

**CORPORATE REVENUE BUDGET  
MONITORING REPORT 2015/16  
MONTH 7 & 8**

**(up to 30<sup>th</sup> November 2015)**

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**1. Executive Summary**

- 1.1 The City Council has a General Fund net revenue budget of £874.541m. Latest projections indicate a pressure of £2.625m in the base budget delivery at year-end and £9.862m of risks relating to the savings programme, giving combined pressures and savings risks of £12.487m at year end. This is a reduction of £6.809m since Month 6. 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 8 is summarised for the City Council in Table 2 overleaf (and detailed on a Directorate basis in Appendix 3). This shows that £100.393m (91.1%) 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 £9.862m of the overall savings target.

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

Directorate	Current Budget £m	Net Base Budget Pressures				Savings Programme Actions Not Yet in Place				TOTAL			
		as at				as at				as at			
		Month 8 £m	Month 7 £m	Month 6 £m	Movement £m	Month 8 £m	Month 7 £m	Month 6 £m	Movement £m	Month 8 £m	Month 7 £m	Month 6 £m	Movement £m
People Directorate	542.150	(0.250)	1.064	2.032	(2.282)	5.960	7.150	7.187	(1.227)	5.710	8.214	9.219	(3.509)
Place Directorate	175.699	0.968	3.489	5.089	(4.121)	1.914	2.014	2.014	(0.100)	2.882	5.503	7.103	(4.221)
Economy Directorate	166.459	1.907	1.594	1.658	0.249	1.988	1.763	1.316	0.672	3.895	3.357	2.974	0.921
Policy Contingency	33.322	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Corporate Items	(43.089)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Council General Fund	874.541	2.625	6.147	8.779	(6.154)	9.862	10.927	10.517	(0.655)	12.487	17.074	19.296	(6.809)
Housing Revenue Account	0.000	0.000	0.000	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 8 £m	Position as at Month 7 £m	Position as at Month 6 £m
Actions in place to fully achieve savings	81.344	80.029	78.592
Actions in place to achieve savings in year only	18.366	11.816	12.043
Actions in place but may be some risk to delivery	0.683	7.483	9.103
Actions not yet in place	9.862	10.927	10.517
<b>Total Savings Programme</b>	<b>110.255</b>	<b>110.255</b>	<b>110.255</b>

## 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 variation of £5.710m, made up of an underspend of £0.250m (Month 6 pressure of £2.032m) on the base budget and £5.960m (Month 6 £7.187m) of risks relating to the Savings Programme. The movement from Month 6 relates mainly to reductions on Younger Adults.

#### **Base Budget**

A base budget underspend of £0.250m is forecast at Month 8 and relates to the following:

- £0.511m on Early Help and Children's Social Care. This has reduced from £1.807m in Month 6. The favourable movement mainly consists of a net reduction in the projected cost of internal foster care payments, reduced numbers of child protection assessments, a reduction in the estimated cost of external placements and additional grant income from the Home Office. This is partially offset by an increase in forecast legal costs including disbursements.
- £0.280m on Other Adult Services in respect of the Independent Living Fund as a result of 5% attrition rate applied by the Government
- £0.547m 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 has been reduced by:

- holding employee vacancies of £0.374m
- spreading Pension Fund Strain costs over three years rather than funding all of the cost in 2015/16, saving £0.380m
- mitigating the use of agency staff across the Directorate of £0.750m
- net use of reserves of £0.259m
- other minor variations of £0.450m

The Directorate will continue to work to identify other appropriate actions that can be taken.

**Savings Programme**

The assessment of the Savings Programme is that £5.960m is at risk. The risks at Month 8 relate to the following:

- £5.692m for Younger Adults, particularly in Learning Disability. The position has improved by £1.227m since Month 6 and is mainly due to reductions in the projected cost of residential care packages for people with learning disabilities, physical disabilities and mental health issues. There has also been additional income from health for mental health cases. The Directorate continues to implement a range of actions 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 needs to be provided in future and increasing the scale of Direct Payments
- £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 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 forecast variation of £2.882m, made up of pressures of £0.968m (Month 6 £5.089m) on the base budget and £1.914m (Month 6 £2.014m) of risks relating to the Savings Programme.

The improvement of £4.221m since Month 6 relates to the Wheeled Bin Programme £3.100m (mainly wheeled bins and new vehicles), contract indexation of £1.021m and other minor variations of £0.100m.

**Base Budget**

A base budget pressure of £0.968m is forecast at Month 8 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 £0.800m (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)
- There is a projected net underspend of £0.100m on Fleet and Waste Management. Pressures on the Refuse Collection Service have been reported in detail in previous reports to Cabinet, as have the potential risks

from the abolition of the climate change levies that were announced by the Chancellor in his Statement on 8<sup>th</sup> July 2015 and the operational problems with the generator at the incinerator. The £3.800m pressure reported in Month 6 has been reduced by £3.900m to a net underspend of £0.100m at Month 8. £1.600m of this reduction is due to the completion of a review of the Wheeled Bin Programme. This review identified savings in the acquisition of wheeled bins (primarily lower volumes of green waste bins). A further £1.600m reduction has been achieved relating to expenditure on the acquisition of new vehicles offset by additional pressures of £0.100m on employees after taking into account the contribution for the Business Charter for Social Responsibility allocation. There has also been a further mitigation of £0.800m relating to Policy Contingency for contractual inflation indexation relating to the Waste Disposal contracts (see Section 2.5)

- A pressure on Regulatory Services of £0.480m has been identified (relating to under-recovery of income on Registrar Services and additional staffing costs on Coroner Services)
- The pressures will be further mitigated by £0.221m relating to Policy Contingency for grounds maintenance contractual inflation indexation (see Section 2.5)
- Other minor pressures of £0.009m

Additional work continues to be undertaken in the Directorate to identify further necessary management actions and mitigations needed to be implemented to improve the position.

### **Savings Programme**

The assessment of the Savings Programme is that £1.914m (Month 6 £2.014m) is at risk. This is as follows:

- £1.000m for Markets – The detailed review that has been undertaken of the service now indicates that the full savings target is at risk. Savings of £0.300m were planned by actively seeking short term lets in the Wholesale Market and reducing void units in the Indoor Market. However, Legal Services have advised against short term lets given the impending closure and relocation of the Wholesale Market. A process of establishing new leases between the City Council and Indoor Market Traders has commenced and Legal Services have similarly advised against accepting new tenants until a new lease has been established. Options to resolve the issues in the medium term continue to be developed and are expected to be delivered
- £0.700m for Fleet and Waste – the Service Review process proposed a 15% increase in Trade Waste fees in 2015/16, with the target of increasing income by £1.500m. However, an increase of 8% (£0.800m) was approved by Cabinet, as recommended by the Street Services Task and Finish Group

following its investigation into the viability of a 15% increase. The remaining savings requirement (£0.700m) was to be achieved by reductions in operational costs and discontinuing uneconomic services such as glass collection and cesspit emptying. Work is ongoing to look at ways that this can be delivered

- Slippage of £0.160m relating to the Birmingham Careers Service as a result of prior year pension strain costs
- Other savings at risk of £0.054m

## **2.3 Economy Directorate**

The Directorate is reporting a forecast variation of £3.895m, made up of pressures of £1.907m (Month 6 £1.658m) on the base budget and £1.988m (£1.316m at Month 6) of risks relating to the Savings Programme.

The adverse movement of £0.921m since Month 6 relates to HR savings not yet in place of £0.350m, £0.525m relating to pension costs for staff seconded to Service Birmingham, £0.200m relating to Shelforce and other minor variations of £0.141m, offset by use of carry forward balances of £0.295m.

### **Base Budget**

A base budget pressure of £1.907m is forecast at Month 8. This relates to the following:

#### **Deferred Services - £0.259m 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 £0.259m is reported. However, part of this is expected to be offset by income from the catering service.

#### **Corporate Strategy - £0.815m overspend**

There is a £0.404m 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 and 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 £0.411m.

#### **Planning and Regeneration – £0.051m underspend**

Local land charges expected income is £0.414m less than budgeted. Within the service, additional Planning Application income of £1.450m to date is being used to offset pressures of £0.288m 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 £0.477m and pension fund strain cost of £0.220m.

### Trading Income Target - £0.265m income shortfall

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 £0.265m is expected.

### Service Birmingham Pension Costs - £0.525m pressure

There is a pressure of £0.525m relating to pension costs of employees seconded to Service Birmingham. This is as a result of the increase in pension costs above the level identified in the contract with Service Birmingham.

### Shelforce - £0.200m income shortfall

Shelforce, the Council's supported manufacturing business, is forecasting an income shortfall of £0.200m. 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.

### Other - £0.189m overspend

There are other pressures of £0.189m within the Directorate.

### Use of carry forward balances - £0.295m reduction in expenditure

It is planned to utilise a further £0.295m of carry forward balances to partially mitigate the above pressures.

## **Savings Programme**

Economy is reporting £1.988m of savings at risk at Month 8. These relate to the following:

- £0.548m relating to Employment and Skills and Development Management Service (DMS) as identified in previous monitoring reports. Actions are being put in place to address the pressure in future years.
- £0.200m relates to the second year step up in energy savings for which a plan has yet to be produced
- £0.320m relating to Corporate Strategy review of the service is not expected to be delivered this year
- 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 delivery of £0.350m savings to HR due to timing issues relating to the restructure

- Other savings with actions not yet in place of £0.150m which relate to savings anticipated through implementation of the Joint Economic Unit

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

### ICT Savings

ICT savings are closely monitored and reported throughout the year to the ICT Programme Board chaired by the Deputy Leader. This monitors both the savings associated with the Service Birmingham renegotiated contract (an average of £20m per annum over the contract life) and the savings subsequently added from 2015/16 (£6.800m in 2015/16) to be identified in line with a reduction in the council's services and employee complement.

As in 2014/15, the Council will be using a combination of reserves and Policy Contingency in the first three years (£6.566m in 2015/16) to smooth the impact of the savings realisation.

A pressure of £6.589m has been identified on the savings subsequently added from 2015/16. This mainly comprises the £6.800m of savings target offset by an improvement in the council's profit share. The council's employee numbers did not reduce as rapidly as forecast when the budget saving for 2015/16 was set and consequently the services required and quantum of ICT/telephony across the council has not reduced as expected. Service Birmingham continue to work with the council to identify new savings proposals to mitigate this position and as the council changes in the future there will be reductions in the amount of ICT consumed.

It is proposed that this pressure be funded corporately in 2015/16 through use of available resources identified within Treasury Management.

In addition, there is specific Policy Contingency provision of £3.410m relating to costs of inflation associated with the Service Birmingham contract. It is recommended that this be transferred to the ICT and Customer Services budgets to meet this.

### 2.4 Housing Revenue Account

A balanced HRA Budget was approved for 2015/16 (expenditure of £290.0m funded by equivalent income). A balanced year-end position is projected. The current budgets and the forecast year-end financial position are summarised in the table overleaf:

<b>Service</b>	<b>Current Budget £m</b>	<b>Year End Projection £m</b>
Rent/Service Charges (net of Voids)	(290.0)	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	103.9	(9.6)
<b>Net Position</b>	<b>-</b>	<b>-</b>

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)

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.

The HRA Business Plan 2015+ is being updated and will be reported to City Council on the 1<sup>st</sup> March 2016 (this will take into account the implications from the new national rent policy of a reduction of 1% from 2016/17 to 2019/20).

## **2.5 Resource Allocations and Other Corporate Updates**

The balance on the General Policy contingency is £2.854m.

### Specific Policy Contingency

#### *Business Charter for Social Responsibility*

The Fleet and Waste Management Service has continued to operate with a significant external temporary workforce during 2015/16, for which the usual agency rate would have been below the Living Wage. In line with the Council's commitment to extend the Living wage to agency providers from 1st April 2014, the rate charged by the agencies have, on average, increased by £1.77 per hour to allow for payment of the Living Wage to operatives and the consequential impact on other costs for annual leave and national insurance. The Business Plan 2015+ provided for £0.800m per annum to fund these additional costs (currently held within Policy Contingency), and approval is sought to allocate this to the service.

### *Contract Indexation for Ground Maintenance and Waste Disposal Contracts*

There is a provision of £1.021m in Policy Contingency for the contract indexation for inflation relating to the grounds maintenance (£0.221m) and waste disposal contracts (£0.800m). The favourable economic conditions and the low inflation rates will allow this contingency to be released as a windfall gain in 2015/16 to meet the overall pressures for the Place Directorate.

### *ICT Savings*

As identified in Section 2.3, Specific Policy Contingency provision of £6.566m for the Service Birmingham renegotiated contract and £3.410m relating to costs of inflation will be utilised in 2015/16.

### BCC Loan and Equity Funds

In 2009, the Council created a loan fund to provide working capital to companies as part of a response to the financial recession faced by the UK. This was later expanded to include equity investment funds for general and creative sector investments. Further details are set out in the Private Report.

### 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 October 2015 to 30th November 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 £0.372m, which Members are asked to note.

<b>Age analysis</b>	<b>Up to 2009/10</b>	<b>2010/11 – 12/13</b>	<b>2013/14 -15/16</b>	<b>Total</b>
	£m	£m	£m	£m
Benefit Overpayments	0.035	0.053	0.284	0.372
<b>Total</b>				<b>0.372</b>

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.

In 2015/16, from 1st October 2015 to 30th November 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 £4.327m, which Members are asked to note.

Age analysis	Up to 2009/10	2010/11 - 12/13	2013/14 -15/16	<b>Total</b>
	£m	£m	£m	<b>£m</b>
Council tax	1.420	0.403	0.332	<b>2.155</b>
Business rates	0.027	1.829	0.316	<b>2.172</b>
<b>TOTAL</b>	<b>1.447</b>	<b>2.232</b>	<b>0.648</b>	<b>4.327</b>

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 Savings		
	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	15,176	68	15,244	9,963	11,984	2,021	20	684	0	684
Older Peoples Services	116,025	1,644	117,670	79,497	90,778	11,281	14	(1,415)	0	(1,415)
Persons with No Recourse to Public Funds	147	(4)	143	95	110	15	15	(3)	0	(3)
Homelessness	3,247	(30)	3,218	2,145	2,373	228	11	611	0	611
Adults with a Physical Disability	23,036	230	23,266	15,443	16,709	1,265	8	2,833	0	2,833
Service Strategy	9,513	(49)	9,463	5,091	1,347	(3,744)	(74)	(1,231)	0	(1,231)
Adults with a Learning Disability	94,718	(207)	94,511	62,942	65,762	2,820	4	(2,176)	5,692	3,516
Housing Strategy	1,936	18	1,953	1,312	1,015	(297)	(23)	(446)	0	(446)
Other Adult Services	4,496	30	4,526	2,864	3,701	837	29	1,525	0	1,525
Supporting People	27,991	18	28,009	18,490	15,905	(2,584)	(14)	(546)	0	(546)
Public Health	0	0	0	(23,118)	(30,751)	(7,633)	(33)	0	0	0
Education and Skills	67,993	(1,100)	66,893	48,634	58,709	10,075	21	8	268	276
Schools Budgets	(101,535)	(6,959)	(108,493)	(86,358)	(211,176)	(124,818)	(145)	44	0	44
Commissioning & Performance	17,453	(372)	17,082	10,391	11,159	768	7	251	0	251
Children With Complex Needs	107,311	(505)	106,805	70,839	41,739	(29,101)	(41)	(857)	0	(857)
Early Help&Childrens Soc Care	149,112	155	149,266	98,186	96,788	(1,398)	(1)	511	0	511
Business Support	18,944	143	19,087	15,522	16,264	742	5	(44)	0	(44)
Accounting Adjustment/MRP Component of Contract Payments	(6,491)	0	(6,491)	0	0	0	0	0	0	0
<b>People Directorate Total</b>	<b>549,071</b>	<b>(6,921)</b>	<b>542,150</b>	<b>331,938</b>	<b>192,415</b>	<b>(139,524)</b>	<b>(42)</b>	<b>(250)</b>	<b>5,960</b>	<b>5,710</b>
Highways	57,672	27,363	85,035	62,563	53,622	(8,941)	(14)			0
Community Sports & Events	12,771	1,401	14,172	10,004	13,283	3,279	33	800	0	800
Community Development & Play	(182)	0	(182)	(99)	104	203	206	0	19	19
Fleet and Waste Management	37,948	19,592	57,541	27,738	29,809	2,070	7	(100)	700	600
Parks and Nature Conservation	17,544	(2,076)	15,469	10,626	10,133	(493)	(5)	0	0	0
Bereavement Services	(3,107)	1,024	(2,084)	(1,288)	(1,375)	(87)	(7)	0	0	0
Markets	(1,932)	(6)	(1,938)	(1,866)	(932)	934	50	0	1,000	1,000
Business Support	2,655	(136)	2,519	2,256	1,947	(309)	(14)	0	0	0
Equalities, Cohesion & Safety	1,400	164	1,564	1,161	1,461	301	26	0	0	0
Emergency Planning	411	64	475	313	255	(59)	(19)	0	0	0
Regulatory Services	3,942	456	4,398	2,771	4,698	1,928	70	480	0	480
Voluntary Advice Agency Funding	313	200	513	254	93	(161)	(63)	0	0	0
Birmingham Careers Service	1,295	90	1,385	1,033	1,400	366	35	0	160	160
Private Sector Housing	2,047	(776)	1,271	1,096	1,326	230	21	0	0	0
Central Support Costs	16,710	15	16,725	8,026	6,676	(1,350)	(17)	0	0	0
Sport & Leisure	1,293	(1,293)	0	0	0	0	0	0	0	0
Neighbourhood Advice	1,571	(2)	1,569	1,694	2,751	1,057	62	0	37	37
Libraries	5,593	(35)	5,559	3,320	4,067	747	23	0	0	0
Community Chest	0	518	518	518	123	(396)	(76)	0	0	0
School Crossing Patrols	881	0	881	564	637	73	13	200	0	200
Car Parks	(1,184)	62	(1,122)	(780)	(506)	274	35	0	0	0
Business Support (Districts)	990	259	1,249	674	967	293	44	0	0	0
Former District Services - Other	49,417	(48,622)	795	264	637	373	141	(191)	(2)	(193)
Youth Service	3,003	250	3,253	2,211	1,695	(516)	(23)	0	0	0
Birmingham Adult Education	318	29	346	(880)	(1,636)	(757)	(86)	0	0	0
Use of Reserves & Balances	(1,893)	0	(1,893)	0	0	0	0	(221)	0	(221)
Accounting Adjustment/MRP Component of Contract Payments	(32,319)	0	(32,319)	0	0	0	0	0	0	0
<b>Place Directorate Total</b>	<b>177,158</b>	<b>(1,459)</b>	<b>175,699</b>	<b>132,173</b>	<b>131,231</b>	<b>(941)</b>	<b>(1)</b>	<b>968</b>	<b>1,914</b>	<b>2,882</b>

# 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)		Base Budget Pressures / (Savings) £'000	Programme Actions not yet in place £'000	Total £'000
Building Consultancy	1,165	0	1,165	777	783	7	1	0	0	0
Culture and Visitor Economy	42,461	937	43,399	29,622	28,738	(884)	(3)	0	0	0
Development Management Services	7,921	877	8,798	6,941	5,583	(1,358)	(20)	194	513	707
Planning & Regeneration	13,943	(9,062)	4,881	3,723	1,017	(2,706)	(73)	(51)	175	124
Transportation and Connectivity	51,570	785	52,356	34,577	35,757	1,180	3	0	395	395
Urban Design	(783)	0	(783)	(522)	1,166	1,688	323	265	0	265
Catering & Building Cleaning	12	(112)	(100)	0	182	182	0	259	0	259
Facilities Management	(680)	0	(680)	1,531	1,121	(410)	(27)	0	0	0
Shelfforce	(75)	0	(75)	(50)	205	256	509	200	0	200
Employment Services	885	4,018	4,902	2,375	1,806	(569)	(24)	0	235	235
City Finance	5,762	872	6,634	5,038	4,653	(385)	(8)	0	0	0
Corporate Strategy	788	3,127	3,915	3,627	4,464	836	23	815	320	1,135
Procurement	1,410	463	1,872	38	(101)	(139)	(366)	(100)	0	(100)
Birmingham Audit	2,305	200	2,505	1,848	(180)	(2,028)	(110)	0	0	0
Human Resources	8,196	1,834	10,029	6,423	4,652	(1,771)	(28)	0	350	350
Elections Office	1,830	0	1,830	1,233	1,191	(42)	(3)	200	0	200
Birmingham Property Services	5,624	(91)	5,533	7,005	7,682	678	10	0	0	0
Legal & Democratic Services	5,503	(25)	5,478	457	2,405	1,948	426	(155)	0	(155)
Revenues & Benefits Division	2,137	(1,141)	996	667	(5,178)	(5,845)	(877)	0	0	0
Shared Services Centre	2,396	190	2,585	1,259	1,011	(247)	(20)	0	0	0
NEC/ICC/NIA	0	0	0	0	0	0	0	0	0	0
Staff Seconded to Service Birmingham	0	0	0	0	0	0	0	0	0	0
Core ICT	(4,093)	1,269	(2,823)	19,193	26,578	7,384	38	525	0	525
Transformation Management	45,037	(956)	44,081	40,330	27,137	(13,193)	(33)	0	0	0
Charities & Trusts - Support	50	74	124	0	5	5	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	1,461	945	183	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	3,413	8,218	4,805	141	0	0	0
Unallocated Savings	0	0	0	0	0	0	0	0	0	0
Customer Services	8,706	(90)	8,616	7,405	7,750	345	5	50	0	50
Corporate Resources Other Services	3,600	103	3,702	1,094	412	(682)	(62)	0	0	0
Use of Reserves & Balances	(162)	(2,529)	(2,691)	(2,691)	(2,691)	0	0	(295)	0	(295)
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)	(568)	(1,035)	(467)	(82)	0	0	0
<b>Economy Directorate Total</b>	<b>165,717</b>	<b>742</b>	<b>166,459</b>	<b>136,851</b>	<b>126,384</b>	<b>(10,467)</b>	<b>(8)</b>	<b>1,907</b>	<b>1,988</b>	<b>3,895</b>
<b>Total Directorate Spending</b>	<b>891,946</b>	<b>(7,637)</b>	<b>884,308</b>	<b>600,962</b>	<b>450,030</b>	<b>(150,932)</b>	<b>(25)</b>	<b>2,625</b>	<b>9,862</b>	<b>12,487</b>
Policy Contingency	39,657	(6,335)	33,323	1,891	1,445	(446)	(24)	0	0	0
Other Corporate Items	(76,395)	13,972	(43,089)	(185,921)	(108,756)	77,166	(480)	0	0	0
<b>Centrally Held Total</b>	<b>(36,738)</b>	<b>7,639</b>	<b>(9,767)</b>	<b>(184,030)</b>	<b>(107,311)</b>	<b>76,719</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Budget Requirement</b>	<b>855,208</b>	<b>0</b>	<b>874,541</b>	<b>416,932</b>	<b>342,719</b>	<b>(74,213)</b>	<b>(18)</b>	<b>2,625</b>	<b>9,862</b>	<b>12,487</b>
Housing Revenue Account	0	0	0	(109,026)	(112,718)	(3,692)	(3)	0	0	0



Policy Contingency Month 8 Monitoring to 30th November 2015

	Original Budget 2015/16	Approvals / Adjustments in Voyager	Revised Budget 2015/16	Approvals / Allocations not yet in Voyager as at 30th November	Proposals awaiting approval at 30th November	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs	10,728	(3,097)	7,631			7,631
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		(3,410)	1,112
Highways Maintenance	500		500			500
Provision for unachievement of savings	10,000		10,000		(6,566)	3,434
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		(800)	2,590
General Contingency	4,132	(618)	3,514	(80)	(580)	2,854
<b>Total Contingency</b>	<b>39,658</b>	<b>(7,780)</b>	<b>31,878</b>	<b>(80)</b>	<b>(11,356)</b>	<b>20,442</b>

## Savings Programme – Position at Month 8

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	3,296	1,353	0	2,735	3,925
	Further Reduction in Younger Adult Care Packages	2,966	2,966	0	0	0	0
	School Trading	1,000	0	1,000	0	0	0
	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	555	0	0	0
	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	46,049	5,732	0	5,960	7,150
Place	Highway Maintenance & Management Services (Private Finance Initiative)	1,500		1,500			
	Pest Control	1,300		1,300			100
	Use of Reserves	2,000	2,000				
	Community Chest	1,390	1,390				
	Markets	1,000				1,000	1,000
	Other initiatives each under £1m	14,010	10,868	1,945	283	914	914
Place Total		21,200	14,258	4,745	283	1,914	2,014
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	1,300	0	0	0	
	Other initiatives each under £1m	10,493	7,581	874	400	1,638	1,763
Economy Total		30,491	20,214	7,889	400	1,988	1,763
Corporate	Other initiatives each under £1m	823	823				
Corporate Total		823	823				
		<b>110,255</b>	<b>81,344</b>	<b>18,366</b>	<b>683</b>	<b>9,862</b>	<b>10,927</b>

Month 6	110,255	78,592	12,043	9,103	10,517
Month 7	110,255	80,029	11,816	7,483	10,927

Summary 01.10.2015 – 30.11.15

**Housing Benefit Age Analysis of Overpayments and Debts Written-off Under delegated authority by Revenues and Benefits Division**

Detail	1996-2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/5	2015/6	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£515	£696	£12,716	£2,107	£4,782	£13,965	£10,586	£20,116	£22,627	£56,757	£133,739	£93,513	£372,119	1178
<b>TOTAL</b>	£515	£696	£12,716	£2,107	£4,782	£13,965	£10,586	£20,116	£22,627	£56,757	£133,739	£93,513	£372,119	1178

**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	
866	£121,119	196	£137,405	116	£113,595	1178	£372,119

**Council Tax and Business Rates 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	821,995	140,489	132,540	154,835	169,912	139,942	113,678	149,291	192,413	125,474	14,663	<b>2,155,232</b>
Business rates written off under delegated authority	10,793	487	829	6790	8,425	541,261	735,837	551,735	267,773	48,063	-	<b>2,171,993</b>
<b>TOTAL</b>	<b>832,788</b>	<b>140,976</b>	<b>133,369</b>	<b>161,625</b>	<b>178,337</b>	<b>681,203</b>	<b>849,515</b>	<b>701,026</b>	<b>460,186</b>	<b>173,537</b>	<b>14,663</b>	<b>4,327,225</b>

**Total number of council tax debts: 5,175**

**Total number of business rates debts: 1,224**

**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	987,258	2,368	1,104,690	693	63,284	9	<b>2,155,232</b>	<b>3,070</b>
Business rates written off under delegated authority	106,285	229	902,745	353	1,162,963	128	<b>2,171,993</b>	<b>710</b>
<b>TOTAL</b>	<b>1,093,543</b>	<b>2,597</b>	<b>2,007,435</b>	<b>1046</b>	<b>1,226,247</b>	<b>137</b>	<b>4,327,225</b>	<b>3,780</b>