

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	CORPORATE DIRECTOR - FINANCE & GOVERNANCE
Date of Decision:	31ST JULY 2018
SUBJECT:	FINANCIAL MONITORING REPORT QUARTER 1 (UP TO 30TH JUNE 2018)
Key Decision: Yes / No	Relevant Forward Plan Ref: 5230/2018
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	O&S Chair approved <input type="checkbox"/>
Relevant O&S Chair:	Councillor Ian Ward
Wards affected:	Councillor Sir Albert Bore
	All

1. Purpose of report:

- 1.1 This report forms part of the City Council's robust arrangements for controlling its revenue and capital 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 and Capital Budget Monitoring documents for Month 3, which are appended to this report as Appendices A and B.
- 1.3 The latest Treasury Management position is shown in the Treasury Management Report for Month 3, which is appended to this report as Appendix C.

2. Decision(s) recommended:

That the Cabinet :-

- 2.1 Note the City Council's 2018/19 forecast revenue budget position and the gross pressures identified as at 30th June 2018.
- 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 proposed allocations of General Policy Contingency as proposed in paragraph 3.1 of the Revenue Report.
- 2.4 Approve the proposal in paragraph 3.2 that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Council Plan and Budget 2018+.
- 2.5 Approve the transfer of Services between Directorates as shown in paragraph 3.3 and 3.4 of the Revenue Report.
- 2.6 Approve the grant allocations proposed related to the Community Safety Fund Grant in 2018/19 as proposed in paragraph 3.5 of the Revenue Report.

- 2.7 Approve the writing off of debts over £0.025m as summarised in Appendix 5 of the Revenue Report
- 2.8 Approve the revised 10 year capital programme of £2,858.368m.
- 2.9 Note the forecast capital expenditure in 2018/19 of £440.416m.
- 2.10 Note the Treasury Management report.

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3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

- 3.1.1 Cabinet Members, Corporate Directors, the City Solicitor, Human Resources and Assistant Directors of Finance have been consulted in the preparation of this report.

3.2 External

- 3.2.1 There are no additional issues beyond consultations carried out as part of the budget setting process for 2018/19.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.

4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)

- 4.2.1 The Corporate Revenue and Capital Budget Monitoring documents attached give details of monitoring of service delivery within available resources.

4.3 Legal Implications

- 4.3.1 Section 151 of the 1972 Local Government Act requires the Corporate Director – Finance & Governance (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and

reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management 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.

4.4 Public Sector Equality Duty (see separate guidance note)

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

5. Relevant background/chronology of key events:

- 5.1 At the meeting on 27th February 2018, the Council agreed a net revenue budget for 2018/19 of £855.2m to be met by government grants, council tax and business rates payers.
- 5.2 The base budget forecast variations in each Directorate are detailed in Section 2 and Annex 1 of the Corporate Revenue Budget Monitoring document. The position is summarised in tabular form in Annex 2 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 and Annex 1 of the attached report and the position is summarised in tabular form in Annex 3.
- 5.4 The meeting of the 27th February 2018 also agreed a 10 year capital programme of £2,726.297m.
- 5.5 As at 30th June 2018 the capital programme has increased by £132.071m to £2,858.368m. The major budget changes and forecast variations are detailed in Appendices B1 to B10.

6. Evaluation of alternative option(s):

- 6.1 Corporate 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 To inform Cabinet of:

The City Council's 2018/19 revenue budget position and the level of gross pressures identified as at 30th June 2018.

The latest monitoring position in respect of the City Council's Savings Programme and the present risks identified in its delivery.

The City Council's 2018/19 capital budget position.

The latest monitoring position in respect of the Capital Programme and the present risks identified in its delivery.

The latest monitoring position in respect of Treasury Management.

7.2 To approve:

The proposed allocations of General Policy Contingency as proposed in in paragraph 3.1 of the Revenue Report.

The proposal in paragraph 3.2 of the Revenue Report that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Council Plan and Budget 2018+.

The transfer of Services between Directorates as shown in paragraph 3.3 and 3.4 of the Revenue Report.

The grant allocations proposed related to the Community Safety Fund Grant in 2018/19 as proposed in in paragraph 3.5 of the Revenue Report.

The writing off of debts over £0.025m as summarised in Annex 5 of the Revenue Report.

Signatures

Date

Corporate Director – Finance & Governance

Leader

List of Background Documents used to compile this Report:

1. City Council Financial Plan 2018+ approved at Council 27th February 2018

List of Appendices accompanying this Report (if any):

- A. Corporate Revenue Budget Monitoring Document – Month 3
- B. Corporate Capital Budget Monitoring Document – Month 3
- C. Treasury Management Report-Month 3

Report Version 0.4

Dated 18th July 2018

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) tackle prejudice, and
 - (b) promote understanding.
- 5 The relevant protected characteristics are:
 - (a) marriage & civil partnership
 - (b) age
 - (c) disability
 - (d) gender reassignment
 - (e) pregnancy and maternity
 - (f) race
 - (g) religion or belief
 - (h) sex
 - (i) sexual orientation

