

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET	
Report of:	THE CHIEF EXECUTIVE AND DIRECTOR OF ECONOMY AND THE STRATEGIC DIRECTOR FINANCE & LEGAL	
Date of Decision:	26th July 2016	
SUBJECT:	CORPORATE REVENUE BUDGET MONITORING 2016/17 MONTH 2 (UP TO 31ST MAY 2016)	
Key Decision: Yes	Relevant Forward Plan Ref: 001928/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive and Director of Economy approved	
	O&S Chairman approved	X
Relevant Cabinet Member(s):	Councillor Ian Ward	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq	
Wards affected:	All	

1. Purpose of report:

- 1.1 This report forms part of the City Council's robust arrangements for controlling its revenue expenditure.
- 1.2 Each Directorate's financial performance to date is shown, together with the risks and issues identified to date in the Corporate Revenue Budget Monitoring document for Month 2, which is appended to this report.

2. Decision(s) recommended:

- 2.2 Note the latest monitoring position in respect of the City Council's savings programme and the present risks identified in its delivery.
- 2.3 Approve the resource allocations as identified in Section 2.6 of the attached report including delegated authority to the Strategic Director – Finance & Legal for the allocation of Specific Policy Contingency.
- 2.4 Approve the extension of the accountable body agreement between the City Council and the West Midlands Pension Fund to include a new mezzanine fund to be managed by Finance Birmingham as part of its allowable private sector trading exemption as identified in Section 2.6 of the attached report.
- 2.5 Authorise the City Solicitor to negotiate, execute and complete all relevant documentation to give effect to the above recommendation for a new mezzanine fund.
- 2.6 Approve the writing off of debts over £25,000 as summarised in Sections 3 and 4 and detailed in Appendix 4.

Lead Contact Officer(s):	Jon Warlow, Strategic Director Finance and Legal
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3. Consultation	<p>Consultation should include those that have an interest in the decisions recommended.</p> <p>3.1 <u>Internal</u></p> <p>Cabinet Members, Strategic Directors and Assistant Directors of Finance have been consulted in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.</p>
4. Compliance Issues:	<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.</p> <p>4.2 <u>Financial Implications</u> <u>(Will decisions be carried out within existing finances and Resources?)</u></p> <p>The Corporate Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.</p>

4.3 Legal Implications

Section 151 of the 1972 Local Government Act requires the Strategic Director of Finance & Legal (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Leadership Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

In terms of the West Midlands Pension Fund (WMPF) mezzanine funding, under the general power of competence contained within Section 1 of the Localism Act 2011 the City Council has the power to enter into the arrangements as set out in this report. The new mezzanine fund will be lent at commercial rates through a private trading arm and will be separately assessed for state aid compliance. Under Section 95 of the Local Government Act (LGA) 2003, relevant authorities have the power to engage in entrepreneurial commercial trading with private bodies and persons.

4.4 Public Sector Equality Duty (see separate guidance note)

There are no additional Equality Duty or Equality Analysis issues beyond any already assessed in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.

5. Relevant background/chronology of key events:

- 5.1 At the meeting on 1st March 2016, the Council agreed a net revenue budget for 2016/17 of £835.281m to be met by government grants and council tax payers.
- 5.2 The base budget forecast variations in each Directorate are detailed in Section 2 of the Corporate Revenue Budget Monitoring document, together with the actions presently proposed to contain spending within cash limits. The position is summarised in tabular form in Appendix 1 which incorporates the forecast year end pressures by Directorate.
- 5.3 Directorate risks relating to the Savings Programme, and measures being undertaken to alleviate these are detailed in Section 2 of the attached report. The position is summarised in tabular form in Appendix 3.

6.	Evaluation of alternative option(s):
6.1	Strategic Directors, in striving to manage their budgets, have evaluated all the options available to them to maintain balance between service delivery and a balanced budget.
7.	Reasons for Decision(s):
7.1	<p><u>To inform Cabinet of:</u> The City Council's 2016/17 revenue budget position and the level of gross pressures identified as at 31st May 2016.</p> <p>The latest monitoring position in respect of the City Council's Savings Programme and the present risks identified in its delivery.</p> <p><u>To approve:</u> The resource allocations as identified in Section 2.6 of the attached report including delegated authority to the Strategic Director – Finance & Legal for the allocation of Specific Policy Contingency.</p> <p>The writing off of debts over £25,000 as summarised in Sections 3 and 4 and detailed in Appendix 4.</p> <p>The extension of the accountable body agreement between the City Council and the West Midlands Pension Fund to include a new mezzanine fund to be managed by Finance Birmingham as part of its allowable private sector trading exemption as identified in Section 2.6 of the attached report.</p> <p>Authorise the City Solicitor to negotiate, execute and complete all relevant documentation to give effect to the above recommendation for a new mezzanine fund.</p>

Signatures	Date
Strategic Director Finance & Legal
Chief Executive
Deputy Leader

List of Background Documents used to compile this Report:
City Council Business Plan 2016+ approved at Council (1 March 2016).

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

Report Version	V1.0	Dated	15 th July 2016
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