



# Revenue Budget Monitoring Report 2019/20 Month 10

## Note for Resources O&S Committee

### 1. Purpose

- 1.1 Firstly, Members are asked if there are any issues raised in the Budget Monitoring Report that are not covered below.
- 1.2 Secondly, Members are asked to consider the issues set out below through engagement with the Cabinet Member(s) and officer(s) present.
- 1.3 Thirdly, Members are asked to consider whether there are:
  - any service impact issues they wish to refer to other O&S Committees;
  - any issues they wish to pick up at the next meeting of this committee.

### 2. Summary

- 2.1 At Month 10, the forecast outturn is estimated to be an underspend of £1.7m (£1.5m at Month 9).
- 2.2 There has been an improvement in the position of six Directorates, offset largely by an increased overspend in Neighbourhoods:

Directorate	Month 10 Base Budget Over/(Under)	Month 10 Savings Non- Delivery	Month 9 Base Budget Over/(Under)	Month 9 Savings Non- Delivery
	£m	£m	£m	£m
Adult Social Care*	(13.654)	0.000	(12.206)	0.000
Digital & Customer Services	(0.015)	0.000	0.000	0.000
Education & Skills*	0.406	0.000	0.584	0.000
Finance & Governance*	0.016	0.687	0.386	0.687
Human Resources*	(0.527)	0.000	(0.450)	0.000
Inclusive Growth*	(1.365)	1.503	(1.082)	1.455
Neighbourhoods	12.148	4.639	10.507	4.130



Partnerships, Insight & Prevention*	(0.171)	0.000	(0.100)	0.000
Corporate	(5.386)	0.000	(5.386)	0.000

\*Improvement from Month 9

- 2.3 In the Adult Social Care Directorate, there has been an increase of £0.3m in Specialist Care Services base budget pressure that mainly relates to additional staffing and agency costs, offset by an increase of income of £0.5m in Packages of Care relating to historic invoices previously in dispute and a reduction of £1.3m in the packages of care in the Older People sector.
- 2.4 In the Neighbourhoods Directorate, there has been a further £0.5m income pressure within Trade Waste and a £0.7m contractual termination fee associated with the employment of agency staff. The Housing Options is currently showing an overspend of £4.8m (£3.863m at Month 9) on a budget of £3.5m mainly from the growth in numbers presenting as homeless.
- 2.5 Birmingham Children's Trust Month 8 Budget Monitoring Report has highlighted a risk of potential overspend of £8.1m (£8.6m at Month 7) but further mitigations of between £1.76m and £3.4m are being investigated. The Council does not provide a guarantee to the Trust to fund an overspend. The Financial Plan 2020-24 provides an additional £6.1m to assist the Trust in future years.
- 2.6 Of the total approved savings plan in 2019/20 of £58.276m, £5.027m is at risk (£8.040m at Month 9) and £12.961m is on a red/purple non-delivery status (£10.906m at Month 9).

Directorate	Amber – At Risk	Red Non-Delivery	Purple - Undeliverable	One-off Mitigation in place
	£m	£m	£m	£m
Adult Social Care	0.000	(0.918)	0.000	0.000
Digital & Customer Services	0.000	0.000	(0.290)	(0.290)
Education & Skills	(5.027)	(1.985)	(1.718)	(3.703)
Finance & Governance	0.000	(0.717)	(0.468)	(0.498)
Human Resources	0.000	0.000	0.000	0.000
Inclusive Growth	0.000	(0.794)	(0.843)	0.000
Neighbourhoods	0.000	(1.486)	(3.742)	(0.589)
Partnerships, Insight & Prevention	0.000	0.000	0.000	0.000
Corporate Savings	0.000	0.000	0.000	0.000



- 2.7 In Adult Social Care, there is an over-achievement of savings of £0.918m relating to demand management within Packages of Care that offset the savings not being delivered in Specialist Care Services. In Digital & Customer Services, the one-off mitigations come from underspends within the directorate. In Education & Skills, Travel Assist savings non-delivery of £1.718m is being covered by a one-off Policy Contingency allocation and Efficiency, WOC and Management review savings of £1.010m have been made on a one-off basis from a one-off contingency no longer required. In Finance & Governance, the unachieved savings of £0.468m on Contract Management and external legal costs have been covered by underspends from other services within the Directorate and from surplus income. In Neighbourhoods, the £0.534m non-delivery of savings in Health & Wellbeing will be covered by the £3.9m funding from Policy Contingency.
- 2.8 The largest movement is the increase in savings classed as fully delivered, from £14.295m at Month 9 to £25.915m at Month 10, primarily related to savings of £5.0m in Adult Social Care high cost provision and £5.9m in ICT&D Strategy moving from on track to fully delivered.

### 3. Key Future Years Issues

- 3.1 Forecasts have been identified on non-achievement of savings in future years in relation to those savings classified as red or purple:

Directorate	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Adult Social Care	0.000	1.615	0.605	0.605
Digital & Customer Services	0.000	0.290	0.290	0.290
Education & Skills	0.000	4.750	5.569	5.569
Finance & Governance	0.687	1.410	1.490	1.490
Human Resources	0.000	0.000	0.000	0.000
Inclusive Growth	1.503	1.843	2.319	2.604
Neighbourhoods	4.639	3.730	3.652	3.652
Partnerships, Insight & Prevention	0.000	0.000	0.000	0.000
Corporate Savings	0.000	1.174	1.174	0.774



## **Adult Social Care Directorate**

- 3.2 The Directorate is reporting a base budget pressure of £8.0m in 2020/21, rising to £9.0m from 2021/22.
- £5.6m related to the continuation of need funded by the Winter Pressures Grant.
  - A shortfall in resources formerly funded from the Public Health Grant of £2.3m in 2020/21, rising to £3.3m from 2021/22.
  - Resources of £0.1m needed to fund posts previously funded by Public Health.
- 3.3 There is also a savings non-delivery of £1.615m reducing to £0.605m from 2021/22 arising from a reduction in the planned use of Public Health Grant within the Adults Service.

## **Digital and Customer Services Directorate**

- 3.4 The Directorate is reporting a base budget pressure of £0.9m in 2020/21, reducing to £0.6m in 2021/22.
- There is a pressure of £0.3m in 2020/21 only relating to an increase in demand for legal and procurement services following the insourcing of the Capita contract.
  - There is a pressure of £0.6m following a decision that Acivico will purchase its own IT system and no longer contribute to BCC costs.
- 3.5 The Directorate is also reporting savings non-delivery of £0.3m in future years relating to non-essential spending savings and cross-cutting consolidation savings.

## **Education and Skills Directorate**

- 3.6 The Directorate is reporting a base budget pressure of £7.6m in 2020/21, rising to £9.3m by 2022/23 relating to:
- There is a £1.5m base budget pressure in Travel Assist relating to the additional costs of the National Express contract and there are anticipated additional costs with tenders to cover £0.4m of living wage increase and £0.5m of costs related to the Clean Air Zone. These are offset by a net £0.2m assumed savings.
  - A base budget pressure in Early Years of £0.4m is expected related to the ongoing VAT costs of the staff formerly employed in Children's Centres who are due to transfer to Birmingham Community Healthcare Trust – funded in 2019/20 from Public Health as a one-off measure.
  - There is a base budget pressure in the Children's Trust of £6.1m relating to the growth in looked after children.
  - There is a pressure of £0.5m in Children's Social Care demography rising to £1.0m in 2022/23.



These pressures are partially offset by a reduction in the Children's Trust Contract price due to a reduction in their future Pension Contribution rates of £1.2m in 2020/21, falling to £0.5m by 2022/23.

- 3.7 The Directorate is also reporting savings non-delivery of £4.8m in 2020/21, rising to £5.6m in 2022/23 mainly relating to:
- Risk remains with the £2.4m savings non-delivery on Travel Assist.
  - A potential savings pressure in Birmingham Adult Education Services of £0.4m has arisen relating to an increase in the corporate support services recharge to Adult Education.
  - A potential savings pressure of £1.5m has arisen relating to Children's Trust step-up savings.
  - Potential savings pressures of £0.8m + £0.3m has arisen relating to Early Years step-up savings.

### **Finance and Governance Directorate**

- 3.8 The Directorate is reporting base budget pressures of £3.2m rising to £4.3m in 2022/23, including:
- £1.0m advertising income.
  - £0.9m rising to £2.1m in 2022/23 for CityServe.
- 3.9 There is a forecast savings non-delivery of £0.6m, rising to £0.7m in 2022/23, relating to £0.4m advertising income; £0.4m relating to CityServe; and £0.4m relating to Contract Management savings.

### **Inclusive Growth Directorate**

- 3.10 The Directorate has identified base budget pressures totalling £5.9m but with mitigations for a number of these pressures.
- 3.11 Some non-delivery of savings has also been identified:
- including £1.514m, rising to £2.391m in 2022/23 relating to InReach loan income.

### **Neighbourhoods Directorate**

- 3.12 The Directorate has identified a number of base budget pressures totalling £13.6m reducing to £12.3m in 2022/23, including:
- £3.5m Waste Management – Fleet.
  - £0.5m Waste Management – Street Cleaning income.
  - £1.5m reducing to £0.5m from 2021/22 relating to additional employee costs in refuse collection.
  - £3.8m Housing Options – Homeless.
  - £0.6m Housing Options – Impact of not increasing rents.



3.13 The Directorate has also identified a number of non-delivery of savings of £3.7m:

- £0.7m Street Scene.
- £1.1m Neighbourhoods.
- £0.7m Directorate-wide.
- £0.7m Regulation and Enforcement.
- £0.5m Housing Services.

### **Partnerships, Insight and Prevention Directorate**

3.14 There are base budget pressures of £1.0m, falling to £0.8m in 2022/23, comprising:

- £0.7m to meet service demand and ensure compliance with the Equality Act.
- £0.1m in 2020/21 only to fund a software upgrade within the central control centre.
- £0.2m to support communications and strategic marketing campaigns.

#### **Contact Officers:**

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