.685	94.807	94.303	(0.504)	0.000	(0.504)	(0.413)	(0.091)	0%
Adults with Mental Health Needs	3.894	12.803	12.362	(0.441)	0.000	(0.441)	(1.514)	1.073	8%
Adults with a Physical Disability	28.718	29.617	29.521	(0.096)	0.000	(0.096)	(0.132)	0.036	0%
Older People	71.220	72.635	64.078	(7.639)	(0.918)	(8.557)	(7.802)	(0.755)	-1%
Working Age Dementia	1.877	2.093	2.109	0.016	0.000	0.016	(0.027)	0.043	2%
Commissioning	31.791	29.057	27.327	(1.730)	0.000	(1.730)	(1.390)	(0.340)	-1%
Directorate Total	325.692	331.397	318.670	(12.727)	0.000	(12.727)	(12.207)	(0.520)	0%

Key issues

1.4 The key issues in year are as follows:

- **Corporate Director**

The underspend against this service is (£1.2m) (£0.3m improvement from P9) due to:

- (£1.0m) relating to the Birmingham Community Equipment Loan store budget due to a credit in respect of the previous financial year of £0.5m and capitalisation of £0.5m.
- (£0.2m) in year underspend due to capitalisation of project costs in respect of the Eclipse System.
- £0.3m pressure related to short term project costs relating to the Adults Transformation Programme including Customer Journey and Three Conversations.
- (£0.3m) underspend related to employee vacancies of £0.1m, reduced access to work costs of £0.1m, and collection of additional rent income of £0.1m.

- **Assessment & Support Planning**

The underspend against this service is (£1.1m) (£0.1m improvement from P9) due to:

- An underspend of (£1.0m) due to vacancies held as part of the Adult Customer Journey transformation programme, and redundancies agreed, which has resulted in the early delivery of 2020/21 savings in 2019/20.
- (£0.1m) other minor variations.

- **Specialist Care Services**

The overspend against this service is £0.9m (£0.1m improvement from P9) due to:

- £0.9m of staffing costs relating to savings targets originally intended to be made by this service. These savings have now been delivered through demand management within packages of care.
- (£0.3m) of additional income received from contributions from Health
- £0.2m additional costs relating to a Staff Rostering IT system where costs have been higher than anticipated.
- £0.1m other minor variations

- **Packages of Care**

The underspend against this service is £9.6m (£0.3m deterioration from P9) due to:

- (£1.9m) lower than anticipated costs relating to the roll out of the Directorate's Framework Pricing Policy. This saving has been achieved on a one-off basis for 2019/20 as providers are phased

onto the new Framework, and this is a reduction from P9 of £0.7m.

- (£1.2m) lower than anticipated costs relating to the provision for Bad Debts, which is new from P9.
- £0.8m one off pressure for settlement of a legal case relating to historical residential packages of care costs, offset by
- (£7.3m) underspend relating to packages of care as a result of the Directorate's transformation programme and work relating to the Three Conversations model and Customer Journey. The main savings are linked to the Older People client group where reductions in numbers and unit costs have been achieved. This underspend has reduced by £0.7m as there has been a slight increase in demand for bed based services since P9.

- **Commissioning**

The underspend against this service is (£1.7m) (£0.4m improvement from P9) due to:

- (£0.3m) one off underspend against computer costs relating to the procurement of ASC IT systems, a £0.1m deterioration from P9 due to additional costs of the current IT system.
- (£1.0m) relating to a one-off underspend variation on third sector grants after an exercise to re-tender these in 2019/20 was undertaken. This is an improvement of £0.3m since P9.
- (£0.2m) underspend related to employee vacancies, not reported at P9.
- (£0.2m) other minor variations.

Key movements since Period 9

- 1.5 The underspend of £12.7m is an improvement of £0.5m since Period 9.

The key changes to Adult Social Care Directorate's underspend since Period 9 are:

- **Corporate Director** - £0.3m favourable movement related to employee vacancies of £0.1m, reduced access to work costs of £0.1m, and collection of additional rent income of £0.1m.
- **Assessment and Support Planning** – £0.1m favourable movement from Period 9 due to further reductions in employee costs.
- **Specialist Care Services** - £0.1m favourable movement related to additional contributions from Health partners.
- **Packages of Care** - £0.3m net adverse movement as below
 - £0.7m pressure linked to further roll out of the framework pricing policy, and
 - £0.8m costs of a historical legal case, offset by
 - (£1.2m) lower than anticipated costs relating to the provision for Bad Debts
- **Commissioning** – £0.3m favourable movement from Period 9 due to reduced costs relating to employees and grant payments.

Annex 2 Digital & Customer Services

- 1.1 The Digital and Customer Services Directorate has a net budget of £31.4m for 2019/20. At Outturn, the net spend for the year is £31.4m. This results in a minor overspend.
- 1.2 The Net Expenditure position reflects further slippage in the IT&D “invest to save” scheme of £1.4m, which is in addition to the £2.3m previously reported and already approved to be carried forward. This additional slippage (£1.4m) will also be carried forward to 2020/21 to meet service demand. As well as (£1.2m) contributions to reserves for Benefit Services, carry forward to 20/21 requested in view of slippage of Service improvement IT projects and Business rates revaluations costs. The Net overspend is **after** recommended net transfers to reserves totalling £2.7m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(2.723)
Transfers to / (from) Grant Reserves	0.000
Transfers to / (from) Other Reserves	2.741
Net overspend / (underspend)	0.018

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Digital and Customer Services	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Revenues & Benefits	2.791	2.848	2.848	0.000	0.000	0.000	0.000	0.000	0.00
Business Improvements	9.517	9.852	9.342	(0.510)	0.000	(0.510)	(0.415)	(0.095)	(0.96)
Customer Services	8.566	8.169	8.679	0.510	0.000	0.510	0.415	0.095	1.16
IT & Digital Services	1.005	10.350	10.350	0.000	0.000	0.000	0.000	0.000	0.00
Director of DC&S	0.168	0.169	0.187	0.018	0.000	0.018	0.000	0.018	10.65
Directorate Total	22.047	31.388	31.406	0.018	0.000	0.018	0.000	0.018	0.06

Key issues

1.4 The key issues in year are as follows:

Revenue & Benefits – There is an outturn underspend of (£1.2m) at Period 12, however this underspend is expected to fund costs slipping into 2020-21 i.e. CPI Inform Business Rate revaluations £0.4m for which corporate funding was phased and significantly reducing in 20/21. £0.5m of IT service development costs that could not be completed in 2019-20 due to IT's capacity to deliver prior to 31st March 20. Additionally, due to the extra work falling on the Revenues Service following the government's COVID-19 directive for Local Authorities to assist businesses, outsourcing some Revenues processing work will be required which was not envisaged when setting the budget for 2020-21. £0.3m of this underspend will be required to fund ongoing Benefits service transition costs following delay in universal credit roll out.

In year (19/20) there was a significant increase in Housing Benefit (HB) Bad Debt Provision which reflects future greater risks to HB overpayment recovery following the government directive to Local Authorities to suspend actions to recover debts for the first 3 months of 2020-21 to allow for the potential impact of COVID-19 on household incomes. Financial implications of COVID-19 will impact on future years debts and risks to recovery of those debts.

- Business Improvements – (£0.5m) underspend as a result of vacancy management due to high turnover.
- Customer Services - £0.5m base budget pressures as a result of unbudgeted expenditure in respect of the Brum Account. The (£0.5m) underspend from Business Improvements will be netted off against this overspend resulting in a nil variance at outturn
- IT&DS – In addition to the approved (£2.3m) carry forward to 20/21 an additional slippage of (£1.4m) from the Invest to save scheme will be carried forward into 2020/21 to be utilised towards the IT&DS service delivery, resulting in a nil outturn variance.

Key movements since Period 9

1.5 There has been no significant change since Period 9.

Annex 3 Education & Skills Directorate

General Fund Outturn

1. Executive Summary

- 1.1 The Education & Skills Directorate has a net budget of £274.6m for 2019/20. At Outturn, the net spend for the year is £275.2m. This results in an overspend of £0.6m.
- 1.2 The Outturn position is **after** recommended net transfers to reserves of £2.7m, as shown in Table 1. This position is in line with that reported at Period 9 of £0.6m.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(2.017)
Transfers to / (from) Grant Reserves	1.848
Transfers to / (from) Other Reserves	0.823
Net overspend / (underspend)	0.653

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: P13 Outturn Position									
Directorate	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement/ Deterioration)	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Service General Fund									
Inclusion & SEND	24.827	27.769	29.402	1.632	0.000	1.632	1.541	0.091	0.3%
Education & Early Years	8.988	12.715	11.259	(1.456)	0.000	(1.456)	(0.831)	(0.625)	-4.9%
Children's Trust	183.285	190.099	190.493	0.394	0.000	0.394	0.360	0.034	0.0%
Strategic Leadership	20.383	19.107	18.417	(0.690)	0.000	(0.690)	(0.748)	0.058	0.3%
Skills and Employability	24.418	24.873	25.645	(0.087)	0.859	0.772	0.261	0.511	2.1%
Education & Skills	261.902	274.563	275.216	(0.206)	0.859	0.653	0.584	0.070	0.0%

Note: The non-delivery of savings is net of one-off mitigations. The savings target of £5.027m in the Childrens Trust was not delivered and was mitigated by one-off allocation of additional budget from Policy Contingency.

Key issues

1.4 The key issues in year are as follows:

- Education & Skills Infrastructure (**£0.6m**) underspend relating to savings associated with the PFI contract review.
- Early years (**£0.2m**) underspend relating to a decrease in the projected overspend on Day Nurseries and savings on Early Years estates costs.
- Strategic Leadership (SL) (**£0.4m**) underspend mainly due to (£0.5m) underspent budgets across Education & Skills transferred to Strategic Leadership and underspend (£0.1m) underspend on supplies and services but offset by additional £0.2m interim and agency professionals costs and contribution to Admission and Appeals services for LA maintained schools.
- School Setting/Improvements (SSI) (**£0.6m**) underspend mainly due to (£0.3m) school improvement grant underspend, income over achieved by Safeguarding (£0.1m). A further (£0.2m) underspend from Safeguarding staff vacancy and less training and venue hire expenditure due to cancelled training sessions.
- School Transport – reporting an overspend of **£1.7m** relating to an increase in the number of pupils transported from September 2019 along with the removal of the remaining savings that were previously anticipated to be achieved.
- Children's Trust Residual Accounts and Intelligent Client Function (ICF) – an overspend of **£0.5m** is reported as a result of additional residual costs, mainly relating to pre-Trust care costs £0.2m & historic legal costs £0.1m, other pre-Trust costs £0.3m offset by Children's Trust ICF loan interest (£0.1m)
- Business Support and underspend of (**£0.2m**), including premature retirements.
- Skills and Employability overspend **£0.7m** – Adult Education overspend of £0.7m, due mainly to reduced income. The income budget reflected the full impact of the corporate recharge increase of £0.9m, which was levied on the Adult Education budget in 2019/20. A separate briefing note is being prepared on this.
- Other net underspends across Education & Skills amount to (**£0.3m**).

The outturn position from the Children's Trust shows an overspend of £7.0m. The overspend is included in the outturn position in table 2. It has been funded through a budget increase to the Directorate and does not change the overall Directorate variance of £0.6m overspent.

Key movements since Period 9

1.5 The overspend of £0.6m is in line with that reported at Period 9.

The key changes to the Education & Skills Directorate's overspend since Period 9 are:

- Early Years – improvement of **(£0.2m)** relating to a decrease in the projected overspend on Day Nurseries and savings on Early Years estates costs
- Strategic Leadership and Improvement **£0.2m** decrease in underspend due to more agency professionals and contribution to Admissions and Appeals for maintained schools
- School Setting/Improvements (SSI) **(£0.3m)** increase due to income overachieved, staff vacancy and less training and venue hire expenditure as a result of cancelled training sessions.
- Adult Education increased overspend of **£0.5m** due mainly to reduced income and impact of recharge increase.
- Other changes amount to underspend movements of **(£0.2m)**.

Annex 4 Finance and Governance Directorate

1. Executive Summary

1.1 The Finance and Governance Directorate has a net budget of £25.6m for 2019/20. At Outturn, the net spend for the year is £24.6m. This results in an underspend of £1.0m.

1.2 The Outturn position is **after** recommended net transfers to reserves of £4.1m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(5.108)
Transfers to / (from) Grant Reserves	0.000
Transfers to / (from) Other Reserves	4.072
Net overspend / (underspend)	(1.036)

1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Development & Commercial	(4.374)	(4.137)	(2.123)	2.014	0.000	2.014	1.682	0.332	(8.03)
Service Finance	20.487	20.387	18.612	(1.775)	0.000	(1.775)	(0.100)	(1.675)	(8.22)
GBSLEP	0.000	0.001	0.000	(0.001)	0.000	(0.001)	0.000	(0.001)	(100.00)
City Solicitor	7.754	7.706	6.781	(0.925)	0.000	(0.925)	(0.286)	(0.639)	(8.29)
Birmingham Audit	1.529	1.662	1.313	(0.349)	0.000	(0.349)	(0.223)	(0.126)	(7.58)
Directorate Total	25.396	25.619	24.583	(1.036)	0.000	(1.036)	1.073	(2.109)	(8.23)

Key issues

1.4 The key issues in year are as follows:

Development and Commercial - £2.0m outturn overspend as a result of

- £1.8m income pressure for Digital Advertising. There has been a loss/reduction in income due to Cabling works at Lancaster Circus, the closure of Five Ways underpass and the impact of the Metro and City Centre Roadworks. The capacity to generate additional income from new sites has proved challenging due to planning restrictions and continued economic and Brexit uncertainty. The further £0.1m income pressure since P11 is due to the impact of Covid 19 as with no audience on the streets, advertising bookings have been significantly reduced/ceased.
- (£0.7m) underspend from non-contribution to reserves from planned mitigation for the Digital Advertising Income pressure.
- £0.4m income pressure for Civic Cleaning. This pressure has arisen mainly as a result of the current hourly rate (charged for delivering cleaning) being below that of the external market and does not cover the actual cost of providing the service. There has been no increase in the hourly charge rate to absorb the impact of increased operational costs since 2009. Civic Cleaning returned to the Council in April 2019 from Acivico with an annual trading deficit of £1.1m, after which immediate overheads charge cessation reduced the pressure by £0.5m and a further £0.2m of efficiencies was achieved.
- £0.3m net budget pressure in City Serve Catering. This reflects a significant shift in the marketplace and an increase in the number of schools leaving CityServe primarily to achieve cost reductions within the private sector. The fall in income is partly off-set by reduced costs and managed mitigations including the release of a one-off provision which is no longer required and a reduction in Head Office expenditure.
- £0.2m overspend in Civic Catering. The service did not generate sufficient income to achieve the 0.2m budgeted surplus.

Service Finance – (£1.8m) underspend as a result of

- (£0.7m) underspend on Prudential Borrowing costs (linked to the SAP capital programme) and SAP IT development costs due to reduced activity pending implementation of new Finance and HR ERP.
- (£0.3m) net underspend from £0.5m additional unidentified income balances unclaimed by Directorates offset by £0.2m overspend as budgeted target for prior year adjustments income was not achieved.

- (£0.3m) underspend on Schools Financial Services due to vacancy savings.
- (£0.5m) underspend other minor variations

City Solicitor – (£0.9m) underspend as a result of

- (£0.2m) underspend in Elections services as spend planned for a further two By-Elections in year was not required
- (£0.3m) underspend in Cabinet Office and Leader's services, mainly as a result of lower than anticipated use of the Leaders Development Fund
- (£0.3m) underspend in Legal Services as costs associated with Equal Pay claims have not materialised as originally expected
- (£0.1m) underspend due to other minor variations

Audit – (£0.3m) underspend as a result of increased recoveries from the supplier statement audit.

Key movements since Period 9

1.5 The underspend of £1.0m is an improvement of £2.1m since Period 9.

The key changes to Finance and Governance Directorate's since Period 9 are

- Development and Commercial - £0.4m increase in overspend based on latest forecast from Signature Outdoor Limited on the Digital Advertising Income. The expectation of improved sales in the run up to Christmas was not forthcoming and the national economic uncertainty continues for February to March 2020 bookings with the further impact of Covid 19.
- Development and Commercial - £0.2m overspend in Civic Catering as income generated is below that anticipated in the Period 9 forecast which was based on plans to generate additional income over Christmas and into the New Year
- Development and Commercial - £0.3m improvement as contract management procurement savings have been mitigated, mainly by managed vacancy savings.
- Service Finance - £0.7m increase in underspend on Prudential Borrowing costs (linked to the SAP capital programme) and SAP IT development due to reduced activity pending implementation of new Finance and HR ERP.
- Service Finance - £0.3m underspend from unidentified income balances offset by reduced prior year income not anticipated in the forecast.
- Service Finance - £0.2m increase in the underspend on Schools Financial Services from vacancy savings offset by reduced income.
- City Solicitor – £0.2m increase in Legal Services underspend due to lower spend than anticipated on Equal Pay third generation claims (£0.3m) partly offset by an increase in citywide legal costs in the final quarter.

- City Solicitor - £0.2m underspend in Elections services as spend planned for a further two By-Elections in year was not required.
- City Solicitor - £0.3m underspend in Cabinet Office and Leader's services, mainly as a result of lower than anticipated use of the Leaders Development Fund.
- £0.5m increased underspend due to other minor variations.

Annex 5 Human Resources

1. Executive Summary

- 1.1 The Human Resources (HR) Directorate has a net budget of £7.3m for 2019/20. At Outturn, the net spend for the year is 6.2m. This results in an underspend of £1.1m.
- 1.2 The Outturn position is **after** recommended net transfers to reserves of £0.5m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(1.585)
Transfers to / (from) Grant Reserves	0.000
Transfers to / (from) Other Reserves	0.501
Net overspend / (underspend)	(1.084)

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
HR Schools	0.141	0.148	(0.417)	(0.565)	0.000	(0.565)	(0.230)	(0.335)	(226.35)
HR Services	6.456	7.221	6.702	(0.519)	0.000	(0.519)	(0.220)	(0.299)	(4.14)
Directorate Total	6.597	7.369	6.285	(1.084)	0.000	(1.084)	(0.450)	(0.634)	(8.60)

Key issues

- 1.4 The Outturn underspend of £1.1m includes the following recommended transfers to reserves, totalling £0.5m:
- JADU development £0.1m transfer back to the directorate reserve. This is to support the implementation of JADU and ERP for Schools. The funding was not utilised this financial year as the systems are still in the development phase and the funding is therefore required in 2020/21.
 - JEQ Project £0.3m transfer to directorate reserve. This represents 6 months of unspent base budget. The 2-year project is now being delivered over 3 financial years.

- £0.1m to directorate reserve. This is requested to cover resourcing requirements for dual running of HR IT systems and Oracle during ERP implementation.

1.5 The key issues in year are as follows:

- HR Schools – £0.6m net underspend is made up of £0.2m underspend as a result of vacancy management, £0.2m reduced supplies and services and £0.2m surplus on traded activity.
- HR Services - £0.5m net underspend is made up of £0.2m vacancy management, £0.1m dilapidation costs for the former occupational health premises, £0.1m reduced supplies & services and £0.3m surplus on traded activity.

Key movements since Period 9

1.6 The underspend of £1.1m is an improvement of £0.6m since Period 9.

The key changes to Human Resources Directorate's over/underspend since Period 9 are:

- £0.3m less expenditure than forecast in supplies and services as a result of delays in migration of the Occupational Health booking system, reimbursement from Capita for delays in development of IT and the effect of Covid-19 lockdown on HR services.
- £0.3m additional spend reported at month 9 in supplies and services for the development of HR schools JADU system delayed to 2021 in line with the introduction of ERP.

Annex 6 Inclusive Growth Directorate

1. Executive Summary

- 1.1 The Inclusive Growth Directorate has a net budget of £98.3m for 2019/20. At Outturn, the net spend for the year is £98.7m. This results in an overspend of £0.4m.
- 1.2 The Outturn position is **after** recommended net transfers from reserves of £11.4m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	11.758
Transfers to / (from) Grant Reserves	(11.102)
Transfers to / (from) Other Reserves	(0.291)
Net overspend	0.365

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
P&D City Centre, EZ, BDI	3.257	(0.558)	(0.884)	(0.326)	0.000	(0.326)	(1.031)	0.705	(126.34)
Transportation & Connectivity	46.159	46.327	45.342	(0.985)	0.000	(0.985)	(0.300)	(0.685)	(1.48)
P&D Strategy & Planning	0.963	4.486	3.998	(0.588)	0.100	(0.488)	(0.622)	0.134	2.99
Birmingham Property Services	(3.743)	(4.572)	(2.393)	1.933	0.246	2.179	2.732	(0.553)	12.10
Housing Development	(0.322)	(0.313)	0.310	(0.071)	0.694	0.623	0.694	(0.071)	22.68
Highways & Infrastructure	43.483	43.989	43.483	(0.969)	0.463	(0.506)	(1.100)	0.594	1.35
Inclusive Growth Director	7.718	8.928	8.797	(0.131)	0.000	(0.131)	0.000	(0.131)	(1.47)
Other Funds - Holding A/Cs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00
Directorate Total	97.515	98.287	98.653	(1.137)	1.503	0.365	0.373	(0.007)	(0.01)

Key issues

- 1.4 Inclusive Growth Directorate has a final overspend of £0.4m. The variances by service area are as follows:
- Planning & Development (City Centre, Management & EZ) – (£0.3m) Surplus (reduction of £0.7m to month 9):
 - (£0.8m) underspend due to in-year staff vacancies and difficulties in recruiting to Planning posts unchanged. However, as a consequence there was a reduction in staff related income of £0.3m (month 9 – nil)

- £0.2m under-recovery on Planning Applications and Pre-application fees (reduction of £0.4m compared to month 9). The last three months reduction due to staff turnover and numbers of applications received.
- Transportation & Connectivity – (£1.0m) Surplus
 - Employee underspend of £1.9m offset by an overspend of £2.4m on professional and consultancy staff used, giving a net employee overspend of £0.5m
 - A surplus on employee recharges to projects of (£1.5m)
- Planning & Development (Strategy & BDI) – (£0.5m) Surplus (no overall change to month 9)
 - (0.7m) of staff vacancy savings reduction in underspend due to Planning & Development staff recruitment difficulties (no change compared to month 9)
 - 0.2m shortfall in European & International Affairs income generation (no change compared to month 9)
- Property Services - £2.2m Deficit (£0.6m improvement compared to month 9)
 - £0.3m net deficit on Property Services core services arising from less staff related income generated (£1.5m) as a result of increased employee vacancies due to recruitment difficulties (£1.2m)
 - £0.8m pressure - commercial portfolio rental income shortfall which is a reduction of £0.3m compared to month 9 due to additional one-off income through rent reviews
 - £0.3m net pressure on service charge income i.e. collection vs expenditure and appropriation to general maintenance reserve (nil at month 9)
 - (£0.2m) of insurance savings due to reductions in the portfolio
 - £0.1m pressure – commercial portfolio void business rates (reduction of £0.1m to month 9)
 - £0.4m pressure (increase of £0.1m from month 9)- new Wholesale Markets arising from void unit service charges and increased prudential borrowing costs from the demolition of the former Wholesale Markets site
 - (£0.6m) saving - Working for the Future prudential borrowing fall-out (no change to month 9)
 - £0.1m pressure - security and curatorial services (reduction of £0.1m from month 9) due to staff vacancy savings
 - £1.0m pressure (reduction of £0.6m from month 9) – central administration buildings arising from fewer repairs and maintenance jobs completed before the year-end than committed.
- Housing Development - £0.6m Deficit (reduction of £0.1m to month 9).
 - InReach surplus non-achievement of surplus target due to difficulties bringing forward schemes reduction to lower prudential borrowing requirements

- Highways & Infrastructure – (£0.5m) Surplus:
 - Employee underspend of (£0.3m) due to vacancies and employee turnover
 - (£0.8m) surplus from developers' fees relating to major project works
 - £0.2m shortfall in income from fixed penalty notices for works overruns
 - (£0.7m) surplus from parking bay suspensions due to development works in the city centre
 - £0.9m shortfall in car parking and parking enforcement income
 - £0.2 shortfall in employee recharges to projects

- Inclusive Growth Director – (£0.2m) Surplus - minor variations

Key movements since Period 9

- 1.5 The overspend is £0.4m which is unchanged from period 9. There have however been some changes within the service that should be noted as follows:
- Transport & Connectivity - £0.7m increase in surplus due to increased recharges to projects and reduced charges for services received
 - Highways & Infrastructure - £0.6m reduction in surplus:
 - £0.8m reduction in income offset by an increase of £0.5m from parking bay suspension
 - £0.1m Income reduction from Private Developments
 - £0.2m structures and systems expenditure not previously forecast
 - Planning & Development (City Centre, Management & EZ) - reduction of £0.7m surplus due to fall-out of employee related income generation of £0.3m and drop in Planning Application income of £0.4m.
 - Property Services - £0.6m reduction in deficit due to:
 - £0.3m net deficit on core services arising from less employee regenerated income
 - £0.3m saving – reduction in commercial portfolio rental income shortfall
 - £0.3m net pressure between service charge income and expenditure
 - £0.1m increase in pressure on Wholesale Markets – void service charges/rates and prudential borrowing
 - £0.2m of insurance savings due to reductions in the portfolio
 - £0.1m reduction in commercial portfolio void business rates
 - £0.1m reduction security and curatorial services
 - £0.6m reduction in central administration buildings pressure arising from fewer repairs and maintenance jobs completed before the year-end than committed

Annex 7 Neighbourhoods Directorate

1. Executive Summary

- 1.1 The Neighbourhoods Directorate has a net budget of £108.5m for 2019/20. At Outturn, the net spend for the year is £127.8m. This results in an overspend of £19.3m.
- 1.2 The Outturn position is **after** recommended net transfers to reserves of £2.2m, as shown in Table 1.

Table 1: Net Directorate Outturn	Overspend/ (Underspend) £m
Net expenditure (+ over/ - under)	17.032
Transfers to / (from) Grant Reserves	1.999
Transfers to / (from) Other Reserves	0.240
Net overspend / (underspend)	19.272

- 1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Street Scene	66.835	67.420	78.281	10.311	0.550	10.861	8.312	2.549	3.78
Housing Services	3.760	3.559	8.578	4.719	0.300	5.019	4.283	0.736	20.67
Neighbourhoods Management	15.310	21.317	20.675	(1.242)	0.600	(0.642)	(0.366)	(0.276)	(1.29)
Regulation & Enforcement	0.315	0.645	3.529	1.476	1.409	2.885	0.984	1.901	294.92
Business Support	13.344	15.535	16.684	(0.051)	1.200	1.149	1.424	(0.275)	(1.77)
Directorate Total	99.564	108.476	127.747	15.213	4.059	19.272	14.637	4.635	4.27

Key issues

- 1.4 The key issues in year are as follows:

- Street Scene – **£10.9m** overspend as a result of the following factors:

- Increased staff and agency costs arising from the delay in the implementation of the service redesign, £4.6m.
- Higher repair and maintenance as well as hire costs incurred for waste management vehicles due to the lead time in acquiring replacement vehicles, £2.9m.
- A significant loss of external and internal customers for trade waste, street cleansing and fleet repair services has resulted in an income shortfall, £2.6m.
- A fall in market prices for mixed paper recycling has resulted in lower income levels, £0.7m.
- The cost of IT licences specifically for the waste collection service that had not been centralised £0.7m
- The external contractor costs (Waste Disposal and Public Conveniences) for 2019/20 were (£0.7m) lower than budgeted as a result of reduced tonnages being presented to the Tyseley Plant, and reduction in the number of Public Conveniences.
- The waste disposal contract for the generation of electricity raised additional income, (£0.7m).
- Due to resistance from local communities, Savings plans to dispose of parks land experienced local resistance resulting in a shortfall, £0.6m, other minor park income shortfalls, £0.2m.
- Housing Services - £5.0m overspend with an analysis of each service shown below:
 - Private Rented Sector overspend of £0.3m. An income target of £0.5m for selective licensing is built into the budget, this has not been achieved, due to not meeting the government five main criteria for the scheme. This was offset by lower staffing costs arising from vacancies of £0.2m.
 - Housing Options overspend of £4.5m was due to a delay in the implementation of savings initiatives, £1.4m, offset by vacancies averaging 31 FTE, £(1.1)m. In addition, the provision for bad debt is higher than budget by £1.6m, partly due to the increased number of customers as well as the average level of debt. Overall, with the increased demand for temporary accommodation costs have risen by £2.6m, this is demonstrated by increased average number of customers throughout the year, rising from 2,944 to 3,288. This service is a demand led service and has continually seen an increase in homelessness presentations and those being accommodated in Temporary accommodation with demand continuing to outstrip supply.
 - Shelforce – overspend of £0.2m relates to the loss of a month's sales due to Emergency directives as a response to COVID19 in March 2020.
- Neighbourhoods Division - £0.6m underspend due to a managed underspend on staffing and on controllable supplies and services, delivered to support the overall Directorate position.

- Regulation & Enforcement - £2.8m overspend relates to lower income from bereavement services and markets.
 - The volume of cremations and funerals was lower than projected throughout the year and this impacted sales income by £1.4m.
 - Void levels in markets have resulted in lower rent and service charge incomes and this has been compounded by higher debt management expenses giving a combined shortfall of £1.1m.
 - Repairs to the mortuary and technology costs have led to an overspend of £0.7m.
 - City Centre overspend of £0.2m covering the BID Ambassador post and reopening of Centenary Square.
 - Higher income of £(0.3)m from Registrar services have offset some of the above costs.
 - Funding was provided corporately for emergency hazard clearance of £0.3m.
- Business Support - £1.1m overspend as the anticipated land and property disposals did not generate the sales income for the directorate.

Key movements since Period 9

1.5 The overspend of £19.2m is a deterioration of £4.6m since Period 9.

The key changes to Neighbourhoods Directorate's overspend since Period 9 are:

- Street Scene – a deterioration of £2.5m since period 9 relates to higher employee costs amounting to £0.7m in the Waste service than originally anticipated, a continued decline in sales income from Trade Waste, Street Cleaning, Fleet Service and Parks customers, £0.8m. Despite continued efforts to minimise the cost of Vehicle Hire and Maintenance overall costs increased further by £0.8m. The emergency response to COVID19 resulted in additional costs incurred across the service, £0.2m.
- Housing Services - a deterioration of £0.7m since period 9 relates to higher demand for temporary accommodation. Although two hostels were opened in 2019/20 that increased capacity by 215 units, these were soon filled with excess demand overflows into Bed and Breakfast accommodation. Preventative and move on measures were expected to reduce tenancies to circa 3,140 in the last quarter, however, actual tenancies were on average 84 higher per week. Additional caseload increased operating costs by £0.7m and bad debt provision by £0.3m. Staff vacancy savings of £0.3m offset part of the quarterly increase.
- Neighbourhoods Division – an improvement of £0.3m due to various minor reductions in forecasted spend on IT, building repairs and supplies.
- Regulation & Enforcement – a deterioration of £1.9m was due the following: A continued decline in budgeted sales from Bereavement Services £0.4m. Higher utility and transport costs across all service areas, £0.2m. Markets the recalculation of bad debt provision and

increased legal charges to chase market traders for rent and service charges resulted in an increased overspend of £0.6m. Additional pressure for the Mortuary and Coroners (combined) of £0.3m partly mitigated by better than expected results from Register Office (£0.2m). Also additional costs of £0.2m for City Centre relating to BID management and the newly opened Centenary Square. The emergency response to COVID19 resulted in additional costs incurred across the service, £0.3m. Other minor variations £0.1m.

- Business Support – an improvement of £0.2m due to lower corporate recharges.

Covid19 costs 2019/20

1.6.1 The financial impact to the Emergency response to COVID19 restrictions the following items have impacted on the financial outturn, £0.468m:

- Street Scene, £0.2m for waste management services and parks due to loss of income and incidental costs for additional supplies.
- Housing – HRA £0.018m
- Regulation and Enforcement, £0.3m for loss of income across services such as closure of markets, further lower costs on registrars.

Annex 8 Partnerships, Insight and Prevention

1. Executive Summary

1.1 The Partnerships, Insight and Prevention (PIP) Directorate has a net budget of £6.8m for 2019/20. At Outturn, the net spend for the year is £6.6m. This results in an underspend of £0.2m.

1.2 The Outturn position is **after** recommended net transfers to reserves of £2.1m, as shown in Table 1.

	Overspend/ (Underspend) £m
Table 1: Net Directorate Outturn	
Net expenditure (+ over/ - under)	(2.286)
Transfers to / (from) Grant Reserves	2.055
Transfers to / (from) Other Reserves	0.000
Net overspend	(0.231)

1.3 The Outturn position is shown in greater detail in Table 2.

Table 2: Outturn Position									
Service	Original Budget	Current Budget	Outturn	Base Budget Over/ (Under)	Savings Non-delivery	Outturn Over/ (Under)	Period 9 Over/ (Under)	Change since Period 9 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Communications	1.340	1.341	1.324	(0.017)	0.000	(0.017)	(0.013)	(0.004)	(0.30)
Public Health	0.040	0.148	0.126	(0.022)	0.000	(0.022)	0.000	(0.022)	(14.86)
Community Safety and Resilience	1.605	1.919	2.137	0.218	0.000	0.218	0.202	0.016	0.83
Asst. Chief Exec	3.458	3.379	2.969	(0.410)	0.000	(0.410)	(0.289)	(0.121)	(3.58)
Directorate Total	6.442	6.788	6.557	(0.231)	0.000	(0.231)	(0.100)	(0.131)	(1.93)

Key issues

1.4 The key issues in year are as follows:

- Assistant Chief Exec – (£0.4m) underspend mainly as a result of vacancies held pending implementation of new structure.
- Community Safety and Resilience - £0.2m overspend mainly relating to CCTV cameras in Emergency Planning and Resilience. A programme of

decommissioning CCTV cameras which are either obsolete, dysfunctional or no longer achieve operational requirements will avert this pressure from 2020/21 onwards, although completion of this programme has been impacted by Covid 19.

Key movements since Period 9

1.5 The underspend of £0.2m is an improvement of £0.1m since Period 9.

Education & Skills Directorate

Annex 9 Dedicated Schools Grant (DSG)

1. Executive Summary

1.1 The Dedicated Schools Grant (DSG) is a highly prescribed and ring-fenced grant which was budgeted at £636.6m. It is the primary source of funding that is delegated /allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The funding is shown in the table below. The total funding for Birmingham is £1,188.1m, of which £551.5m is currently recouped by the Education Skills Funding Authority (ESFA) to directly passport funds to academies and free schools, leaving £636.6m to be funded by the City Council.

	DSG Funding £m	Less Recoupment £m	BCC Funding £m	Outturn £m	Over/ (Under) Outturn £m	Over/ (Under) Month 9 £m
Schools Block	918.160	524.835	393.324	393.567	0.243	0.000
High Needs Block	162.103	26.635	135.467	136.187	0.720	1.319
Early Years Block	89.754	0.000	89.754	87.685	(2.069)	(2.183)
Central Services Block	18.040	0.000	18.040	17.730	(0.310)	0.000
Total 2019/20 DSG	1,188.056	551.471	636.585	635.170	(1.415)	(0.864)

1.2 The key issues for 2019/20 were as follows:

Schools Block £0.2m overspent (Month 9 Balanced)

- The Schools Block was overspent by £0.2m due to:
 - overspend of £0.2m in Falling Pupil Fund
 - underspend of £0.2m on Growth Fund
 - overspend of £0.2m on de-delegated Closing Schools Contingency Fund
- The Directorate is supporting schools with deficits to either come out of deficit and/or stop them increasing. As at 31 March 2019 the net balance on school carry forward was £47.4m, which comprised £60.0m surplus balances and £12.6m deficit balances. As at 31 March 2020 the net balance on the school carry forward was £51.3m, which comprised £60.3m surplus balances from 198 schools and £9m deficit balances from 40 schools. The growing level of deficit is an increasing concern since where those deficits are not addressed and schools are directed to become academies due to poor educational performance BCC is required to fund the deficits.
- In the financial year 2019/20, 13 schools converted to academy status. Of the schools that converted a number have significant deficit balances that will remain with BCC, these currently amount to £5.746m in 2019/20. The extent

of the final deficits will not be confirmed until each school's deficit balance has been determined and confirmed with the school, in line with ESFA guidelines (4 months after the date of conversion).

- Although the deficit of £5.746m was covered from the DSG Closing Schools Contingency of £0.748m with most of the balance met from revenue funding released through application of capital receipts, there is still a shortfall remaining of £0.243m in 2019/20. There is less than £3m of capital receipts left for future deficits from 2020/21 onwards, which poses a significant risk.

High Needs Block £0.7m overspend (Month 9 £1.3m overspend)

The level of spend on High Needs is the second main area of concern, which is a concern nationally. At the end of 2018/19 the cumulative deficit on High Needs was £16.037m. A report to Schools Forum on the 19th June 2019 recommended the use of £2.700m of non-schools DSG reserves (other funding blocks) to reduce the cumulative High Needs Block deficit. The Directorate is developing and will be implementing a three year deficit recovery plan in 2020/21. This will be addressed as part of the additional funding of £26m which was announced in November 2019 and forms part of 2020/21 High Needs Block budget.

The net overspend on High Needs Block for 2019/20 was £0.7m (Month 9 £1.3m overspend), comprises £1.9m overspend on High Needs Service offset by underspends of £0.5m in Innovate to save project, £0.1m in LACES, £0.2m in Access to Education and £0.4m on Alternative Provision (Placements), Attendance and Independent School's & Exclusions.

The net overspend of £0.7m in the High Needs Block (Month 9 £1.3m) largely relates to the following:

High Needs Service Area

- £1.4m overspend in special schools as a result of additional place changes to top-up funding and ESN payments to reflect increased complexity of need (Month 9 £1.4m),
- £0.1m overspend in Resource Base provision (Month 9 £0.3m)
- Criteria for Special Provision £0.2m overspend (Month 9 £0.2m)
- £0.8m overspend in Colleges/ FE providers Post16 & Post19 placements (Month 9 £1.4m)
- (£2.0m) underspend in independent placement provision (including tripartite) (Month 9 £2.2m underspend)
- Early years provision £0.1m overspend
- Higher than average SEN (£0.1m) underspend (Month 9 £0.1m overspend)
- Alternative Provision initiatives £1.1m overspend (Month 9 £0.7m overspend)

- Contribution to Equipment loan scheme £0.3m overspend (Month 9 £0.3m overspend)

Innovate to save project

- A further underspend of (£0.5m) relates to the funding set aside for the Innovate to save project which will need to be set aside in reserves to support the project in 2020/21.

Virtual School – Looked After Children Education Service

- An underspend of £0.1m has arisen at out-turn due mainly to reduced staffing costs

Access to Education

- An underspend of £0.2m has arisen due to staff savings and additional income generated by the service.

Alternative Provision (Placements), Attendance and Independent School's & Exclusions

The service has underspent by £0.4m, due to:

- Saving of £0.3m as less than budgeted number of pupils being placed in alternative provision in 2019/20 to date.
- Staff vacancy saving of £0.06m
- Exclusions underspend/ income overachieved £0.04m

Early Years Block £2.0m underspend (Month 9 £2.2m underspend)

- There has been a significant underspend on Early Years of £2.0m. This has been confirmed late in the financial year due to the late notification from DFE of census information which influences the funding position and was only received mid-March. There has also been a reduction in take up for the past two years, exacerbated by the introduction of working parent conditions. Other savings relate to:
 - Higher 2 year old hours funded compared to those paid,
 - lower levels of deprivation and therefore Free School Meals paid than built into the funding formula.
- It has historically been difficult to forecast the year end position due to these factors and the implementation of the Early Years Single Funding Formula universal rate and introduction of working parents funding from September 2017, which limits the historical trend data available.

Central Schools Services Block £0.3m underspend (Month 9 Balanced)

Admissions

- An underspend of £0.2m has arisen mainly due to income overachieved £0.15m from appeals services provided and £0.05m underspend on employee budget after netting off non-pay costs. BCC has decided to charge academies for admission appeals and fund maintained and voluntary controlled schools appeals from General Fund.

Schools Forum

- An underspend of £0.1m has arisen due to delay in clarification of recipients from Schools Forum.

The table below shows the opening and closing balances of reserves related to the DSG.

	Opening Balance 01.04.2019 £m	Closing Balance 31.03.2020 £m
Schools Carry Forward balances	50.2	54.6
High Needs Block Deficit	(16.0)	(14.0)
Other Non- Schools DSG	7.3	5.6
Total	41.5	46.2

The DFE Consultation on the implementation of new arrangements for reporting DSG deficits will require all local authorities with a cumulative overspend on DSG provision in excess of 1% to produce recovery plans detailing the steps they plan to take to provide statutory services within the annual funding envelope. These recovery plans should be discussed with, and if possible, agreed with, the local schools forum and should look to bring the overall DSG account into balance within a maximum of three years.

At 2019/20 out-turn the accumulated deficit on DSG is £8.4m which equates to 0.7% of the total gross DSG budget before recoupment. This is below the 1% threshold and therefore the Council does not have to make a formal return to the DFE. However, it recognises the need to reduce the Higher Needs deficit (which is an accumulated deficit of £14m at 2019/20 out-turn) and it has been agreed at January 2020 Schools Forum that this deficit will be repaid by the High Needs Block over the next 3 years at £5m a year starting in 2020/21.

Annex 10 Corporate Accounts

Corporate Accounts Outturn	£m
Treasury Management	2.675
Balance Sheet Management	(0.913)
VAT issue related to Sports Centres	(4.000)
Tyseley Waste Outage	1.720
Dissolution of the Pool	(0.500)
Under recovery of Pension Costs	5.031
Provision for support for subsidiary companies	0.100
Over Provision Acivico	(4.464)
Levy Account Surplus Allocations	(1.202)
Leasing Adjustment	0.890
Section 31 Surplus	(1.271)
Other	(1.546)
Policy Contingency	(4.538)
Extra Bad Debt Provision related to Covid-19	3.200
Other Covid-19 Costs	0.925
Release of IBCF Reserve into Corporate Budget	(12.831)
Total Corporate Variations	(16.724)

1. Total Corporate Variations

There is a Corporate underspend of (£16.7m) on the base budget which includes:

- There was an overspend of £2.7m on Treasury management. This variation is explained within Appendix 3 of the Report
- There was an underspend of (£0.9m) on Balance Sheet management.
- A one-off VAT refund to the Council for sports services which is providing a benefit of (£4.0m) unbudgeted income.
- There was a £1.7m overspend relating to the Tyseley Energy Recovery Facility (ERF), which experienced an incident which took the plant offline. The supplier incurred repair costs and the Council incurred additional costs to divert waste to alternative disposal sites and to Landfill.
- Following the dissolution of the Greater Birmingham and Solihull Business Rates Pool, the Council received a (£0.5m) as its share of a Contingency Reserve.
- At outturn, there was an under-recovery of pension costs of £5.0m. This is after the release of £0.8m of Specific Policy Contingency, as described in paragraph 2.2 below.
- The Council has had to set aside a provision of £0.1m arising from its support to subsidiary companies including the impact of pension guarantees to the West Midlands Pension Fund.
- The Council has been able to reduce the provision in its accounts for Acivico by (£4.5m).

- The Council has recently been notified of (£1.2m) of Levy Account Surplus Allocation from the Government. Each year the Government charges tariff authorities a levy on the business rates growth that they generate. The first call on this is to pay for any safety net payments due to local authorities whose business rates have declined. Any balance left is redistributed to local authorities. The allocations are normally announced as part of the Finance Settlement and factored into the following year's budget. The announcement has been made later this year and so has been treated as additional income in 2019/20.
- There is a charge to the accounts of £0.9m in 2019/20 relating to a technical charge relating to lease accounting.
- There has been a surplus of (£1.3m) in Section 31 Grants received from the Government over and above those identified in setting the 2020/2021 budget.
- (£1.5m) of other net underspends have been identified.
- The Council has created an additional bad debt provision in the General Fund of £3.2m to cover potential increases in bad debts due to the economic consequences of Covid-19.
- The Council has identified £0.9m of costs related to Covid-19 that have been incurred in this financial year.
- There was an underspend of (£4.5m) on Policy Contingency, as described below in paragraph 2.4.
- In the current environment the Improved Better Care Fund reserve, other than the £5.9m required in the financial plan for 2020/21, is no longer required to be earmarked and these resources are more appropriately held in the Financial Resilience Reserve. As a result the uncommitted balance of £12.8m has been released into the corporate budget.

2. Policy Contingency

2.1 Release of General Policy Contingency

- There is a proposed release of £0.1m of General Policy Contingency to fund an Independent Review to look at the future service options for the Waste Management Service. The use of Policy Contingency to fund this was approved by Cabinet on 26 March 2019.
- There is a proposed release of £0.4m of General Policy Contingency to fund a response by Environment Health to a public safety emergency called by West Midlands Fire Service.
- There is a proposed release of £0.150m of General Policy Contingency to fund a Birmingham Community Investment Tax Relief (CITR) scheme to be run in partnership with Aston Reinvestment Fund (ART). This is in line with a Cabinet decision of October 2016.

2.2 Release of Specific Policy Contingency

The Gateway and Related Financial Approvals Framework requires approval from the Section 151 Officer, in conjunction with the Leader and the Chief Executive, to release funds from Specific Policy Contingency.

As part of the Council's simplification of processes, the Cabinet meeting of 30 July 2019, approved that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Council Financial Plan and Budget 2019-2023.

- The Section 151 Officer has approved the release of £0.8m of Specific Policy Contingency to fund part of the under recovery of Pension costs.
- The Section 151 Officer has approved the release of £1.0m of Specific Policy Contingency to fund Commonwealth Games Project Team costs.

Both of these are in line with the Council Financial Plan and Budget 2019-2023.

- Cabinet approved on 17 March 2020 the release of £1.5m of Policy Contingency for Arts Endowments to provide for a debt of £1.4m related to the Midlands Art Centre (MAC) to be written off and to provide a small amount of funding (£0.031m) in 2019/20.
- Cabinet of 26 May 2020 has agreed to fund the Birmingham Childrens Trust Contract Variation of £7.0m. It is proposed to use underspends within Specific Policy Contingency to fund this.

2.3 Release of Policy Contingency in 2020-2021

It is proposed that Cabinet approve that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency in 2020/2021 to fund expenditure which is in line with the approval given as part of the Council Financial Plan and Budget 2020-2024. Progress on this would be reported to Cabinet as part of the regular Revenue Monitoring reports.

Any requests for funding from Specific Policy contingency that are not in line with the original application in the Council Financial Plan and Budget 2020-2024 will require approval by Cabinet.

2.4 Policy Contingency Reserves

There is a proposed transfer to reserves of £1.1m from Policy Contingency for approved funding which will enable projects to be carried out in later years, relating to the following:

- Information Assurance- GDPR £0.2m: to complete the two-year CLT approved programme
- Invest to Improve- Pay Review £0.3m: due to delay in use of funding allocated to mitigate potential additional spend in terms of ongoing cases and actions.
- Invest to Improve- CIPFA Review £0.2m: due to revised phasing of Finance improvement work
- HR Records and Repayment £0.2m: due to delay in ERP implementation

- Other minor variations of £0.2m

2.5 Policy Contingency Outturn

After these proposed transfers to Policy contingency Reserve, there is a net underspend on Policy contingency of £4.5m as set out in the table below:

Name of Policy Contingency	Amount of Overspend/ (Underspend) £m	Reason for Variation
Adult Social Care Demography	(4.600)	A review of items within Policy Contingency identified that £8.500m set aside for demography pressures was not required. £3.900m of this was to be used to fund an underlying pressure within Community Sport, leaving an uncommitted budget of £4.6m
Various of Specific Policy Contingency	(2.492)	underspend in Policy Contingency declared at Month 9 after a review of Specific Policy Contingency
Birmingham Childrens Trust	7.000	funding of BCT Contract variation approved by Cabinet, using underspends above
Invest to improve fund	(0.815)	underspend
Art Endowments	(0.529)	underspend
Highways Maintenance	(0.839)	underspend
Other Specific Policy Contingency	(0.554)	underspend on other Specific Policy Contingency
General Policy Contingency	(1.709)	underspend on General Policy Contingency
Total Policy Contingency Underspend	(4.538)	

Appendix A

Annex 11 Reserves Requests

Annex 11 Reserves Requests

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9 £m	Changes Proposed Since Period 9 £m	Proposed (Use) /Contribution at Outturn £m
Corporate	Financial Resilience Reserve		(5.910)	0.000	(5.910)
Corporate	Financial Resilience Reserve	Repayment of Borrowing from FRR related to Pension Fund timing differences		6.233	6.233
Inclusive Growth	Financial Resilience Reserve	Repayment of Borrowing from FRR to Fund Pension Guarantees - Highways PFI		0.651	0.651
Inclusive Growth	Financial Resilience Reserve	Repayment of Borrowing from FRR to Fund Pension Guarantees - West Midlands Growth Company		0.529	0.529
Corporate	Financial Resilience Reserve	Underspend transferred to FRR	0.000	11.494	11.494
	Subtotal (Use of)/Contribution to General Reserves		(5.910)	18.907	12.997
Corporate	Capital Fund	Use of Reserves to cover residual costs of the National Exhibition Centre (NEC)	0.000	(0.128)	(0.128)
Corporate	Capital Fund	Contributions to Capital Fund from Directorates	0.000	0.394	0.394
Digital & Customer Services	Policy Contingency-Information Assurance- GDPR	To fund project in 2020/21	(0.190)	0.172	(0.018)
Finance & Governance	Policy Contingency-Invest to Improve Fund-Transformation Officer	To fund project in 2020/21	0.000	0.040	0.040
Finance & Governance	Policy Contingency-Invest to Improve Fund- CIPFA Review	To fund project in 2020/21	0.000	0.213	0.213
Human Resources	Policy Contingency-Invest to Improve Fund-Pay Review	To fund project in 2020/21	0.000	0.312	0.312
Human Resources	Policy Contingency-HR Records and Payments	To fund project in 2020/21	(0.170)	0.170	0.000
Inclusive Growth	Policy Contingency-Invest to Improve Fund- Route to Zero (R20)	To fund project in 2020/21	0.000	0.078	0.078
Neighbourhoods	Policy Contingency-Waste Management Review	To fund project in 2020/21	0.000	0.019	0.019
Partnerships, Insight & Prevention	Policy Contingency-Invest to Improve Fund-CCTV Decommissioning	To fund project in 2020/21	0.000	0.093	0.093
Partnerships, Insight & Prevention	Policy Contingency-Assurance Framework	To fund project in 2020/21	0.000	0.030	0.030
Partnerships, Insight & Prevention	Policy Contingency-Covid-19 funding	To fund project in 2020/21	0.000	0.016	0.016
Neighbourhoods	Policy Contingency-Birmingham Museum & Art Gallery	To fund costs in 2019/20	0.000	(0.059)	(0.059)
Inclusive Growth	Invest to Save Reserve	Borrowing to fund development of Workplace Parking Levy	0.000	(0.090)	(0.090)
Corporate	Covid-19 Local Authority Support Grant	Government Grant received to fund expenditure related to Covid-19	0.000	38.744	38.744
Corporate	Commonwealth Games Reserve	Use of Commonwealth Games Reserves to cover timing differences in costs of the Games	9.400	(0.940)	8.460
Corporate	Other Net Contributions to Corporate Reserves		8.322		8.322
	Subtotal (Use of)/Contribution to Corporate Reserves		17.362	39.064	56.426
Adult Social Care	Syrian Refugee Grant	Grant Received in Advance	0.700	0.330	1.030
Adult Social Care	Improved Better Care Fund (Projects)	Use of Grant Received	(5.531)	0.361	(5.171)
Adult Social Care	Controlling Migration Fund (CMF)	Use of Grant Received	0.530	(0.180)	0.350
Adult Social Care	PURE Project Grant	Grant Received in Advance	0.000	0.172	0.172
Adult Social Care	Rapid Rehousing Pathway	Grant Received in Advance	0.000	0.069	0.069
Adult Social Care	Rough Sleeping Initiative	Grant Received in Advance	0.000	0.267	0.267
Adult Social Care	Mi Friendly Cities	Grant Received in Advance	0.000	0.048	0.048
Inclusive Growth	Highways PFI Grant-Underpayments & Disputed Sum Reserve	Reserve to cover potential underpayments and disputed sums	48.397	(34.823)	13.574
Inclusive Growth	Highways Commuted Sums	Advance payment from third parties to meet ongoing annual highway maintenance liabilities of newly adopted highway assets resulting from developments etc.	(0.003)	0.608	0.605
Inclusive Growth	BCR1 Monitoring Reserve	To fund Project expenditure 2019/20	(0.105)	(0.005)	(0.111)
Inclusive Growth	SUMPS UP Reserve	To fund Project expenditure 2019/20	0.000	0.002	0.002
Inclusive Growth	Clean Air Zone TA-01849-01,02,03	To fund Project expenditure 2019/20	0.000	(0.271)	(0.271)
Inclusive Growth	Climate KIC Reserve	Funding returned £0.050m as work on project slipped due to other project work. Plus £0.025m new income from previous grant claim for future costs	(0.050)	0.075	0.025
Inclusive Growth	New Bus Fuel Reserve	To fund Project Jive which complements the Hydrogen bus project	0.000	(0.017)	(0.017)
Inclusive Growth	Wider Hospital Masterplan Reserve	To fund Wider Hospital expenditure 2019/20	0.000	(0.034)	(0.034)
Inclusive Growth	Highways Act (1980) - Section 38 Developer Contributions	Use of reserve balance for Section 38 adoptions and works related to developments	(0.060)	(0.222)	(0.282)
Inclusive Growth	Section 106 Inclusive Growth	Section 106 Income Received and Carried Forwards	2.459	0.186	2.645
Inclusive Growth	Section 106 Inclusive Growth	Use of Section 106 Grant	(0.120)	(3.345)	(3.465)
Inclusive Growth	Community Infrastructure Levy (CIL) - City Wide Projects	CIL received in year to fund future project costs	2.384	1.092	3.476
Inclusive Growth	CIL - Ladywood Ward	CIL received in year to fund future project costs	0.387	0.013	0.400
Inclusive Growth	CIL - Bournbrook & Selly Park Ward	CIL received in year to fund future project costs	0.111	0.001	0.112
Inclusive Growth	CIL - Bordesley & Highgate Ward	CIL received in year to fund future project costs	0.000	0.173	0.173
Inclusive Growth	Clean Air Zone Grant Allocation	More spend on Project in 2019/20 than originally forecast	9.854	(0.129)	9.725
Inclusive Growth	Easyrights Grant	Slippage in grant funding carried forward to complete project	0.000	0.073	0.073

Appendix A

Annex 11 Reserves Requests

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9 £m	Changes Proposed Since Period 9 £m	Proposed (Use) /Contribution at £m
Neighbourhoods	Historic England Grant Moseley Rd Pool	To fund renovation works of Moseley Pool heritage site	0.000	(0.248)	(0.248)
Neighbourhoods	Modern Slavery	Slippage in grant funding carried forward to complete project	(0.117)	0.020	(0.097)
Neighbourhoods	Controlling Migration Fund	Slippage in grant funding carried forward to complete project	(0.112)	0.277	0.165
Neighbourhoods	Illegal Money Lending Reserve	Use of Grant Reserve	0.000	(0.011)	(0.011)
Neighbourhoods	Section 106 Neighbourhoods	Section 106 Income Received and Carried Forwards	0.000	2.022	2.022
Neighbourhoods	Section 106 Neighbourhoods	Use of Section 106 Grant	(0.016)	(1.080)	(1.096)
Neighbourhoods	Section 106 HRA	Section 106 Income Received and Carried Forwards	1.367	0.651	2.018
Neighbourhoods	Section 106 HRA	Use of Section 106 Grant	(3.457)	(0.091)	(3.548)
Neighbourhoods	Neighbourhood Fund	Use of Grant Reserve	0.000	(0.002)	(0.002)
Neighbourhoods	New Growth Points	Use of Grant Reserve	(0.100)	(0.059)	(0.159)
Neighbourhoods	Access Programme	Slippage in grant funding carried forward to complete project	0.000	0.148	0.148
Neighbourhoods	New Burdens	Slippage in grant funding carried forward to complete project	0.000	0.048	0.048
Neighbourhoods	Regional Intelligence Team	Slippage in grant funding carried forward to complete project	0.000	0.022	0.022
Neighbourhoods	Housing Assistance Payment Grant	Slippage in grant funding carried forward to complete project	0.000	0.025	0.025
Neighbourhoods	High Rise Cladding Survey	Slippage in grant funding carried forward to complete project	0.000	0.016	0.016
Neighbourhoods	Higher Level Stewardship Grant	Slippage in grant funding carried forward to complete project	0.000	0.151	0.151
Neighbourhoods	Pocket Parks Grant	Slippage in grant funding carried forward to complete project	0.000	0.016	0.016
Neighbourhoods	Future Parks Accelerator Fund Grant	Slippage in grant funding carried forward to complete project	0.000	0.094	0.094
Education & Skills	Section 106 Education & Skills	Section 106 Income Received and Carried Forwards	0.000	2.319	2.319
Education & Skills	Section 106 Education & Skills	Section 106 Grant appropriated	0.000	(0.409)	(0.409)
Education & Skills	Lifelong Learning skills fund	Slippage in grant funding carried forward to complete project	(0.758)	(0.297)	(1.055)
Education & Skills	Looked After Children Education Service (LACES)	Slippage in grant funding carried forward to complete project	0.000	0.077	0.077
Education & Skills	Library of Birmingham	Slippage in grant funding carried forward to complete project	0.000	0.142	0.142
Education & Skills	Oakland Young People Centre	Slippage in grant funding carried forward to complete project	0.000	0.006	0.006
Education & Skills	Lozells Youth Provision	Slippage in grant funding carried forward to complete project	0.000	0.011	0.011
Partnerships, Insight & Prevention	Public Health	To meet future Public Health recommissioning costs and liabilities.	(1.291)	1.252	(0.039)
Partnerships, Insight & Prevention	Prevent	Prevention of Violent Extremism / Counter Terrorism funded through Home Office	(0.149)	(0.045)	(0.194)
Partnerships, Insight & Prevention	Brexit funding	Fund preparations for Brexit	(0.052)	0.143	0.091
Partnerships, Insight & Prevention	INLOGOV	Slippage in grant funding carried forward to complete project	(0.026)	0.019	(0.007)
Partnerships, Insight & Prevention	Prevent - Out of School (OSS)	Funding from the Dfe for a pilot to improve safeguarding in Out of School settings.	0.000	0.075	0.075
Partnerships, Insight & Prevention	Prevent - counter extremism	Grant from the Home Office to fund Local Authority Counter Extremism - project for Female Genital Mutilation	0.000	0.010	0.010
Partnerships, Insight & Prevention	EU migration fund	To fund the provision of a community engagement project to work with Eastern European communities to bring community cohesion with existing communities	0.342	0.030	0.372
Partnerships, Insight & Prevention	Strategic Migration Partnership	Grant to provide support and accommodation for refugees and asylum seekers.	0.000	0.114	0.114
Partnerships, Insight & Prevention	Public Health - Obesity Trailblazers	Grant to formulate and deliver plans to tackle childhood obesity.	0.000	0.075	0.075
Partnerships, Insight & Prevention	Community Safety Strategy - BCSP	Grant from Police & Crime Commissioner for a programme of community safety initiatives.	0.000	0.088	0.088
Partnerships, Insight & Prevention	Community Safety Strategy - BCSP	Grant received from West Midlands Police and Crime Commissioner to fund Birmingham Community Safety Partnership work.	0.000	0.293	0.293
Finance Control	Corporate use of IBCF reserve	Redistribution of IBCF reserve		(12.831)	(12.831)
Various	Other Net Uses of Grant Reserves		(2.749)		(2.749)
Subtotal (Use of)/Contribution to Grant Reserves			51.833	(42.487)	9.347

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Annex 11 Reserves Requests

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9 £m	Changes Proposed Since Period 9 £m	Proposed (Use) /Contribution at Outturn £m
Education & Skills	EWS Fixed Penalty	The Reserve is required to fund potential payments to the DfE regarding parent's penalty charges	(0.082)	0.085	0.003
Education & Skills	Youth Promise Plus-Delivery Costs	Required to be carried forward for future match funding purposes.	(0.107)	0.250	0.142
Education & Skills	Youth Promise Plus-Match Funding	Reserves required to match fund the YPP project in the future.	0.000	0.474	0.474
Education & Skills	LOB - Archives Development Fund	Archive facility new burdens funding received in year from the National Archives due to new collections proposed to be carried forward as unable to recruit to archivist post in year.	(0.015)	0.015	0.000
Digital & Customer Services	Landing Team Reserve	To fund activity related to the transition from Capita that has slipped to 2020/21	(3.052)	0.270	(2.782)
Digital & Customer Services	ICT&D Transition Reserve	To fund slippage in expenditure as part of the transition from Capita	2.280	1.017	3.297
Digital & Customer Services	Benefits Service Transformation Reserve	To fund transformation within the Benefits Service in response to grant changes	(1.000)	0.270	(0.730)
Digital & Customer Services	Revenues NNDR Revaluations & Project Developments	To fund costs slipping into 2020-21 re Business rate revaluations & Benefits service IT project developments costs	0.000	0.938	0.938
Digital & Customer Services	Customer Services Access Strategy Programme Project Support	To fund the Customer Services Access Strategy Programme & Project Support and IT costs for developing icasework - an electronic platform.	0.000	0.247	0.247
Human Resources	Schools HR IT-Fund ERP and website development work.	To fund delayed costs of ERP Development and Implementation	(0.088)	0.088	0.000
Human Resources	Schools HR IT-ERP Staffing Costs	To fund ERP staffing costs during the parallel running period in 2020/21	0.000	0.130	0.130
Human Resources	Corporate HR-JEQ Project	To fund project for two years from September 2019 running over three financial years	0.000	0.283	0.283
Inclusive Growth	Highways Commuted Sums	Commuted sums received in-year to fund ongoing maintenance costs	(0.001)	0.026	0.025
Inclusive Growth	Bus Lane Enforcement Equipment Renewal	Additional BLE surplus to reserves and use of BLE reserves to fund capital projects ; Iron Lane and Longbridge Connectivity	1.516	(1.282)	0.234
Inclusive Growth	Clean Air Zone Reserve	To fund Project expenditure 2019/20	0.000	(0.284)	(0.284)
Inclusive Growth	Speed Camera Reserve	Reserve created from surplus to pay for ongoing maintenance for which no budget exists.	(0.027)	0.033	0.007
Inclusive Growth	Wider Hospital Masterplan Reserve	To fund Wider Hospital expenditure 2019/20	0.000	(0.015)	(0.015)
Inclusive Growth	General Maintenance Tenants Reserve	In-year service charge income collected from tenants to fund future repairs and maintenance.	0.000	0.449	0.449
Inclusive Growth	Graduate Hub Reserve	Estimated use of reserve has reduced due to Graduates being successful in gaining promotion or leaving the Council. This money will be used towards another round of recruitment in early 2020/21.	(0.458)	0.135	(0.323)
Inclusive Growth	Invest to Save - Central Admin Buildings	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.186	0.186
Inclusive Growth	Invest to Save - Commercial Property - Investment Strategy	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.215	0.215
Inclusive Growth	Invest to Save -Public Hubs	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.156	0.156
Inclusive Growth	Invest to Save -Public Hubs	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.090	0.090
Neighbourhoods	SERCO Pension Guarantee	Partial repayment of temporary borrowing	0.000	0.212	0.212
Neighbourhoods	Manor Farm Park Barn	Use of reserves carried forward from previous year	0.000	(0.019)	(0.019)
Neighbourhoods	Proceeds of Crime Act (POCA) - Illegal Money Lending Team	Net in-year balance to be carried forward for ongoing national community programmes	0.000	0.122	0.122
Neighbourhoods	Proceeds of Crime Act (POCA) - Trading Standards	Net in-year balance to be carried forward for ongoing Birmingham community programmes	0.000	0.096	0.096
Neighbourhoods	Hackney Carriages	Net in-year balance to comply with statutory guidelines	0.000	(0.554)	(0.554)
Neighbourhoods	Licensing Entertainment/General	Net in-year balance to comply with statutory guidelines	0.116	(0.116)	0.000
Neighbourhoods	Major Events (Subvention)	Balance of Reserve to be carried forwards to 2020/21	0.000	0.268	0.268
Neighbourhoods	POCA Regional Investigation Team	Net in-year balance to be carried forward for ongoing regional community programmes	0.000	0.001	0.001
Neighbourhoods	BMT Loan Guarantee	Repayment of temporary borrowing	0.000	0.215	0.215
Neighbourhoods	Old Rep Theatre	Repair work delayed until 2020/21	0.000	0.015	0.015
Finance & Governance	Unidentified Income	Contribution of Unidentified Income to Reserve	(1.112)	1.130	0.018
Finance & Governance	Insurance Reserves	Underspend against budgeted appropriations and in year underspend appropriated to reserves in line with current practice	(1.950)	1.557	(0.393)
Finance & Governance	Finance Birmingham Loan Contingency	Request in line with Cabinet approval that in year surpluses and impairments are transferred (to)from this ringfenced reserve	0.000	(0.155)	(0.155)
Finance & Governance	ERP System Temporary Reserve	Timing difference in expenditure funded by borrowing from ITS Reserve	1.016	1.450	2.466
Finance & Governance	Audit Reserve	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.030	0.030
Finance & Governance	Procurement Transport Strategy	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.060	0.060
Various	Other Net Uses of Earmarked Reserves		1.210		1.210
Subtotal (Use of)/Contribution to Earmarked Reserves			(1.753)	8.087	6.334
Education & Skills	Non-Schools Dedicated Schools Grant (DSG)	Carry forward of DSG Grant	(1.199)	2.136	0.937
Subtotal Non Schools DSG			(1.199)	2.136	0.937
	School's Reserves	Net increase in Schools Carry Forward balances		4.302	4.302
	DSG-High Needs	Borrowing from Schools Balances related to High Needs		(0.720)	(0.720)
Subtotal School's Reserves			0.000	3.582	3.582
Total (Use of)/Contribution to Reserves			60.333	29.290	89.623

Annex 12 Savings Programme

Table 2a: Overview of the Delivery of the 2019/20 Savings Programme- Original Approved Savings						
Directorate	2019/20 Agreed Savings	Fully Delivered against Programme	Fully Delivered	Not Delivered		One off Mitigations to adresss Savings Non-Delivery
	£m	%	£m	£m		£m
Adult Social Care	(14.620)	100.0	(14.620)	(0.918)		0.000
Digital & Cust Services	(2.773)	89.5	(2.483)	(0.290)		(0.290)
Education & Skills	(8.797)	1.7	(0.147)	(8.650)		(7.791)
Finance & Governance	(2.301)	72.0	(1.656)	(0.645)		(0.645)
Human Resources	(0.514)	100.0	(0.514)	0.000		0.000
Inclusive Growth	(2.836)	96.5	(2.736)	(0.234)		0.000
Neighbourhoods	(14.982)	75.3	(11.282)	(3.700)		(0.550)
Partnerships, Insight and Prevention	(0.548)	97.1	(0.532)	(0.016)		(0.016)
Directorate Subtotal	(47.371)	71.7	(33.970)	(14.453)		(9.292)
Corporate Savings	1.180	100.0	1.180	0.000		0.000
Total Programme	(46.191)	71.0	(32.790)	(14.453)		(9.292)

Table 2b: Overview of the Delivery of the 2019/20 Savings Programme- One Off Savings						
Directorate	2019/20 Agreed Savings	Fully Delivered against Programme	Fully Delivered	Not Delivered		One off Mitigations to adresss Savings Non-Delivery
	£m	%	£m	£m		£m
Adult Social Care	(1.690)	100.0	(1.690)	0.000		0.000
Digital & Cust Services	(4.145)	100.0	(4.145)	0.000		0.000
Education & Skills	0.000	n/a	0.000	0.000		0.000
Finance & Governance	(0.530)	0.0	0.000	(0.530)		(0.530)
Human Resources	(0.204)	100.0	(0.204)	0.000		0.000
Inclusive Growth	(1.934)	27.5	(0.531)	(1.403)		0.000
Neighbourhoods	(3.582)	57.3	(2.054)	(1.528)		(0.619)
Partnerships, Insight and Prevention	0.000	n/a	0.000	0.000		0.000
Directorate Subtotal	(12.085)	71.4	(8.624)	(3.461)		(1.149)
Corporate Savings	0.000	n/a	0.000	0.000		0.000
Total Programme	(12.085)	71.4	(8.624)	(3.461)		(1.149)

Annex 13 Movement in Directorate Budgets Since Period 9

Movements in Directorate Budgets from Period 9 to Outturn	
	£m
Directorate Current Net Budget at Period 9	873.545
Directorate Current Net Budget at Outturn	883.884
Movements	10.339
Detailed Movements in Directorate Budgets from Period 9 to Outturn	
	£m
Borrowing from Invest to Save Reserve	
Reversal of Temporary Reduction in Borrowing from Invest to Save Reserve to fund new ERP system	1.016
Specific Policy Contingency Allocations from Invest to Improve Fund	
Funding for Route to Zero (R20)	0.109
Funding for Transformation Finance Officer	0.073
Other Specific Policy Contingency Allocations	
Allocations to Directorates for Apprenticeship Levy	1.100
Funding for Commonwealth Games Project Team Costs	1.000
Use of Arts Endowment	1.471
Funding for Birmingham Childrens Trust Contract Variation	7.000
General Policy Contingency Allocations	
COVID-19	0.024
Waste Management Review	0.096
Cost of Hazardous Waste Incident	0.365
Funding for Birmingham Community Investment Tax Relief (CITR) scheme	0.150
Other General Policy Contingency	
BIDS Clawback	(0.040)
Contributions to Reserves	
Contribution to Commonwealth Games Reserve	(2.000)
Other	
Revenue benefits from disposal transferred to Directorates	0.198
Reduction in Revenue Benefits due to delay in disposal of assets	(0.247)
Use of Capital Fund to fund NEC Film Studio	0.023
Grand Total	10.339

Annex 14 Movements since Period 9

The principle areas of change compared with the Period 9 reported position were:

1. Directorate Position – £1.3m net deterioration

- **Adult Social Care - £0.5m net improvement** primarily relates to £0.3m increase in the cost of packages of care offset by £0.3m reduced costs relating to employees and grant payments, and net other £0.5m improvements.
- **Education & Skills - £0.1m deterioration** as a result of other minor variations
- **Finance & Government - £2.1m net improvement** primarily relates to £0.7m increase in underspend on Prudential Borrowing costs and £0.3m underspend from unidentified income balances, £0.3m improvement in managing vacancies and £1.2m improvement due to other minor variations , offset by further £0.4m worsening on Digital Advertising Income.
- **Inclusive Growth - no net change across Directorate.**
- **Human Resources - £0.6m net improvement** is mainly as a result of £0.3m delays in development of the HR schools system and £0.3m other minor variations
- **Partnerships, Insight & Prevention - £0.1m net improvement** as a result of other minor variations
- **Neighbourhoods - £4.6m net deterioration** relates to deteriorations of £2.5m on Street Scene mainly from higher employee costs and reduced Trade Waste Income, £0.7m on Housing Services through higher demand for temporary accommodation, £1.9m on Regulation & Enforcement mainly due to lower than budgeted sales from Bereavement Services, higher utility and debt management costs from Markets. These were partially offset by improvements of £0.3m on Neighbourhoods Management and £0.2m on Business Support.

2. Corporate Budgets Position – Net improvement £11.3m

- **Treasury Management - £6.3m deterioration** mainly due to a lower capitalised interest figure of £2m for the Enterprise Zone and because prudential borrowing recharged to services were lower by £3.2m. This movement is explained in more detail in Appendix 3 of the Report.
- **IBCF reserve released into Corporate budget £12.8m improvement-** In the current environment the Improved Better Care Fund reserve, other than the £5.9m required in the financial plan for 2020/21, is no longer required to be earmarked and these resources are more appropriately held in the Financial

Resilience Reserve. As a result the uncommitted balance of £12.8m has been released into the corporate budget.

- **Provision for Acivico - £3.4m improvement** due to having over-provided in the accounts in 2018/19 and an improvement in the Acivico position in 2019/20.
- **Levy Account Surplus Allocations - £1.2m net improvement.** These allocations are normally announced as part of the Finance Settlement and factored into the following year's budget. The announcement has been made later this year and so has been treated as additional income in 2019/20 from receiving unbudgeted income from Government.
- **Specific Policy Contingency - £4.3m net deterioration** relates to Specific Policy Contingency not required, including the £0.8m balance of Invest to Improve funding, £0.5m relating to Arts Endowments, and £1.4m other Specific Policy Contingency not required, offset by the funding of Birmingham Childrens Trust contract variation £7.0m.
- **General Policy Contingency - £1.7m net improvement** relates to the balance of General Policy Contingency not required.
- **Leasing Adjustment - £0.9m deterioration** relates to a technical accounting adjustment.
- **Section 31 Grants £1.3m improvement** relates to further Government Grants received.
- **Provision for Support for subsidiary companies - £4.2m improvement.** The provision previously expected was no longer required at outturn.
- **Additional commitments for Insurance Claims - £2.2m improvement** as expected additional commitments have not materialised to the level expected, and the remaining commitments will be funded through other routes.
- **Pension Fund Under-recovery - £1.5m deterioration** at Outturn due to reduced employee costs leading to further under-recovery of Pensions.
- **Extra Bad Debt Provision relating to Covid-19 - £3.2m deterioration.** The Council has estimated that it needs to increase the provision for Bad Debts by £3.2m due to the economic effects of Covid-19.
- **Costs relating to Covid-19 - £0.9m deterioration.** Costs incurred by the Council in 2019/20.
- **Other variations £1.6m net improvements.**