

1 Summary Outturn

Overview

- 1.1 The City Council had a General Fund net revenue budget in 2015/16 of £874.541m. Table 1 below summarises the outturn position for 2015/16 against the revised budget, with further details in Annexes 1 to 3.

Table 1 – Summary Outturn	£m
Year End Directorate controllable net overspend against final revised budget	4.901
Year End Recommended Appropriations to / (from) Directorate reserves	5.108
Net Directorate overspends	10.009
Year End Corporate net underspend against final revised budget	(4.407)
Net Corporate underspends	(4.407)
Year End Policy Contingency net underspend against final revised budget	(13.475)
Year End Policy Contingency underspends to reserves for 2016/17	5.071
Net Policy Contingency underspends	(8.404)
Total net underspend	(2.802)
Comprising:	
Corporate Improvements (to corporate balances)	(2.764)
Directorate Improvements (to Directorate year end balances – Economy and Place)	(0.038)

- 1.2 Directorates overspent in total by £4.901m before year end recommended net appropriations to earmarked reserves (made up of an overspend of £15.956m in People Directorate, offset by total underspends of £11.055m in other Directorates). Following recommended net appropriations to earmarked reserves of £5.108m (made up of transfers from earmarked reserves of £5.909m within People Directorate offset by transfers to reserves of £11.017m in other Directorates), services have net overspends of £10.009m. Table 2 overleaf provides a breakdown by Directorate.
- 1.3 There was a net underspend of £4.407m in corporate accounts. There was also an underspend of £8.404m in Policy Contingency after transfers to reserves of £5.071m for approved allocations for specific purposes not yet utilised.
- 1.4 It is proposed to utilise £10.047m of the underspend in both the Policy Contingency and corporate accounts to address the year end pressure in People Directorate.

APPENDIX 1

The other Directorates have a minor net in year underspend of £0.038m, after reserve movements.

- 1.5 The outturn underspend is in context of demanding savings targets of £110.255m including finding 2015/16 solutions for £4.855m of savings achieved on a one off basis in 2014/15.

Directorate Outturn

- 1.6 The outturn for each Directorate is shown in Table 2 below, with further details in Annex 1. A comparison of the outturn position with Month 10 is shown in Annex 2.

Table 2	A	B	C = B - A	D			E = C + D
Directorate	Final Revised Budget	Outturn Position	Outturn Variation [+ over / - (under)]	Year End Transfers to / (from) reserves			In Year Variation (to) / from balances
				Grant	Other	Total	
	£m	£m	£m	£m	£m	£m	£m
People Directorate	547.958	563.914	15.956	(1.400)	(4.509)	(5.909)	10.047
Economy Directorate	183.109	174.848	(8.261)	4.273	4.131	8.404	0.143
Place Directorate	182.787	179.993	(2.794)	1.290	1.323	2.613	(0.181)
Directorate Total	913.854	918.755	4.901	4.163	0.945	5.108	10.009
Less: Transfer from Schools Balances					4.605		
Directorate Total excluding Schools Balances					5.550		

- 1.7 Section 2 of this appendix details the main issues in each Directorate that have resulted in the final revenue net position.

Corporate Account Outturns

- 1.8 The variations in corporate accounts, totalling a net underspend of £4.407m are listed in Table 3 below.

Table 3 – Corporate Accounts Outturn		
	£m	Ref
Total outturn Variation (+ over / - under)	(4.407)	
Explanation of total outturn variation		
Treasury Management outturn position	(16.127)	Paragraph 1.9
<u>Agreed use of Treasury Management</u>		
Pest Control	1.200	Paragraph 1.9
Former District Services	3.500	Paragraph 1.9
Agreed use of Treasury Management – Service Birmingham	6.589	Paragraph 1.9
Net Treasury Management Variation	(4.838)	
Other	0.431	
Total Corporate Variations	(4.407)	

1.9 There was an underspend of £16.127m in Treasury Management. This is explained within Appendix 3 of the report. During the course of the year it was agreed that underspends in Treasury Management would be used:

- As part of the Month 6 Revenue Monitoring report that £3.500m for former District Services and £1.200m for Pest Control would be mitigated
- As part of the Month 8 Revenue Monitoring report that £6.589m relating to in year savings on the Service Birmingham contract would be mitigated

Policy Contingency

1.10 When the Business Plan and Budget 2015+ was established, this included provisions for a number of items that need to be agreed following finalisation of the year end position. Cabinet is therefore requested to endorse the following allocations from 2015/16 Contingencies:

Specific Policy Contingencies:

These are the allocation of specific contingencies that were approved as part of the Council Business Plan and Budget 2015+ and which have not been able to be allocated until the finalisation of the year end position.

- £1.029m from the Carbon Reduction Commitment (CRC) contingency to fund the existing CRC charges liability
- £0.250m pension liabilities for 2015/16 due to the West Midlands Pension Fund for the recovery of the pension lump sum deficit
- £0.280m from the Youth Strategy contingency to fund the Youth Promise
- £0.500m for the provision to cover the year on year growth in the Highways estate

The outturn figures have been completed after taking account of these items.

1.11 There is a proposed transfer to reserves of £5.071m from Policy Contingency for approved allocations not yet utilised and this relates to the following:

- Mobile Investment Fund (£1.620m) as a result of the time taken in cases where relocation of applicants is necessary
- Birmingham Jobs Fund (£1.500m) as a result of contractual commitments not yet claimed by employers
- High Speed 2 (HS2) Development work (£0.339m) to cover ongoing work to deliver HS2, undertaking and responding to consultation, legal fees and planning reviews
- Youth Strategy Digital Access (£0.110m) due to delays with the development work of the Digital Access Point

APPENDIX 1

- High Speed 2 (HS2) College (0.446m) to cover future decommissioning and relocation compensation claims
- Youth Strategy (£0.152m) for contingency relating to the Youth Promise which will be used to fund the Youth Partnership Facilitator contract and additional marketing costs for Digital Access Point
- Various other projects of (£0.904m)

1.12 After these transfers to reserves, there is a net underspend in Policy Contingency of £8.404m. This relates primarily to:

- Previously made provisions for non-achievement of savings that were not required (£3.434m)
- Business Charter for Social Responsibility (£2.415m) as a result of implications of the time taken to develop the proposals of the final scheme for rollout, as reflected in the Months 9 and 10 Revenue Monitoring report
- Underspend of the General Policy Contingency (£2.249m)
- Other policy contingency underspends (£0.306m).

Balances and Reserves

1.13 The movements in accumulated General Fund balances and reserves are shown in Table 4 below.

Table 4 – Balances and Reserves Movements

	Para Ref	Opening Balance 1st April 2015	Movements in 2015/16			Outturn 31st March 2016
			Planned	Year End	Total Movement	
Balances		£m	£m	£m	£m	£m
General Fund Working Balance	1.14	26.0	1.5	0.0	1.5	27.5
Organisation Transition Reserve	1.15	101.4	(28.5)	(0.1)	(28.6)	72.8
Transformational Change - Future Council	1.16	5.4	0.0	2.8	2.8	8.2
Directorate Balances	1.17	5.0	(2.7)	0.0	(2.7)	2.3
Total Balances		137.8	(29.7)	2.7	(27.0)	110.8
Reserves						
General Reserves Directorate	1.19	73.3	(7.6)	5.5	(2.1)	71.2
General Reserves Corporate	1.20	71.7	43.1	0.3	43.4	115.1
Sub Total General Reserves		145.0	35.5	5.8	41.3	186.3
Grants Reserves	1.21	136.5	(2.8)	4.2	1.4	137.9
Sub - Total Earmarked Reserves		281.5	32.7	10.0	42.7	324.2
Schools balances (net of amounts borrowed)		66.0	2.2	(4.6)	(2.4)	63.6
Total Reserves		347.5	34.9	5.4	40.3	387.8

Note: Positive number = balance in hand or contribution and negative number = overdrawn or use of balance

1.14 The City Council has increased the General Fund Working Balance by the budgeted amount of £1.500m. This continues the regular contributions made over recent years. Further contributions of £1.500m a year are included in the Long Term Financial Plan for future years.

1.15 The Minimum Revenue Provision (MRP) policy changed in 2013/14 and the Organisation Transition Reserve was established from the savings in the first two

APPENDIX 1

years. The reserve will be used to mitigate the future savings and / or be used to deliver the transformational change of the future Council. £28.600m was utilised in 2015/16 and £12.657m has been budgeted for use in 2017/18.

- 1.16 There is a net year end variation of £4.407m in corporate accounts and £8.404m in Policy Contingency, of which it is proposed to utilise £10.047m to mitigate the year end pressure in People Directorate. The remaining balance of £2.764m will be carried forward in the Transformational Change reserve and will be used to mitigate 2016/17 pressures.
- 1.17 The balances attributed to each Directorate are detailed in Annex 3. In total, at the end of 2015/16, there are net surplus balances of £2.317m after taking account of brought forward balances, the year end overspend position of £10.009m and corporate mitigations of £10.047m.
- 1.18 General reserves and grant reserves are resources that have been set aside to be spent in 2015/16 or future years for specific purposes. There is £324.181m relating to non-school earmarked reserves covering grant related reserves of £137.874m and other general reserves of £186.307m. This is a net increase in year of £41.334m in other general reserves (Directorate and Corporate).
- 1.19 Directorates have transferred a budgeted net total of £7.603m from reserves in year (excluding grants and schools balances) and are planning to transfer a further £5.550m to reserves at year end. This is explained in more detail in Section 2 of this report.
- 1.20 There is an increase of £43.460m in corporate reserves and this comprises the following components:

	Opening Balance	Movements in 2015/16			Outturn
	1st April 2015	Planned	Year End	Total Movement	31st March 2016
General Reserves Corporate	£m	£m	£m	£m	£m
Treasury Management	6.9	(0.7)	0.0	(0.7)	6.2
Capital Fund	51.1	29.6	0.0	29.6	80.7
One-off Resources from previous year	19.1	(10.1)	0.0	(10.1)	9.0
Policy Contingency	4.5	0.6	0.0	0.6	5.1
Airport Dividend	0.3	14.2	0.0	14.2	14.5
Other Corporate Reserves	(10.2)	9.5	0.3	9.8	(0.4)
Total Reserves	71.7	43.1	0.3	43.4	115.1

- Treasury Management decrease of £0.665m largely due to planned management of the Council's debt and investment portfolio
- Net movement to the Capital Fund of £29.636m relating largely to smoothing in 2014/15 for the NEC and sums earmarked to fund costs of Equal Pay
- Resources brought forward from 2014/15 for application as part of the approved budget of £12.177m that have been used as planned offset by one off resources planned to be carried forward from 2015/16 of £2.000m Housing Benefit Subsidy (net £10.177m)

- Policy Contingency transfers of £5.071m for approved allocations for specific purposes not yet utilised (see paragraph 1.11)
- Airport Dividend of £14.200m carried forward from 2015/16 and used as budgeted corporate funding in the 2016/17 General Fund budget
- Other net movements to reserves of £9.772m relating largely to smoothing of pension fund strain between financial years

1.21 There is a net transfer to reserves of £1.382m for Grants, relating largely to transfers from reserves in Public Health, Non-Schools DSG offset by transfers to reserves for Highways PFI . The majority of grants were expected and were budgeted for during the year.

Commentary on budget areas

The following paragraphs comment on the major financial issues identified during the financial year compared with the final revised budget.

2.1 People Directorate

There is a recommended net transfer from reserves of £5.909m, which would result in an overspend position of £10.047m after appropriations.

The net overspend position is explained below.

	Overspend / (Underspend) £m
Controllable net expenditure (+ over / - under)	15.956
Appropriations to / (from) reserves	
Schools	(4.605)
Other	(1.304)
Appropriations to / (from) reserves	(5.909)
Net overspend	10.047
Explanation of variation after appropriations	
Younger Adults	6.118
Better Care Fund	1.302
Independent Living Fund	0.280
Deprivation of Liberty Safeguards	0.625
Legal Costs	0.855
Provision for bad debts	0.974
Disbursed Property Refurbishment	0.824
Unattached School Playing Fields	0.268
Children with Complex Needs	0.322
Children's Social Care	(2.120)
Other	0.599
Net overspend	10.047

The key elements of the recommended net transfer from reserves of £5.909m are detailed below.

Proposed Transfers to / (from) reserves

Grants – (£1.400m) transfer to / (from) reserves

- Better Care Fund (£1.493m) - Section 75 funding with Health partners
- Department of Communities and Local Government (DCLG) Homelessness Grant £0.200m
- New Burdens Grant (£0.162m)
- Other net grant appropriations to reserves £0.055m

Other appropriations – (£4.509m) transfer to / (from) reserves

- Summerhill / Care Centres Refurbishment (£0.550m) – the reserve has been used to meet the costs of expenditure in 2015/16 for maintaining the Care Centres and Summerhill House
- Schools Financial Services £0.281m – this is a traded service and the surplus generated is required to cope with the additional workloads in the monitoring of schools and to upskill staff
- Transfer from schools balances (£4.605m)
- Other net appropriations to reserves £0.365m

The explanations for the £10.047m overspend after proposed transfers to reserves are as follows:

Younger Adults - £6.118m overspend

The Directorate has implemented a range of actions to deliver these savings including commissioning new services, improving programme management arrangements, learning from other Councils, securing wider public support to move people from residential care, reviewing in-house learning disability day care that needs to be provided in future and increasing the scale of Direct Payments. These measures have contained the pressure and the Directorate will continue to work to mitigate future pressures on the number of costs of packages of care.

Better Care Fund (BCF) - £1.302m overspend

The performance against the target for reduction in avoidable emergency admissions is significantly below expectations (nationally there has been a sustained increase in emergency admissions). The BCF Board considered this performance and determined that the BCF did not have funds to meet all of the savings target of £6.200m which were reflected in the Council Business Plan 2015+. However, funds of £1.800m have been identified from within uncommitted funds in the BCF. In addition, the Directorate has identified £3.098m of one-off mitigations, resulting in a net pressure of £1.302m.

Independent Living Fund - £0.280m overspend

The Independent Living Fund (ILF) was a Non-Departmental Public Body funded by grant from the Department for Work and Pensions (DWP). The payments are made to disabled citizens to allow them to live independently. The duties and responsibilities of this fund transferred to local authorities from 1st July 2015. The Council were advised by the ILF office that the grant awarded would be 95% of the costs of the ILF (a 5% attrition rate would be applied on an annual basis during the lifetime of the grant). The Council is currently paying all of the individuals initially identified and this has resulted in a shortfall of £0.280m.

Deprivation of Liberty Safeguards - £0.625m overspend

A High Court judgement, 'The Cheshire West Judgement', determined that all citizens in a care setting should be assessed to determine if their liberty had been deprived. The impact of this judgement affects Social Care within the City as the judgement determined that anyone in a care setting (either residential / nursing or in the community) can request a Deprivation of Liberty Standards assessment. Additional funds were made available on a one-off basis nationally in 2015/16 by the Department of Health for the work involved in the assessment of vulnerable citizens. However, due to the number of cases, there was a pressure of £0.625m.

Legal Costs - £0.855m overspend

There were legal costs arising from the Judicial Review of the Council's Homelessness policies and procedures. Although the Judicial Review found in the Council's favour, the assumption that costs would be awarded in the Council's favour has not proved to be the case.

Provision for Bad Debts - £0.974m overspend

There was a pressure of £0.974m relating to the provision for bad and doubtful debts above the budgeted level due to higher than expected write-offs largely as a result of reduced client contributions to adults social care.

Disbursed Property Refurbishment - £0.824m overspend

The demand for accommodation for people presenting as homeless has significantly increased recently and the use of hard to let properties offers good value for money by avoiding the use of expensive bed and breakfast facilities. The cost of refurbishment is recovered in benefit payments over a period of around six months. There were a large number of properties refurbished in the last quarter of the year, resulting in the majority of the costs being recovered in 2016/17.

Unattached School Playing Fields - £0.268m overspend

The plan for this has progressed slowly during the year due to complex legal financial issues.

Children with Complex Needs - £0.322m overspend

There were additional costs of services for Children with Complex Needs of £0.322m mainly arising from extra charges to support transport costs of pupils in other local authorities and an increase in pupil numbers requiring these services.

Children's Social Care - £2.120m underspend

The underspend in Children's Social Care of £2.120m was due to reductions in costs of internal foster care payments, further reduced numbers of externally commissioned child protection assessments as these are now being produced internally, a reduction in the estimated costs of external placements, additional grant income from the Home Office, a reduction in staffing forecasts and other non-pay variations. These have been offset by additional pressures of supported accommodation placements and the settlement of costs for revocation of care cases.

Other net variations - £0.599m overspend

There were pressures of £1.482m arising from increased care packages, agency and other costs in all areas above the available resources. This includes demographic pressures in Older People's care, the impact of the Care Act, joint working with Health and other minor variations. These have been partially mitigated by use of reserves of £0.929m, leaving a net pressure of £0.553m.

There were also additional costs of £0.791m arising from PFI higher than planned indexation costs and increased requirements for legal support in dealing with school issues relating to areas such as governance and land and property issues. These have also been offset by one-off use of reserves.

There were also other net pressures of £0.800m across a range of services including increased costs of private sector, bed & breakfast and other temporary accommodation for homeless people.

These have been offset by savings generated as a result of holding employee vacancies of £0.374m and spreading Pension Fund Strain costs over three years rather than funding all of the cost in 2015/16, saving £0.380m.

2.2 Economy Directorate

There is a recommended net transfer to reserves of £8.404m which would result in an overspend of £0.143m after appropriations. The overspend is summarised below:

	Overspend / (Underspend) £m
Controllable net expenditure (+ over / - under)	(8.261)
Appropriations to / (from) reserves	8.404
Net overspend	0.143
Explanation of variation after appropriations	
Acivico retained income	1.014
Shelforce	0.331
Employment and Skills	0.313
Energy Savings	0.200
Planning & Regeneration	(0.386)
Strategic Transport	0.072
Transformational Management	(0.435)
Finance & Legal Services	(0.555)
Corporate Strategy	0.386
Revenues and Benefits	(0.970)
Other variations	0.173
Net overspend	0.143

The key elements of the recommended net transfer to reserves of £8.404m are detailed below.

Proposed Transfers to / (from) reserves

Grants – £4.273m transfer to / (from) reserves

- Section 106 - £3.354m
- Work Local Programme (Lone Parents) - £0.250m for grant received in advance of expenditure
- Grand Central Birmingham and HS2 - £0.147m for grant received in advance of expenditure
- Black and Minority Sectors Project - £0.174m for grant received in advance of expenditure

- City 4 Age - £0.118m for grant received in advance of expenditure
- Other net grant movements £0.230m

Other appropriations – £4.131m to / (from) reserves

- Unidentified income received (held in reserves prior to posting in 2016/17) - £0.860m
- Tenants General Maintenance Reserve - £0.661m
- Strategic Repairs for commercial properties - £0.235m
- Dance Festival £0.180m
- Local Welfare Provision payments – £0.820m
- Graduate Hub Programme - £0.547m
- Other net movements £0.828m

The explanation for the year end overspend of £0.143m after proposed transfers to reserves is shown below:

Acivico - £1.014m overspend

This was mainly a result of lower than anticipated income compared to budget relating to Design Construction & Facilities Management, Catering, Birmingham City Laboratories and Security, plus the impact of ongoing negotiations regarding the use of Highbury Hall.

Shelforce - £0.331m overspend

This was due to delays experienced with the placing of orders which has resulted in periods of production downtime. During these periods Shelforce continued to incur overheads with little or no income to offset the costs.

Employment and Skills and Development Management Service- £0.313m overspend

It was originally envisaged that there would be the implementation of a planning levy on businesses with income being paid to BCC. This would have enabled the employment team to ensure targeted employment support was given to the young and particular areas of the city. Some savings have been achieved through the reduction of employee budgets and posts. However, it was recognised at the beginning of 2015/16 that the saving of £0.313m would not be achieved within the Employment and Skills team. A permanent budget adjustment has been made for this from 2016/17 onwards.

Energy Savings - £0.200m overspend

The Council planned to put in place significantly tighter management of its energy bill. The plans for 2015/16 were delayed. However, work has been ongoing and a team led by Corporate Procurement is focused on identifying this as part of a single procurement process.

Planning & Regeneration – £0.386m underspend

There was a net underspend of £0.386m largely as a result of additional planning application income.

Strategic Transport - £0.072m overspend

It was proposed to bring together a number of different service areas in Economy and Place Directorates and in doing so reduce the overall cost to deliver services

through reduced staff costs and overheads. These savings were not taken forward due to changes in the Directorate structure, resulting an overspend of £0.072m.

Transformation Management - £0.435m underspend

This related primarily to the cost of inflationary increases in system support costs being less than originally anticipated. A permanent budget adjustment has been made for this from 2016/17 onwards.

Finance & Legal Services - £0.555m underspend

The underspend is largely as a result of managed vacancy savings and the achievement of additional income in year, resulting in a net underspend of £0.555m.

Corporate Strategy - £0.386m overspend

Corporate Strategy had a net overspend of £0.812m. This was mainly due to staffing overspends within Policy and Performance and staffing overspends within the Cabinet Office. This was partially mitigated by underspends in Corporate Procurement Services of £0.426m from managed vacancy savings and additional income.

Revenues and Benefits - £0.970m underspend

Revenues and Benefits had an overall underspend of £0.970m which was mainly due to a surplus in Housing Benefit Subsidy.

Other - £0.173m net overspend

There were other overspends of £0.173m arising within the Directorate across a range of services.

2.3 Place Directorate

There are recommended net transfers to reserves of £2.613m which would result in an underspend position of £0.181m after appropriations. The key reasons are identified overleaf.

APPENDIX 1

	Overspend / (Underspend) £m
Controllable net expenditure (+ over / - under)	(2.794)
Appropriations to / (from) reserves	2.613
Net underspend	(0.181)
Explanation of variation after appropriations	
Highways Services	(1.832)
Community Sports and Events	0.107
Waste Management Services	0.579
Parks and Nature Services	(0.338)
Bereavement Services	(0.428)
Markets	1.356
Equalities and Community Cohesion	0.223
Regulatory Services	0.696
Other Services	(0.544)
Net underspend	(0.181)

The key elements of the recommended net transfer from reserves of £2.613m are detailed below.

Proposed Transfers to / (from) reserves

Grants – £1.290m transfer to / (from) reserves

- Section 106 £1.437m – to meet future revenue costs of Section 106 schemes
- Department of Communities and Local Government (DCLG) funding £0.300m for localisation
- Borrowing from Highways PFI (£0.771m)
- Other net movements to reserves £0.324m

Other appropriations – £1.323m transfer to / (from) reserves

- Control Room Cyclical Maintenance £0.158m
- Highways PFI £0.273m
- World Indoor Athletics £0.107m
- Proceeds of Crime Act £0.237m – illegal money lending programme
- Other net movements to reserves £0.548m

The explanation of the net year end underspend of £0.181m after proposed transfers to reserves is shown below:

Highways Services - £1.832m underspend

The underspend related primarily to savings in employees through vacancy and recruitment control and additional income generated from car parks. It also reflected the successful settlement of the dispute with Amey in favour of the Council.

Community Sport and Events - £0.107m overspend

The overspend related to a number of components including the delay in the planned transfer of the Alexander Stadium as part of the new Sport and Physical

Activity Transformation and pressures relating to additional community events held in September 2015. These pressures were offset by compensating savings from existing externalised services (including golf courses, Harborne Pool and the new framework contact community leisure centres).

Waste Management Services - £0.579m overspend

The pressures relate primarily to the hire of mechanical sweepers to maintain clean streets, depot service improvements, one-off pension strain costs for employees that have retired, net additional temporary agency employee expenditure and an external review of the fleet services. These have been offset by re-direction of savings from the wheeled bin programme.

Parks and Nature Services - £0.338m underspend

There has been lower expenditure on grounds maintenance and some slippage in operational expenditure on maintenance and repairs.

Bereavement Services – £0.428m underspend

There were savings generated as a result of slippage on maintenance and operational expenditure into 2016/17.

Markets - £1.356m overspend

The majority of the overspend of around £1.000m related to non-implementation of the planned new fees and charges. The remaining balance of £0.356m related to additional operational costs and additional empty units as the relocation of the new wholesale market progresses.

Equalities and Community Safety - £0.223m overspend

The pressure relates primarily to unavoidable pension costs for staff who were retiring following the reorganisation and reduction in the Equalities Team. There was also slippage in the engagement of contractors for the agreed decommissioning of CCTV cameras.

Regulatory Services - £0.696m overspend

The overspend was due primarily to pressures on Registrars (resulting from lower income being generated including genealogy), Trading Standards (mainly relating to additional costs of agency staff) and Coroners Services (due to more investigations and review of historical cases) offset by savings on Environmental Health as a result of additional income from fixed penalty notices.

Other - £0.544m underspend

This related to other net variations across a range of services.

REVENUE OUTTURN SUMMARY

	Budget £m	Outturn £m	Variance £m
Directorates	922.087	926.988	4.901
Policy Contingency	10.000	(3.475)	(13.475)
Corporate Accounts	(57.730)	(62.137)	(4.407)
Total	874.357	861.376	(12.981)
<u>Recommended Contributions to / (from) reserves</u>			
Directorate (including schools balances)	(5.451)	(4.506)	0.945
Grants	(2.782)	1.381	4.163
Policy Contingency	0.000	5.071	5.071
Corporate	35.517	35.517	0.000
Sub-total Contributions to / (from) reserves	27.284	37.463	10.179
<u>Directorate Contributions to / (from) balances</u>			
Directorate / Committee	0.000	(10.009)	(10.009)
Contribution to Directorate overspend from Corporate	0.000	10.047	10.047
Organisational Transition Reserve	(28.600)	(28.600)	0.000
Contribution to balances for Transformational Change	0.000	2.764	2.764
Contribution to General Fund Working Balance	1.500	1.500	0.000
Sub-total Contributions to / (from) balances	(27.100)	(24.298)	2.802
SUB-TOTAL	874.541	874.541	0.000
Council Tax	(271.175)	(271.175)	0.000
Business Rates	(196.305)	(196.305)	0.000
Top Up Grant	(126.016)	(126.016)	0.000
Revenue Support Grant	(280.083)	(280.083)	0.000
Collection Fund	(0.962)	(0.962)	0.000
Sub Total	(874.541)	(874.541)	0.000

A positive figure is expenditure / overspend or movement to reserves / balances

A negative figure is income / underspend or movement from reserves / balances

Comparison to Month 10 Revenue Monitoring Report

As part of the City Council's budget monitoring, Directorates have highlighted spending pressures throughout the year and taken pro-active steps to mitigate their effects. At Month 10, total net potential pressures of £9.087m were reported. After recommended movements to and from reserves, the final outturn position for Directorates is that a net overspend of £10.009m compared with the final revised budget is being carried forward (adverse movement of £0.922m since Month 10).

This position is summarised in the table below:

	Forecast Variation at Month 10 £m	Outturn Variation £m	Movement from M10 £m
People Directorate	5.700	10.047	4.347
Economy Directorate	1.705	0.143	(1.562)
Place Directorate	1.682	(0.181)	(1.863)
Directorate Total overspend / (underspend)	9.087	10.009	0.922

The principal areas of change compared with the Month 10 reported position were:

- People – adverse movement of £4.347m. This related primarily to:
 - Legal costs of £0.855m arising from the Judicial Review of the Council's Homelessness Policies. It was anticipated that costs would be awarded in the Council's favour but this has not been the case
 - Refurbishment of disbursed properties of £0.824m
 - Costs of transport associated with Children with Complex Needs £0.322m
 - Higher than planned PFI costs associated with indexing £0.791m
 - Increased costs of private sector, bed and breakfast and other temporary accommodation for homeless people £0.767m
 - Increased costs of care packages £0.880m
 - Other net variations of (£0.092m)
- Economy – favourable movement of £1.562m. This related primarily to:
 - Integrated Services increased by £0.402m. This is mainly a result of lower than anticipated income relating to Catering, Cleaning, Birmingham City Laboratories and Security plus the impact of ongoing negotiations regarding the use of Highbury Hall.
 - Transformational Management reduced by (£0.435m) related primarily to the cost of inflationary increases in system support costs being less than originally anticipated.
 - Services Birmingham Pension costs of (£0.525m) due to this being mitigated by one off underspend from prudential borrowing
 - Revenues and Benefits has an overall underspend of (£0.970m) which is mainly due to a surplus in Housing Benefit Subsidy
 - Other net favourable movement of (£0.034m)

- Place – favourable movement of £1.863m. This related primarily to the resolution of contractual disputes relating the Highways PFI and the operational problems with the generator at the Tyseley incinerator resulting in additional landfill.

Directorate Carry Forward Balances

	Balance Brought Forward 01-Apr-15 £'000	In-year Movements £'000	Corporately addressed £'000	Outturn £'000	Carry Forward Balance 31-Mar-16 £'000
BALANCES B/FWD					
People Directorate	(294)		(10,047)	10,047	(294)
Economy Directorate	(4,656)	2,691		143	(1,822)
Place Directorate	(20)	0	0	(181)	(201)
TOTAL	(4,970)	2,691	(10,047)	10,009	(2,317)