

CORPORATE REVENUE BUDGET MONITORING REPORT 2015/16

MONTH 5

(up to 31st August 2015)

Section

1.	Executive Summary.....	3
2.	Detailed Revenue Commentaries by Directorate	5
3.	Irrecoverable Housing Benefit.....	12
4.	Irrecoverable Council Tax and Business Rates.....	13

Appendices

1.	Financial Position analysed by Directorate.....	14
2.	Policy Contingency.....	16
3.	Overall Savings Programme.....	17
4.	Age Analysis of Overpayments and Income Written Off.....	18
5.	Business Rates and Housing Benefit Debt Write Off.....	20

1. Executive Summary

- 1.1 The City Council has a General Fund net revenue budget of £874.541m. Latest projections indicate a pressure of £12.095m in the base budget delivery at year-end and £12.168m of risks relating to the savings programme, giving combined pressures and savings risks of £24.263m at year end. This is a reduction of £1.270m since Month 4. The overall position is summarised in Table 1 overleaf.
- 1.2 As in previous years, plans continue to be developed to manage these financial issues and risks to ensure the City Council balances its budget by the year end. Progress will be reported upon further in future monitoring reports.
- 1.3 Section 2 of this report details budget pressures on the net revenue budget and savings with actions not yet in place by Directorates.
- 1.4 The City Council Business Plan 2015+ recognised that in order to accommodate resource losses and fund budget pressures, savings of £105.400m would be required from Directorates in 2015/16. In addition, there are savings from 2014/15 of £4.855m, where delivery still needs to be monitored, including where they were met on a one-off basis. Total savings to be met in 2015/16 are therefore £110.255m.
- 1.5 A review of the position on each of the savings initiatives is undertaken each month, and the position at Month 5 is summarised for the City Council in Table 2 overleaf (and detailed on a Directorate basis in Appendix 3). This shows that £98.087m (89.0%) of the required savings of £110.255m are on course to be delivered. Work continues to identify ways of achieving the delivery of the remaining £12.168m of the overall savings target.
- 1.6 Cabinet are also requested to approve the writing off of Irrecoverable Housing Benefit, Council Tax and Business Rate income.

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

Directorate	Current Budget £m	Net Base Budget Pressures as at			Savings Programme Actions Not Yet in Place as at			TOTAL as at		
		Month 5	Month 4	Movement	Month 5	Month 4	Movement	Month 5	Month 4	Movement
		£m	£m	£m	£m	£m	£m	£m	£m	£m
People Directorate	541.746	2.756	2.066	0.690	6.463	7.276	(0.813)	9.219	9.342	(0.123)
Place Directorate	174.023	7.389	8.186	(0.797)	4.514	4.879	(0.365)	11.903	13.065	(1.162)
Economy Directorate	166.502	1.950	1.615	0.335	1.191	1.511	(0.320)	3.141	3.126	0.015
Policy Contingency	33.376	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Corporate Items	(41.106)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Council General Fund	874.541	12.095	11.867	0.228	12.168	13.666	(1.498)	24.263	25.533	(1.270)
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Table 2 - Summary of Savings Programme delivery

	Position as at Month 5 £m	Position as at Month 4 £m
Actions in place to fully achieve savings	78.992	78.164
Actions in place to achieve savings in year only	9.457	8.957
Actions in place but may be some risk to delivery	9.638	9.468
Actions not yet in place	12.168	13.666
Total Savings Programme	110.255	110.255

2. **Detailed Revenue Commentaries by Directorate**

The following paragraphs comment on the major financial issues identified at this point in the year. Detailed figures for each Directorate are shown in Appendix 1.

2.1 **People Directorate**

The Directorate is forecasting a pressure of £2.756m (Month 4 £2.066m) on the base budget and £6.463m (Month 4 £7.276m) of risks relating to the Savings Programme.

The increase in base budget pressures since Month 4 relates mainly to demographic pressures on care packages above the available resources.

Base Budget

A base budget pressure of £2.756m (Month 4 £2.066m) is forecast at Month 5 and relates to the following:

- £2.082m on external children's placements budget in Early Help and Children's Social Care where demand, the mix of care packages and their unit prices are running ahead of the projections on which the budget is based. As part of the improvement agenda, rigorous controls have been implemented to mitigate this position going forward
- £0.580m on legal services within Early Help and Children's Social Care due to disbursements for court fees
- £0.190m on Other Adult Services in respect of the Independent Living Fund as a result of 5% attrition rate applied
- £0.583m on Other Adult Services relating to additional beds and staffing to support resilience in the Older Adult care system
- £1.750m arising from increased care packages, agency and other costs in all areas above the available resources. This includes demographic pressure on Older Peoples care, higher cost packages in Younger Adults, and the impact of Care Act and joint working with Health.
- £0.625m in relation to Deprivation of Liberty Safeguards

The above position is reduced by holding employee vacancies of £0.374m, additional contributions from Health of £0.550m and spreading Pension Fund Strain costs of £0.380m over three years rather than funding all of the cost in 2015/16. The Directorate is seeking to further mitigate the impact of the continuing pressure on care package costs by reviews of the costs of new packages of care of £1.000m and the use of agency staff across the Directorate of £0.750m and will continue to work to identify other appropriate actions which can be taken.

Savings Programme

The assessment of the Savings Programme is that £6.463m (Month 4 £7.276m) is at risk. The improvement of £0.813m since month 4 relates primarily to School Direct Services of £0.500m, Younger Adults of £0.309m and Early Years of £0.004m. The risks at Month 5 relate to the following:

- £5.640m for Younger Adults, particularly in Learning Disability. A range of actions have been taken or are planned to address this issue including commissioning new services, improving programme management arrangements, learning from other Councils and securing wider public support to move people from residential care. Linked to this, the Future Council Programme is beginning to identify other opportunities. For example, it is considered that the Council can move more quickly on reviewing the extent to which in-house learning disability day care needs to be provided in future. This is one example of wider remodelling in-house Specialist Care Services now in hand following the decision not to proceed with the Mutually Owned Social Enterprise. In addition, the Directorate has just completed public consultation on how to best increase the scale of Direct Payments
- £0.555m for Early Years - a procurement strategy report and Outline Business Case was approved by Cabinet in June and formal consultation is running from July to October with a further report to Cabinet in December. The service has developed a savings plan for 2015/16 which will deliver the majority of the savings
- £0.268m for unattached School Playing Fields. The action plan for savings is progressing slowly due to complex legal issues. A revised project cost will be available in the next few months once the timescales for the proposed leases and disposals have been clarified.

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

2.2 Place Directorate (excluding Housing Revenue Account)

The Directorate is reporting a pressure of £7.389m (Month 4 £8.186m) on the base budget and £4.514m (Month 4 £4.879m) of risks relating to the Savings Programme.

This represents an improvement of £1.162m in the overall position of the Directorate from £13.065m at Month 4 to £11.903m at Month 5.

Base Budget

A base budget pressure of £7.389m is forecast at Month 5 (Month 4 £8.186m) relating to the following:

- The delay in the planned transfer of the Alexander Stadium as part of the new Sport and Physical Activity Transformation Programme will result in a base pressure of £1.200m (due to the on-going work to transfer the other community sports and leisure facilities to the new service provider and the complex nature of the Alexander Stadium framework contract)
- Pressures on the Refuse Collection Service of £3.800m. A major transformation of the service has been in progress (with the introduction of a wheeled bin service) and this is expected to be completed by December 2015. However, a number of pressures on the operational day to day service have been identified (mainly employees / agency staff) and this is resulting in an additional projected pressure of £3.800m. This projection assumes that there will be no liabilities to the Council from the operational problems with the generator at the incinerator.
- A pressure on Regulatory Services of £0.480m has been identified (relating to income related under-recovery on Registrar Services and additional staffing costs on Coroner Services)
- Pressures on former District Services of £1.909m. This is due to Neighbourhood Advice of £0.666m, Community Libraries of £0.327m, Local Car Parks of £0.400m, Community Development/Play of £0.547m, offset by other minor variations of £0.031m. The reduction of £0.797m since Month 4 is primarily due to Community Libraries of £0.507m, Neighbourhood Advice Service of £0.235m relating to implementation of Phase 1 of the new operating model and other minor variations of £0.055m.

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

Savings Programme

The assessment of the Savings Programme is that £4.514m (Month 4 £4.879m) is at risk. This is as follows:

- £1.300m for Pest Control. This saving will not be fully delivered due to service and competitive market considerations. There may be opportunities to use savings from the Directorate Future Operating Model to partially offset this
- £0.700m for Markets – £0.300m from the savings target of £1.000m will be achieved by an increase in fees and charges and savings on operational costs. Following further analysis, the remaining savings of £0.700m are not deliverable and therefore further mitigations will need to be identified
- £0.700m for Fleet and Waste – the trade waste charges were increased by 8% (compared to the planned increase of 15%) as reported to Cabinet in February 2015. A number of alternative options are being considered to

deliver the balance including reviewing the fleet operations and discontinuing uneconomic services

- £1.654m on former District Services – relating to Neighbourhood Advice of £0.137m, Community Libraries of £0.600m, Community Development / Play of £0.419m and Business Support of £0.498m
- Slippage of £0.160m relating to the Birmingham Careers Service as a result of prior year pension strain costs.

Other Issues

A further potential issue has been identified that could result in financial implications. This is the announcement by the Chancellor on the 8th July of the abolition of the Climate Change Levy Credit for the production of green energy (e.g. electricity generation from Tyseley).

2.3 Economy Directorate

The Directorate is reporting a pressure of £1.950m (Month 4 £1.615m) on the base budget and £1.191m (Month 4 £1.511m) of risks relating to the Savings Programme.

Base Budget

A base budget pressure of £1.950m (Month 4 £1.615m) is forecast at Month 5. This relates to the following:

Deferred Services - £0.225m overspend

The catering events service operates from Highbury Hall, a property held by the Council in trust. The costs of maintaining and operating the property are split between Acivico and the Council based on the split of activity. Parts of the building are in poor condition and the final detail on the split of charges for the maintenance of the property is not yet complete. At present, a pressure of £0.225m is reported. However, part of this is expected to be offset by income from the catering service.

Corporate Strategy - £0.914m overspend

There is a £0.388m pressure within the Corporate Strategy team as a result of challenging or residual income targets across some of its component teams, print brokerage, document room, European Team. Mitigations through reduced spending or new income for these pressures will be sought across the service where possible. There is also a pressure relating to the Cabinet Office of £0.374m and other pressures of £0.152m relating largely to communications.

Planning and Regeneration - £0.039m overspend

Local land charges expected income is £0.452m less than budgeted. Within the service, additional Planning Application income of £1.000m to date is being used to offset pressures of £0.213m as a result of delays in reducing the City Centre Management Team and additional costs associated with the management of festive

lighting plus additional costs arising from Master Planning of £0.374m. The Planning and Regeneration service are therefore reporting a net pressure of £0.039m.

Trading Income Target - £0.250m

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

Other Trading Services

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

Shelforce

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

BIDS

For information, the savings narrative in the Business Plan 2015+ refers to a proposed change of practice in the recovery of Business Improvement Districts (BIDS) collection costs from 2015/16. This is now not expected to take place in 2015/16 as the change needs to be based on full consultation. This cost (assumed to be £0.300m in the Business Plan 2015+) will continue to be met from Policy Contingency in 2015/16.

Other - £0.522m overspend

There are other pressures of £0.522m within the Directorate.

Savings Programme

Economy is reporting £1.191m (Month 4 £1.511m) of savings at risk at Month 5. These relate to the following:

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

- Other savings with actions not yet in place of £0.250m which relate to savings anticipated through implementation of the Joint Economic Unit and a planned reorganisation of services.

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

2.4 Housing Revenue Account

A balanced HRA Budget was approved for 2015/16 (expenditure of £289.2m funded by equivalent income).

A minor internal recharges realignment was completed during Month 5 (between the rent and repairs budget) and the HRA budget continues to be balanced. A detailed review of the year end projections was completed at Month 5 and these have been revised (relating mainly to the re-phasing of equal pay liabilities).

The table below summarises the current budgets and the forecast year-end financial position:

Service	Current Budget £'m	Year End Projection £'m
Rent/Service Charges (net of Voids)	(289.2)	3.0
Repairs and Maintenance	67.3	(0.5)
Contributions for Capital Investment	53.6	-
Capital Financing Costs	65.2	7.1
Local Office/Estate Services/Equal Pay	103.1	(9.6)
Net Position	-	-

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

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

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

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

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

2.5 **Resource Allocations**

General Policy Contingency

The balance of the General Policy Contingency is £4.019m.

Fleet and Waste Management Service (including Waste Strategy)

As reported in the Month 2 Corporate Revenue Budget Monitoring Report, the June 2014/15 Outturn report recommended a transfer of £1.200m to reserves for potential development of the Waste Strategy programme. The City Council is developing a new vision and strategy for the Waste Collection and Disposal Service (to replace the current Waste Disposal contract that expires in January 2019). This programme dovetails with the Future Council Programme. These resources will allow the development of a comprehensive future waste collection and disposal strategy for the next 20 years and to comply with new legislation with regard to carbon emissions. This strategy will be developed in consultation with the public, industry experts and taking in to account the very latest research from universities into the latest technology. This investment represents a modest cost given that the overall future contract will exceed £1 billion over the next 20 years (including street cleansing and waste collection)

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

	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Project Management Support	0.040	0.040	0.040	0.120
Interim and Additional Management Support	0.050	0.100	0.100	0.250
Specialist Technical Advisors	0.050	0.100	0.100	0.250
Financial Advisors	0.040	0.150	0.150	0.340
Legal Advice	0.040	0.100	0.100	0.240
Total	0.220	0.490	0.490	1.200

3. Irrecoverable Housing Benefit

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

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

In 2015/16, from 1st August 2015 up to 31st August 2015, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £0.090m, which Members are asked to note.

Age analysis	Before 2010/11	2010/11 - 12/13	2013/14 - 15/16	Total
	£m	£m	£m	£m
Benefit Overpayments	0.002	0.012	0.076	0.090
Total	0.002	0.012	0.076	0.090

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

4. Irrecoverable Council Tax & Business Rates

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

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

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

Cabinet are requested to approve the writing off of Business Rates debts to the Council, each greater than £0.025m totalling £0.730m. Appendix 5 details the nature of the debts and actions undertaken to seek their recovery. The reasons for the write offs relate either to dissolution or insolvency of the company.

In 2015/16, from 1st August 2015 up to 31st August 2015, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £1.315m, which Members are asked to note.

Age analysis	Before 2009/10	2010/11- 12/13	2013/14- 15/16	Total
	£m	£m	£m	£m
Council tax	1.024	-	-	1.024
Business rates	0.201	0.006	0.084	0.291
TOTAL	1.225	0.006	0.084	1.315

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

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

Division of Service Area	FULL YEAR BUDGET			YEAR TO DATE				YEAR END		
	Original Budget	M'ments	Revised Budget	Profiled Budget	Actuals	Variation to Date: Adverse / (Favourable)		Base Budget Pressures / (Savings)	Programme Actions not yet in place	Total
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000
Adults with Mental Health Needs	15,716	57	15,773	6,575	7,344	769	12	649	0	649
Older Peoples Services	113,618	1,510	115,128	48,619	51,898	3,279	7	(649)	0	(649)
Persons with No Recourse to Public Funds	147	(4)	143	60	86	26	44	(2)	0	(2)
Adults with a Physical Disability	23,036	88	23,124	9,605	8,809	(796)	(8)	(878)	0	(878)
Service Strategy	9,432	(354)	9,078	2,798	6,711	3,913	140	(383)	0	(383)
Adults with a Learning Disability	94,718	231	94,948	39,473	43,633	4,159	11	740	5,640	6,380
Government Grant Income	0	0	0	0	0	0	0	0	0	0
Other Adult Services	6,363	0	6,363	2,573	5,137	2,564	100	370	0	370
Policy & Commissioning	33,255	(53)	33,202	13,474	12,483	(991)	(7)	(241)	0	(241)
Public Health	0	0	0	(8,315)	(8,315)	0	0	0	0	0
Education and Skills	66,570	(1,385)	65,185	33,165	35,432	2,267	7	550	823	1,373
Schools Delegated Budgets	(101,535)	(6,472)	(108,007)	(71,547)	(124,118)	(52,571)	(73)	629	0	629
Commissioning & Performance	33,166	(110)	33,056	12,332	13,635	1,303	11	(144)	0	(144)
Children With Complex Needs	90,037	(565)	89,471	36,645	36,115	(530)	(1)	(625)	0	(625)
Strategic Leadership & Improvement	2,988	(200)	2,788	1,162	779	(383)	(33)	47	0	47
Early Help&Childrens Soc Care	149,112	120	149,232	60,821	62,251	1,430	2	2,662	0	2,662
Business Support	17,130	(270)	16,860	12,343	9,933	(2,410)	(20)	(10)	0	(10)
Business Transformation	1,811	82	1,893	789	642	(147)	(19)	43	0	43
Accounting Adjustment/MRP Component of Contract Payments	(6,491)	0	(6,491)	0	0	0	0	0	0	0
People Directorate Total	549,071	(7,325)	541,746	200,571	162,453	(38,118)	(19)	2,756	6,463	9,219
Highways	57,672	27,363	85,035	41,895	38,343	(3,552)	(8)			0
Sports & Events	6,234	(2,297)	3,937	1,925	2,125	200	10	781	419	1,200
Community Development & Play	(182)	0	(182)	(78)	33	111	142	(400)	700	300
Fleet and Waste Management	37,948	19,372	57,320	11,062	12,536	1,474	13	4,500	0	4,500
Parks and Nature Conservation	17,544	(2,244)	15,300	6,293	7,189	897	14	0	0	0
Bereavement Services	(3,107)	(0)	(3,107)	(1,493)	(1,507)	(14)	(1)	0	0	0
Markets	(1,932)	(6)	(1,938)	(1,073)	(460)	613	57	0	700	700
Performance Management & Review	2,655	(136)	2,519	1,334	1,209	(125)	(9)	0	0	0
Equalities, Cohesion & Safety	1,400	100	1,500	(18)	440	458	2,504	0	0	0
Emergency Planning	411	64	475	187	179	(8)	(4)	0	0	0
Regulatory Services	3,942	457	4,399	1,982	3,180	1,198	60	480	1,300	1,780
Voluntary Advice Agency Funding	313	0	313	159	127	(32)	(20)	0	0	0
Birmingham Careers Service	1,295	90	1,385	863	1,085	221	26	90	160	250
Private Sector Housing	2,047	(776)	1,271	543	645	102	19	0	0	0
Central Support Costs	16,710	18	16,729	8,040	8,026	(14)	(0)	0	0	0
Sport & Leisure	7,818	2,411	10,229	4,787	5,972	1,185	25	0	0	0
Neighbourhood Advice	1,571	(2)	1,569	1,073	1,923	850	79	64	137	201
Libraries	5,593	(35)	5,559	2,160	2,689	529	24	834	600	1,434
Community Chest	0	518	518	932	106	(826)	(89)	0	0	0
School Crossing Patrols	881	0	881	353	406	53	15	200	0	200
Car Parks	(1,184)	62	(1,122)	(454)	(229)	225	49	400	0	400
Business Support	990	181	1,171	399	665	267	67	(198)	498	300
Former District Services - Other	49,430	(48,554)	876	(41)	328	369	897	638	0	638
Youth Service	3,003	250	3,253	1,424	976	(448)	(31)	0	0	0
Birmingham Adult Education	318	29	346	(238)	(1,070)	(832)	(350)	0	0	0
Use of Reserves & Balances	(1,893)	0	(1,893)	0	0	0	0	0	0	0
Accounting Adjustment/MRP Component of Contract Payments	(32,319)	0	(32,319)	0	0	0	0	0	0	0
Place Directorate Total	177,158	(3,135)	174,023	82,014	84,916	2,901	4	7,389	4,514	11,903

Appendix 1

Division of Service Area	FULL YEAR BUDGET			YEAR TO DATE				YEAR END		
	Original Budget £'000	M'ments £'000	Revised Budget £'000	Profiled Budget £'000	Actuals £'000	Variation to Date: Adverse / (Favourable) £'000 %		Base Budget Pressures / (Savings) £'000	Savings Programme Actions not yet in place £'000	Total £'000
Building Consultancy	1,165	0	1,165	485	2	(483)	(100)	0	0	0
Culture and Visitor Economy	42,461	180	42,641	19,509	20,196	686	4	0	0	0
Development Management Services	7,921	877	8,798	6,348	5,363	(984)	(16)	0	100	100
Planning & Regeneration	13,943	(9,182)	4,761	2,111	1,323	(788)	(37)	39	100	139
Transportation and Connectivity	51,570	840	52,410	21,811	23,613	1,802	8	0	841	841
Urban Design	(783)	0	(783)	(326)	1,164	1,490	457	250	0	250
Catering & Building Cleaning	12	(112)	(100)	0	83	83	0	225	0	225
Facilities Management	(680)	0	(680)	899	459	(440)	(49)	0	0	0
Shelfforce	(75)	0	(75)	(31)	165	197	628	0	0	0
Employment Services	885	3,960	4,844	1,474	1,419	(55)	(4)	0	0	0
City Finance	5,762	443	6,205	3,145	3,050	(95)	(3)	0	0	0
Corporate Strategy	788	3,543	4,331	1,543	3,016	1,473	96	914	0	914
Procurement	1,410	408	1,817	783	839	55	7	0	0	0
Birmingham Audit	2,305	200	2,505	1,057	663	(394)	(37)	0	0	0
Human Resources	8,196	580	8,775	3,129	2,778	(351)	(11)	0	0	0
Elections Office	1,830	0	1,830	603	732	129	21	0	0	0
Birmingham Property Services	5,624	(154)	5,470	7,424	8,019	595	8	0	100	100
Legal & Democratic Services	5,503	(37)	5,467	(2,443)	(984)	1,459	60	0	0	0
Revenues & Benefits Division	2,137	(419)	1,718	(4,942)	(6,243)	(1,301)	(26)	0	0	0
Shared Services Centre	2,396	148	2,544	899	265	(633)	(70)	0	0	0
NEC/ICC/NIA	0	0	0	0	21	21	0	0	0	0
Staff Seconded to Service Birmingham	0	0	0	0	0	0	0	0	0	0
Core ICT	(4,093)	1,107	(2,986)	12,575	16,868	4,294	34	0	0	0
Transformation Management	45,037	(956)	44,081	20,825	20,427	(397)	(2)	0	0	0
Charities & Trusts - Support	50	32	82	0	3	3	0	0	0	0
Interim HB Subsidy	0	0	0	0	0	0	0	0	0	0
CSC Recharges	(49,568)	0	(49,568)	(49,568)	(49,568)	0	0	0	0	0
Pension Contributions	516	0	516	516	1,424	908	176	0	0	0
Other Non Distributed Costs	11,162	0	11,162	11,162	11,162	0	0	0	0	0
Insurance	1,484	0	1,484	3,922	3,978	57	1	0	0	0
Unallocated Savings	0	0	0	0	0	0	0	0	0	0
Customer Services	8,706	(473)	8,233	4,585	4,955	369	8	0	0	0
Corporate Resources Other Services	3,600	(199)	3,400	426	179	(246)	(58)	522	50	572
Use of Reserves & Balances	(162)	0	(162)	0	0	0	0	0	0	0
Accounting Adjustment/MRP Component of Contract Payments	(2,625)	0	(2,625)	0	0	0	0	0	0	0
Business Loans & Other Investments	(758)	0	(758)	(379)	(564)	(185)	(49)	0	0	0
Economy Directorate Total	165,717	785	166,502	67,540	74,808	7,269	11	1,950	1,191	3,141
Total Directorate Spending	891,946	(9,675)	882,270	350,125	322,178	(27,947)	(8)	12,095	12,168	24,263
Policy Contingency	39,658	(6,281)	33,376	(23,545)	(555)	22,990	98	0	0	0
Other Corporate Items	(57,062)	15,957	(41,106)	18,910	(40,045)	(58,955)	(1,114)	0	0	0
Centrally Held Total	(17,405)	9,675	(7,729)	(4,635)	(40,600)	(35,965)	(776)	0	0	0
Net Budget Requirement	874,541	(0)	874,541	345,490	281,578	(63,912)	(18)	12,095	12,168	24,263
Housing Revenue Account	0	0	0	(64,592)	(69,781)	(5,189)	(8)	0	0	0

Appendix 2

Policy Contingency Month 5 Monitoring to 31st August 2015

		Original Budget 2015/16	Approvals / Adjustments in Voyager	Revised Budget 2015/16	Approvals / Allocations not yet in Voyager as at 31st August	Proposals awaiting approval at 31st August	Remaining Contingency if proposals approved
		£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs		10,728	(1,609)	9,119			9,119
Car Park Closure Resources		350		350			350
Management Capacity for Change		1,000	(1,000)	0			0
Carbon Reduction		991		991			991
Superannuation- Pension Fund		250		250			250
Inflation Allowance		4,522		4,522			4,522
Highways Maintenance		500		500			500
Provision for unachievement of savings		10,000		10,000			10,000
Youth Strategy		1,000	(270)	730			730
Birmingham Jobs Fund		2,000	(2,000)	0			0
SEN Reform Grant		795	(795)	0			0
Business Charter for Social Responsibility		3,390		3,390			3,390
General Contingency		4,132	(53)	4,079		(60)	4,019
Total Contingency		39,658	(5,727)	33,931	0	(60)	33,871

Savings Programme – Position at Month 5

Directorate	Description	Savings Target 2015/16 £000	Actions in place to fully achieve Savings £000	Actions in place to Achieve savings in year only £000	Actions in place but may be some risk to delivery £000	Actions not yet in place £000	Action not yet in place - last month £000
People	Adults - Business Transformation	7,384	1,707	2,994	0	2,683	2,992
	Further Reduction in Younger Adult Care Packages	2,966	2,966	0	0	0	0
	School Trading	1,000	0	1,000	0	0	500
	Expansion of Internal Services - Shared Lives	1,791	84	0	0	1,707	1,707
	Joint Adults and Children's approach to transitions	1,000	0	0	0	1,000	1,000
	Changes to Internal Services - Home Care Enablement	1,050	0	1,050	0	0	0
	Step 2: Supporting People – Older People	2,800	2,800	0	0	0	0
	Step 1: Public Health – Commissioning	1,250	1,250	0	0	0	0
	Step 2: Public Health – Decommissioning	5,895	5,895	0	0	0	0
	Previous Proposals to Reshape Services	1,663	1,663	0	0	0	0
	Assessment and Support Planning	5,468	5,468	0	0	0	0
	Specialist Care Service (internally delivered care services)	3,300	3,300	0	0	0	0
	Education Capital Financing	12,010	12,010	0	0	0	0
	Early Years	5,000	4,445	0	0	555	559
	Public Health	1,000	0	1,000	0	0	0
	Other initiatives each under £1m	4,164	2,872	774	0	518	518
People Total		57,741	44,460	6,818	0	6,463	7,276
Place	Highway Maintenance & Management Services (Private Finance Initiative)	1,500		1,500			
	Pest Control	1,300				1,300	1,300
	Use of Reserves	2,000	2,000				
	Community Chest	1,390	1,390				
	Markets	1,000	300			700	700
	Other initiatives each under £1m	14,010	11,003	150	343	2,514	2,879
Place Total		21,200	14,693	1,650	343	4,514	4,879
Economy	Library of Birmingham (including Mobile and Housebound Service)	1,350	1,350				
	Integrated Transport Authority Levy Review	2,868	2,868				
	Finance operating Model	2,000	1,785	215			
	HR Future Operating Model	1,800	1,450		350		
	Birmingham Property Services	2,380	2,380				
	Service Birmingham	6,800			6,800		
	Acceleration of Savings	1,500	1,500				
	Library of Birmingham/ Strategic Library Services	1,300	0	0	1,300	0	
	Other initiatives each under £1m	10,493	7,683	774	845	1,191	1,511
Economy Total		30,491	19,016	989	9,295	1,191	1,511
Corporate	Other initiatives each under £1m	823	823				
Corporate Total		823	823				
		110,255	78,992	9,457	9,638	12,168	13,666
Month 4		110,255	78,164	8,957	9,468	13,666	

Summary 01/08/2015 – 31/08/2015

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

Detail	2003/4	2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/5	2015/6	Total
Housing Benefit debts written off under delegated authority	2,219	0	3	-	-	34	-	-	6,904	4,654	17,040	42,629	16,269	89,752
TOTAL	2,219	0	3	-	-	34	-	-	6,904	4,654	17,040	42,629	16,269	89,752

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

Debt Size	Small		Medium		Large	Total
Cases	>£1,000	Cases	£1,001- £5,000	Cases	£5,000- £25,000	Cases
339	£39,943	100	£43,681	1	£6,128	440
						£89,752

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

Detail	1997-2005/6	2006/07	2007/08	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Council tax written off under delegated authority	1,024,152	-	-	-	-	-	-	-	-	-	-	1,024,152
Business rates written off under delegated authority	188,834	2,436	3,237	6,809	2,018	2,317	1,404	5,003	24,499	54,026	-	290,583
TOTAL	1,212,986	2,436	3,237	6,809	2,018	2,317	1,404	5,003	24,499	54,026	-	1,314,735

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

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council tax written off under delegated authority	803,315	2,384	220,837	162	-	-	1,024,152	2,546
Business rates written off under delegated authority	25,252	42	124,162	52	141,169	14	290,583	108
TOTAL	828,567	2,426	344,999	214	141,169	14	1,314,735	2,654

August 2015 - Schedule of over £0.025m irrecoverable Business Rates recommended for write off

Directorate/ Service Area	Invoice Date(s) or Liability period	Total Debt Outstanding (£)	Comments
Economy/ Business Rates	Liability Period: 15/01/2008 - 19/12/2012	288,057.25	<p>Nature of the debt: Business rates due for the period 15/01/2008 - 19/12/2012 (6004362569)</p> <p>Summary of the steps taken to recover the debt: A bill was issued to the ratepayer on 12th August 2008 once BCC was able to establish the name of the current owners. The statutory enforcement process was followed to recover the debt outstanding. Payments were received from our bailiffs between January and September 2009, but then ceased. Further enforcement action by the bailiff was unsuccessful as the property was never occupied by the rate payer, and they referred the matter back to BCC in November 2009. Enforcement action recommenced, with bailiffs again being instructed to pursue the debt when the ratepayer managed to reduce the rateable value by half through a successful appeal. The account was referred back to BCC in February 2013. BCC were then advised that a receiver had been appointed. The company remained in receivership until it was dissolved on 24th June 2014.</p>
Economy/ Business Rates	Liability Period: 04/08/2008 - 22/06/2010	442,162.93	<p>Nature of the debt: Business rates due for the period 04/08/08 to 22/06/10 (6004478839)</p> <p>Summary of the steps taken to recover the debt: A bill issued on 14th August 2009 once BCC had received notification of occupation. The bill was returned undelivered stating that the addressee had gone away. Correspondence was sent to the landlords' solicitors in May 2010 asking them to clarify the position. Further investigation by BCC established that the company was dissolved on 22nd June 2010.</p>