

CORPORATE REVENUE BUDGET MONITORING REPORT 2019/20 MONTH 3

(year to 30th June 2019)

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Revenue Budget Management Report – Period 3 Forecast**1. Executive Summary**

- 1.1 The Council set a net budget of £851.590m for 2019/20 at its meeting on 26 February 2019. This net budget is after assuming savings of £58.276m, included approving a savings programme of £46.191m and requiring a further £12.085m savings to be delivered that were achieved on a one-off basis in 2018/19. This is set out in Table 2.
- 1.2 At Period 3 the forecast outturn is estimated to be an overspend of £17.440m. The Council is actively pursuing mitigations to resolve this position. At period 3 £0.134m of new savings have been identified and are included in the forecast.
- 1.3 A summary of the forecast position for each Directorate is set out in Table 1.
- 1.4 There is a forecast balanced position in Schools at Month 3. Further detail is contained in Annex 10.
- 1.5 There is a forecast balanced position in the Housing Revenue Account. Further detail is contained in Annex 11.
- 1.6 There are net additional requests for contributions to reserves of £7.885m. All requests are in line with the reserves policy as set out in Section 6.
- 1.7 Details of the Collection Fund position are provided in Annex 16.
- 1.8 Details of write-offs are provided in Annex 17.

Table 1: Period 3 Forecast Outturn Position									
Directorate	Original Budget	Current Budget	Period 3 Forecast Outturn	Period 3 Forecast Base Budget Over /(Under)	Period 3 Forecast Savings Non-Delivery	Period 3 Forecast Over /(Under)	Period 1 Forecast Over /(Under)	Change since Period 1 (Improvement)/ Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Adult Social Care	325.707	325.974	325.974	(0.918)	0.918	0.000	0.000	0.000	0.00
Digital & Cust Services	22.046	22.629	22.769	0.000	0.140	0.140	0.000	0.140	0.62
Education & Skills	262.369	262.176	263.968	0.474	1.318	1.792	0.000	1.792	0.68
Finance & Governance	24.913	25.034	25.776	0.242	0.500	0.742	0.000	0.742	2.96
Human Resources	6.597	6.597	6.597	0.000	0.000	0.000	0.000	0.000	0.00
Inclusive Growth	97.515	97.604	98.198	(0.252)	0.846	0.594	0.000	0.594	0.61
Neighbourhoods	99.565	99.545	113.538	8.906	5.087	13.993	0.000	13.993	14.06
Partnerships, Insight and Prevention	6.442	6.175	6.355	0.180	0.000	0.180	0.000	0.180	2.92
Directorate Sub Total	845.155	845.734	863.174	8.631	8.809	17.440	0.000	17.440	2.06
Policy Contingency	42.244	42.244	42.244	0.000	0.000	0.000	0.000	0.000	0.00
Corporately Managed Budgets	91.601	91.022	91.022	0.000	0.000	0.000	0.000	0.000	0.00
Corporate Grants	(127.409)	(127.409)	(127.409)	0.000	0.000	0.000	0.000	0.000	0.00
Corporate Subtotal	6.436	5.856	5.856	0.000	0.000	0.000	0.000	0.000	0.00
City Council General Fund	851.590	851.590	869.031	8.631	8.809	17.440	0.000	17.440	2.05
Dedicated Schools Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a
City Council Total	851.590	851.590	869.031	8.631	8.809	17.440	0.000	17.440	2.05

Note 1: Percentage movement is shown as a percentage of the current budget

Note 2: The Education & Skills forecast does not include the implications of the 15 July Cabinet approval of the award of the Home to School Transport report. This potentially adds £0.685m to the overspend forecast for Education & Skills.

2. Key Issues Identified up to Period 3

- 2.1 A number of budgetary pressures reported in the 2018/19 outturn are evident in the period 3 monitoring process which are due to issues with planned savings delivery and/or base budget pressures. They will be the focus of management action and recovery plans to deliver within directorate budgets wherever possible. Future cabinet reports will contain further commentary to provide the overview of the progress of directorate recovery plans for areas of overspending resulting from base budget pressures and/or delayed or undeliverable savings.
- 2.2 Directorates with a forecast overspend in excess of £1m have issues in the following areas:
- Education and Skills Directorate has a forecast overspend of £1.792m of which £2.212m relates to Travel Assist. This is partially offset by net underspends of £0.420m. The forecast potential overspend on Travel Assist was revised to £2.897m as a result of the Home to School contract award report approved by Cabinet on 15 July 2019. The net impact on the forecast overspend would be to increase by £0.685m to £2.477m.
 - However, to ensure budgetary provision for this contract award and provide for the potential shortfall on savings, Cabinet agreed to underwrite the Education & Skills budget by up to £2.897m from the Budget Delivery Policy Contingency subject to the production of a financial recovery plan. The Education and Skills Directorate will seek to mitigate this overspend and a financial recovery plan is being prepared addressing both Travel Assist pressures and other service areas for review. This will be reviewed via Member led Star Chambers and via the Budget Programme Board led by the Chief Executive. The plan will be presented for consideration by Members at the earliest opportunity.
 - Neighbourhoods Directorate has a forecast overspend of £13.993m of which £6.330m is within Street Scene, £1.600m within Housing Services, £4.346m is within Neighbourhoods, £0.293m in Regulation and Enforcement and £1.424m is within Business Support. A deep dive review has been initiated within Neighbourhoods Directorate and a recovery plan is being prepared addressing these service areas for review and challenge via Member led Star Chambers and via the Budget Programme Board led by the Chief Executive.

Further detail of each directorate forecast is set out in the Directorate Executive Summaries at Annexes 1-11 of this report.

- 2.2 There will be scrutiny and challenge of the financial position on a monthly basis via the Council's monthly Management Team, Member led Star Chambers, EMT and Resources Overview & Scrutiny. On a quarterly basis there will be further rigorous challenge of the overall financial performance via the officer Budget Programme Board chaired by the Chief Executive. Quarterly reports will be considered by Cabinet. Additional Member led star chambers have been established for those directorates that are forecasting significant overspends to explore the issues and develop solutions. This will continue throughout the year until the budgetary position is successfully recovered. These measures will seek to provide appropriate challenge and support to ensure that directorates deliver services within their approved budget.

3. Overview of the Savings Programme

3.1 The total approved savings programme is £58.276m in 2019/20. This comprises the approved savings plan of £46.191m plus £12.085m of savings that were only delivered on a one-off basis in 2018/19. Of these £37.383m on track, £11.044m at risk and £9.983m red/purple savings non-delivery in Table 2 is analysed further into approved savings and one off savings in Tables 2a and 2b in Annex 13. Table 3 illustrates the movement between setting the budget and Period 3.

Table 2: Overview of the Forecast Delivery of the 2019/20 Savings Programme									
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple-Undeliverable	One off Mitigations to address Savings Non-Delivery	
	£m	%	£m	£m	£m	£m	£m	£m	
Adult Social Care	(16.310)	94.4	(5.056)	(10.336)	0.000	(0.918)	0.000	0.000	
Digital & Cust Services	(6.918)	12.6	0.711	(1.584)	(5.905)	(0.140)	0.000	0.000	
Education & Skills	(8.837)	56.5	0.148	(5.137)	(1.520)	(1.010)	(1.318)	(1.010)	
Finance & Governance	(2.791)	57.9	(0.399)	(1.216)	(0.646)	(0.500)	(0.030)	(0.030)	
Human Resources	(0.718)	100.0	(0.232)	(0.486)	0.000	0.000	0.000	0.000	
Inclusive Growth	(4.770)	79.5	(1.407)	(2.383)	0.000	(0.794)	(0.186)	0.000	
Neighbourhoods	(18.564)	57.0	(6.188)	(4.389)	(2.900)	(3.387)	(1.700)	0.000	
Partnerships, Insight and Prevention	(0.548)	86.7	(0.475)	0.000	(0.073)	0.000	0.000	0.000	
Directorate Subtotal	(59.456)	64.6	(12.898)	(25.531)	(11.044)	(6.749)	(3.234)	(1.040)	
Corporate Savings	1.180	100.0	1.180	0.000	0.000	0.000	0.000	0.000	
Total Programme	(58.276)	63.9	(11.718)	(25.531)	(11.044)	(6.749)	(3.234)	(1.040)	
New savings									
Inclusive Growth	0.000	n/a	(0.050)	(0.084)	0.000	0.000	0.000	0.000	
New Savings Subtotal	0.000	n/a	(0.050)	(0.084)	0.000	0.000	0.000	0.000	
Total Programme	(58.276)	64.1	(11.768)	(25.615)	(11.044)	(6.749)	(3.234)	(1.040)	
Percentage of Total Programme excluding new savings	100.00%		20.11%	43.81%	18.95%	11.58%	5.55%	n/a	

In total £3.234m is undeliverable and £6.749m is red and Directorates will have to identify recovery plans to address this and bring these proposals to Cabinet where there is a policy implication. These could be alternative proposals or one-off mitigations. This will be addressed at Member led Star Chamber Meetings. £1.040m of one-off mitigations and £0.134m of new savings have been identified at Period 3.

3.2 Definitions of the savings classifications are as follows:

- Fully delivered (Blue) – the saving has been fully implemented and the saving has been achieved.
- On track (Green) – Savings that are on target to meet delivery milestones and are expected to deliver the level of savings anticipated.

- At risk (Amber) – Savings yet to be delivered and there may be some risks to the delivery milestones and/or the level of savings originally anticipated.
- Non Delivery (Red) – the saving are experiencing difficulty in achieving their delivery plan milestones and/or the level of savings originally anticipated; mitigations will need to be identified immediately for consideration and approval via Cabinet.
- Undeliverable (Purple) – the Council is no longer pursuing this saving as it is no longer considered to be achievable. An immediate action is needed to develop an alternative proposal to deliver the value of the saving that will be considered and approved by Cabinet.
- One-off mitigation – an approved saving has had trouble being delivered in the way anticipated, but a one-off mitigation has been identified within the service area which need to be reported to and considered by Cabinet as appropriate.

Table 3

Table 3: Movement in Forecast Delivery of the 2019/20 Savings Programme						
	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple- Undeliverable	One off Mitigations
	£m	£m	£m	£m	£m	£m
Period 3 Forecast	11.768	25.615	11.044	6.749	3.234	1.040
Budget Setting Assumption	0.000	58.276	0.000	0.000	0.000	0.000
Increase/(Decrease)	11.768	(32.661)	11.044	6.749	3.234	1.040
Percentage Change (%)	n/a	n/a	n/a	n/a	n/a	n/a

Future Years Savings Overview

- 3.3 Table 4 identifies forecast levels of non-achievement of savings in future years in relation to those savings classed as red or purple. It will be necessary for alternative savings proposals to be identified for consideration by Cabinet if the approved savings plans cannot be delivered as originally proposed and require policy decisions.

Table 4: Forecast Levels of Non Delivery of Savings at Period 3 in All Years				
Directorate	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Adult Social Care	0.918	0.000	0.000	0.000
Digital & Cust Services	0.140	0.140	0.140	0.140
Education & Skills	1.318	2.488	2.488	2.488
Finance & Governance	0.500	0.500	0.500	0.500
Human Resources	0.000	0.000	0.000	0.000
Inclusive Growth*	0.846	1.734	2.413	3.059
Neighbourhoods Partnerships, Insight and Prevention	5.087	2.839	2.659	2.659
	0.000	0.000	0.000	0.000
Directorate Subtotal	8.809	7.701	8.200	8.846
Corporate Savings	0.000	0.525	0.925	0.925
Total Programme	8.809	8.226	9.125	9.771

*These figures are net of new savings identified in Table 2.

Note: figures in 2019/20 include one off mitigations

4. Risks and Mitigations

4.1 There are a number of risk areas identified across Directorates that are being highlighted in summary to ensure proactive management and mitigation. However, the Directorate is not yet able to assess and quantify those risks fully to include them in the forecast. Therefore, they are not currently included within the forecast outturn. These will be tracked and progress reported in future cabinet reports. **Further details of Directorate Risks and Mitigations can be seen in Annexes 1-11.**

4.2 Education and Skills:

- Travel Assist: there are additional risks of increased costs in a number of areas within Travel Assist unrelated to the Home to School contract which cannot be quantified yet.
- SENAR Staffing: a potential shortfall has been identified due to reduced grant in funding
- Early Years Day Nurseries: there are potential costs as a result of the transfer of day nurseries. There is also uncertainty on assumed income from leases which can not be confirmed until the lease negotiations are fully completed.
- Education Infrastructure (EDI) regarding Baverstock Academy: there are potential costs relating to rates and security for which there is no budget in 2019/20. However, it may be possible to identify grant funding to cover this.
- Adult Education: there is a potential shortfall on the income from fees and charges. Measures to mitigate this are being explored.
- Education PFI: work has been undertaken to review the education PFI contracts which identified potential risks in addressing future PFI liabilities. Figures are yet to be quantified and confirmed.

4.3 Neighbourhoods:

- Housing Options: costs may increase by an estimated £4.000m if homeless cases presenting increase beyond the capacity of housing services
- Coroners: there are ongoing building and maintenance costs for the Coroners court and Mortuary services which can not be quantified yet.

- Shelfforce: The service is working on alternative income stream to cover a potential shortfall.
- 4.4 Neighbourhoods is engaged in a series of Member led 'deep dive' star chambers and is actively working to develop a recovery plan across a range of services to mitigate the known pressures and overspends. These will be addressed in a future report. The Directorate is investigating how costs can be reduced in a number of areas. These are yet to be quantified:
- Street Scene: awaiting the permanent replacement of Waste Vehicles.
 - Parks: the service is progressing land sales over and above those planned
 - Neighbourhoods: the service is exploring radical change in service offer
 - Housing: The service is planning to launch two pilots to test new ways of working as part of the whole housing redesign model, a prevention hub model and Homeless on the Day approach.

5. Future Years Issues

5.1 Whilst the focus of this report is on the delivery of the 2019/20 budget, the monitoring process allows the opportunity to consider what issues may have been identified which have not been provided for in previous plans.

5.2 Key future years issues include the following:

- Education & Skills: £2.488m savings non delivery on Travel Assist, £1.400m potential costs of alternative provision: Following the administration in March of one of the Travel Assist main transport providers it has been necessary to secure alternative provision for this service. Discussion and negotiation has been underway since April and the expected additional cost of this provision with an alternative provider has been factored into the forecast. In addition the Travel Assist savings which were targeted for 2019/20 and 2020/21, though are red-rated have been flagged as a future year's issue.
- Education & Skills PFI reserve: At the 2018/19 Outturn the Council recognised the need to create an Education PFI Reserve in order to ensure that there are sufficient resources to fully finance the remaining life of the contract to the extent that the unitary payments exceed the Government grant received in future years. A significant amount of work has been undertaken reviewing the education PFI contracts. It is envisaged that an additional £5.162m would be needed in PFI reserve to cover expected PFI liabilities to the end of the term of the contracts.
- Inclusive Growth: £0.240m on Central Administration Building income
- Neighbourhoods: future requirement for Vehicle Placement beyond the current approved capital investment; there is a continual growth in waste to be collected and this will put pressure on street scene services in future years; responsive repair bills across all Directorate property and assets and capacity on temporary accommodation for homeless people to address increasing demand

5.3 Further details are contained in in Annexes 1-11.

6. Reserves

- 6.1 The Council operates a policy of not using reserves unless they have been set aside for specific purposes; they will not be used to mitigate the requirement to make savings or meet on-going budget pressures. In the main, use of reserves relates to grant reserves where the funding has been received prior to the requirement to spend the resource. The Council also has earmarked reserves where it has made a decision to set money aside to fund specific costs when they occur in later years. Use of such reserves should be strictly in accordance with the purpose for which it was approved.
- 6.2 The Council anticipated the use £26.975m of reserves in setting the 2019/20 budget. This is summarised in Table 6 and further detail is set out in Annex 12.

Table 6: Summary (Use of) / Contribution to Reserves					
Reserve	Original Base Budget	Budget Assumed Period 1	Net Changes Proposed Period 2&3	Forecast Proposed Use at Period 3	Variance to Original
	£m	£m	£m	£m	£m
General Reserves*	(5.910)	(5.910)	0.000	(5.910)	0.000
Corporate	11.861	11.861	3.503	15.364	3.503
Subtotal All Corporate	5.951	5.951	3.503	9.454	3.503
Other Reserves					
Grant	(29.206)	(29.206)	9.758	(19.448)	9.758
Earmarked	(3.719)	(3.719)	(4.176)	(7.896)	(4.176)
Schools	0.000	0.000	0.000	0.000	0.000
Non Schools DSG	0.000	0.000	(1.199)	(1.199)	(1.199)
Subtotal Other	(32.926)	(32.926)	4.383	(28.543)	4.383
Total	(26.975)	(26.975)	7.885	(19.090)	7.885

*Agreed as part of the Reserves Policy

- 6.3 Net changes to the original budgeted use of reserves of £7.885m have been requested, of which £7.885m have been requested by Period 3. The Period 3 forecast assumes that these reserves changes will be approved. Details of how these are proposed to change are set out in Tables 6, 7 and 8. Specific changes in reserves are set out in Annex 12.
- 6.4 There is a budgeted use of £5.910m of General Reserves, which is in line with the Reserves Policy. This is to fund the additional revenue costs arising from a retrospective change in the Council Minimum Revenue Provision Policy (MRP), approved by the Council in February 2018. This is a planned use agreed within the Council's Reserves Policy and is due to phase out over a number of years as the Council identifies alternative ways to address these additional costs. No further uses of general reserves are planned.
- 6.5 Other Corporate net contributions to reserves of £3.503m requested by Period 3 largely relates to

- a. £5.612m relating to 2019/20 Business Rates Section 31 Grant Income Surplus received in advance of when it is required. This will be carried forward to offset 2019/20 Business Rates Collection Fund Deficit Forecast that will occur in 2020/21.
 - b. £1.000m requested use of Digital & Customer Services Reserve by Digital & Customer Services to fund transformation in the Revenues and Benefits Service linked to the implementation of Universal Credit.
 - c. £0.682m reduced contribution to reserves where Finance & Governance will be unable to contribute to the World Indoor Athletics (WIA)(2018) reserve due to an ongoing shortfall in advertising income.
- 6.6 The Council holds Grant Reserves for the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded. At Month 3, there is £11.722m of grant received that is unlikely to be utilised during 2019/20 and is requested to be carried forward to match planned expenditure in 2020/21. This is offset by a net £1.963m use of Grant received in 2018/19 to be utilised in 2019/20 above the budgeted figure. These contributions to and uses of grant reserve are in line with the Reserves Policy approved by Cabinet in January 2019.
- 6.7 The Council holds Earmarked Reserves where resources have been set aside to support future years' service delivery. These reserves can only be used for specific purposes. At Month 3, there are £4.176m of reserves that are requested to be released. These uses of earmarked reserve are in line with the Reserves Policy approved by Cabinet in January 2019.
- 6.8 Schools Forum has approved the use of £1.199m on non-Schools DSG Grant Reserves. These are requested to be approved at Month 3.
- 6.9 Further details of all requested use of or contributions to Reserves are provided in Annex 12.

Table 7: Forecast Reserves Balance					
Reserve	Balance 31/03/19	Budgeted (use)/ contribution	Changes assumed Period 1	Changes Proposed By Period 3	Forecast Balance 31/03/20
	£m	£m	£m	£m	£m
Corporate Reserves	218.270	5.951	0.000	3.503	227.724
Earmarked	35.375	(3.719)	0.000	(4.176)	27.479
Grant	262.597	(29.206)	0.000	9.758	243.149
Schools	34.255	0.000	0.000	0.000	34.255
Non Schools DSG	7.344	0.000	0.000	(1.199)	6.145
Total	557.842	(26.975)	0.000	7.885	538.752

Table 8: Breakdown of change in (Use of)/Contribution to Reserves					
Reserve	(Increase in Use of)	Reduction in Use of	Increase in Contributions	(Reduction in Contributions)	Total
	£m	£m	£m	£m	£m
Corporate Reserves	(1.428)	0.000	5.612	(0.682)	3.503
Earmarked	(4.176)	0.000	0.000	0.000	(4.176)
Grant	(2.007)	0.044	11.722	0.000	9.758
Schools	0.000	0.000	0.000	0.000	0.000
Non Schools DSG	(1.199)	0.000	0.000	0.000	(1.199)
Total	(8.811)	0.044	17.334	(0.682)	7.885

Adult Social Care Directorate Revenue Budget Management Report – Period 3 Forecast

1. Executive Summary

- 1.1 The Council set the Adult Social Care Directorate a net budget of £325.707m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £14.620m and requiring a further £1.690m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments, the net budget for the Directorate is now £325.973m.
- 1.2 At Period 3 the Adult Social Care Directorate is forecasting a balanced position. At Period 3 no new savings have been identified in the forecast other than mitigations already planned and being implemented. £0.918m of savings, not being delivered, are being mitigated by a net underspend on packages of care.

Table 1: Period 3 Forecast Outturn Position									
Directorate	Original Budget	Current Budget	Forecast Outturn	Forecast Base Budget Over/(Under)	Forecast Saving Non - delivery	Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change since Period 1 (Improvement)/Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Director	26.684	12.819	12.819	0.000	0.000	0.000	0.000	0.000	0.000
Adult Packages of Care	202.394	212.608	210.408	(2.200)	0.000	(2.200)	0.000	(2.200)	0.000
Assessment & Support Planning	35.752	41.647	41.647	0.000	0.000	0.000	0.000	0.000	0.000
Specilist Care Services	29.071	29.071	31.271	1.282	0.918	2.200	0.000	2.200	0.000
Commissioning	31.805	29.828	29.828	0.000	0.000	0.000	0.000	0.000	0.000
Directorate Total	325.707	325.973	325.973	(0.918)	0.918	0.000	0.000	0.000	0.000

Key Issues Identified up to Period 3

- 1.3 There is a small degree of variation in spend against budget, however this does not impact on the projected balanced position of the Directorate.

- Specialist Care Services - £2.200m net budget overspend. £0.918m relating to non-delivery of saving on employees and £1.282m net base pressure on services transferring to packages of care, and budgets will be realigned to reflect these changes in Month 4.
- Packages of Care - £2.200m base budget underspend. £0.500m overspend relating to increased numbers of service users discharged from hospitals requiring short term home support. This is offset by a (£2.700m) overachievement on income.

Risks identified but not yet included in the Forecast

- 1.4 No further risks identified at this stage.

- 1.5 No savings are at risk.

Future Years

- 1.6 The Adult Social Care Programme is on track to deliver on the savings agenda, with no issues anticipated in future years.

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget Pressures	0	0	0
Savings	0	0	0
Mitigations	0	0	0
Total	0	0	0

Digital & Customer Services

1. Executive Summary

1.1 The Council set the Customer and Digital Services Directorate a net budget of £26.822m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £2.773m. Following budget adjustments, including allocations from Policy Contingency and transfers of services from other Directorates as part of the Council's new structure, the net original budget for the Directorate was revised to £22.046m and the budget at Period 3 to £22.629m. There is also a savings target of £4.145m to deliver that was delivered as a one-off in 2018/19.

1.2 At Period 3 the Directorate is forecasting an overspend of £0.140m.

Directorate	Original Budget	Current Budget	Forecast Outturn	Forecast Base Budget Over/(Under)	Forecast Savings Non - delivery	Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Detrioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Business Improvement	9.516	9.562	9.562	-	-	-	-	0.000	-
Cust Services	8.566	8.087	8.087	-	-	-	-	0.000	-
ITDS	1.005	2.022	2.022	-	-	-	-	0.000	-
Revenues and Benefits	2.791	2.791	2.931	-	0.140	0.140	-	0.140	-
Director of DCS	0.168	0.167	0.167	-	-	-	-	-	-
Directorate Total	22.046	22.629	22.769	0.000	0.140	0.140	0.000	0.140	

Key Issues Identified up to Period 3

1.3 The Directorate was allocated a non-essential savings target of £0.347m. Of this, it is considered that £0.140m is currently unachievable. This relates to professional fees and bulk printing in the Revenues service. These budgets are required to pay for liability order costs, land registry services and other tracing tools e.g. TransUnionsummons, and bulk printing services that are required for billing and reminders. We are actively seeking solutions in order to mitigate this.

1.4 The Information, Technology and Digital Service (ITDS) is currently undergoing a large transition away from the Capita contract. Savings of £12m are required from the service in 2019/20 c£6m of which are being delivered on an on-going basis. The transition of ITDS services in-house are being implemented to deliver additional £6m per year. The Transition project team, along with Finance, will robustly monitor the savings throughout the year.

Risks identified but not yet included in the Forecast

- 1.5 There are no further risks currently identified, the c£6m savings for ITDS are being mitigated through the transition of services back in house. This project is currently on track to achieve the planned transfer date of 1st August, however the savings are being categorised as Amber until the transition is complete.

Future Years

- 1.6 During 2019 the Council intends to review the Council Tax Support scheme. Any new proposals will be subject to extensive consultation and, dependent on the outcome of the consultation, changes may be made to the level of support awarded.

In addition, £0.140m of non-essential spending savings may not be achievable. This relates to professional fees and bulk printing in the Revenues service. These budgets are required to pay for liability order costs, land registry services and other tracing tools eg TransUnionsummons, and bulk printing services that are required for billing and reminders.

- 1.7 Describe any issues that may impact on future years' budgets.

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget Pressures			
Savings	0.140	0.140	0.140
Mitigations			
Total	0.140	0.140	0.140

Education & Skills Directorate Revenue Budget Management Report - Directorate

Period 3: General Fund Forecast

1. Executive Summary

- 1.1 The Council set the Education & Skills Directorate a net budget of £255.477m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £8.816m. Following budget adjustments relating to the Council restructure, the net budget for the Directorate is now £262.176m.
- 1.2 The budget includes a number of services which have been transferred in from the Place and Economy directorates, including Libraries, Adult Education, Careers, Youth Service and Employment Services. The overall budget of transferred services as at period 3 is £24.525m. This report incorporates the financial position of these services.
- 1.3 At Period 3 the Education & Skills Directorate is forecasting an overspend of £1.792m, of which £2.212m relates to Travel Assist. This is partially offset by underspends of £0.420m. The potential overspend of Travel Assist may increase up to £2.897m in relation to securing alternative provision for Home to School Transport, with a call upon the Budget Delivery Policy Contingency Budget as reported to Cabinet on 15 July. However, the Education & Skills Directorate is pursuing mitigations to seek to resolve this position through the development of a financial recovery plan.

Table 1: Period 3 Forecast Outturn Position									
Directorate	Original Budget	Current Budget	Period 3 Forecast Outturn	Forecast Base Budget Over/(Under)	Forecast Savings Non-delivery	Period 3 Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Service General Fund	-	-	-	-	-	-	-	-	-
AD inclusion & SEND	24.827	24.827	27.039	0.894	1.318	2.212	0.000	2.212	-
AD - J Y(AD education & early years - split role)	12.557	12.635	12.107	(0.528)	0.000	(0.528)	0.000	(0.528)	-
AD - SS (AD education & early years - split role)	185.240	184.874	185.355	0.481	0.000	0.481	0.000	0.481	-
Director & DCS - Strategic Leadership	15.326	15.315	14.842	(0.473)	0.000	(0.473)	0.000	(0.473)	-
AD skills and employability	24.418	24.525	24.625	0.100	0.000	0.100	0.000	0.100	-
Education & Skills	262.369	262.176	263.968	0.474	1.318	1.792	0.000	1.792	-

Key Issues Identified up to Period 3

- 1.4 The key issues that are included within the Education & Skills Directorate's forecast overspend are:

- Children with Complex Needs Transport (Travel Assist) – a £2.212m overspend is being reported at period 3 which is due to the combined impact of a shortfall on the delivery of savings and expected additional costs of transport provision following a service provider going into administration. The forecast excludes the impact of the 15 July Cabinet approval of the Home to School Contract report, which could add £0.685m to the forecast overspend.
- Early years - overspend of £0.228m, comprising a base budget pressure of £0.206m as a result of a delay to transfer of BCC run day nurseries to Private Voluntary and Independent sector provision and other minor variations of £0.022m.
- Business Transformation (IT) - an overspend is anticipated of £0.100m relating to ICT requirements for the Education service including the funding of IT training for Children Trust staff.
- Childrens Trust (Intelligent Client Function) & Disabled Children's Social Care – £0.254m overspend cost pressures relating to changes to the contract and reduced loan interest and historical legal costs.
- Libraries - £0.100m overspend mainly relating to additional property costs across Community libraries, as a consequence of non-delivery of previous years savings.

1.5 Mitigations/New Savings that have been identified and factored into the overall forecast for the Directorate are:

- Education Skills & Infrastructure – a net saving of £0.414m is being reported which relates to savings generated as result of the review of the PFI and BSF contracts.
- Premature retirements – savings of £0.096m are expected from the premature retirements budget due a reduction in the number of claimants. At period 3 there is also a further £0.018m saving related to the anticipated Pension Increase Act payments being lower than budgeted.
- Strategic Leadership – the Council have recently received notification from the DFE that it will receive additional funding of £0.500m in 2019/20 of School Improvement Monitoring and Brokering Grant. This grant is non-ringfenced and in view of the spend pressures within the Directorate will be held in Strategic Leadership to mitigate some of these pressures. In addition there is a forecast underspend of £0.100m in this budget relating to IT/ miscellaneous spending and part of the professional fees.

Risks identified but not yet included in the Forecast

- 1.6 Base budget and savings programme risks that have not yet crystallised and mitigations that are being considered to address these, including financial implications, are:

- **Travel Assist Transport Provision.** The expected impact of the alternative provision for the transport provider who went into administration has been factored into the forecast. However, there are further risks which remain relating to this area which cannot yet be quantified:
 - The current framework agreement for other transport providers expires in October and will be replaced by a new Dynamic Purchasing System (DPS) framework.
 - The new framework will need to reflect increased environmental standards requirements and the effect of the Birmingham Clean Air Zone which comes into force in Jan 20 could lead to increased costs from suppliers and other changes which could lead to increased costs.
 - Any effect on costs of increasing numbers of SEND pupils requiring transport.
- **SENAR Staffing** - This budget supports SENAR staffing along with costs associated with tribunals, complaints and mediations. In previous years this budget has been supported by SEN Reform grant funding, which has now come to an end. The previous grant funding was £1.100m and whilst an increase to the budget was made this only amounted to £0.625m, leaving a potential gap of £0.475m. Based on the current staff in post and assuming that no vacancies are filled during the year, current projections suggest a balanced budget is possible, however this remains an area of concern given the pressures and challenges facing the Special Needs sector. A review of the staffing structure is underway which will seek to align the structure with funding on a sustainable basis.
- **Early Years Day Nurseries**– There is a budget set aside of £0.250m to support the whole of the Early Years estate. Whilst work is ongoing to ensure that costs are minimised, it is not yet clear if this will be sufficient to cover all of the expected costs, as the transfer of day nurseries may have an effect on costs. The assumed income from leases to Private Voluntary Independent organisations (PVIs) of the

Day Nurseries is based on calculated lease costs. However it is possible that due to the state of some of the Day nursery buildings, this could reduce as part of the negotiations with providers. The impact cannot be confirmed until the lease negotiations are fully complete.

- **Adult Education** - a potential overspend of £0.600m is being forecast relating to an expected shortfall on the income from fees and charges, which also arose in 2018/19. This is related to the Commercialisation savings which were agreed by the service. This potential overspend in 2019/20 is expected to be mitigated by a combination of a draw down from reserve and other measures which are being explored. A more sustainable solution will be required going forward.
- **Education PFI** – At the 2018/19 Outturn the Council recognised the need to create an Education PFI Reserve in order to ensure that there are sufficient resources to fully finance the remaining life of the contract to the extent that the unitary payments exceed the Government grant received in future years. A significant amount of work has been undertaken reviewing the education PFI contracts. It is envisaged that an additional £5.162m would be needed in PFI reserve to cover expected PFI liabilities to the end of the term of the contracts.

Savings at risk

- 1.7 The main saving at risk in Education & Skills is the Travel Assist saving of £1.718m, of which £1.318m is flagged as undeliverable and £0.400m amber rated. In addition there are a number of other savings which are currently flagged as Amber rated, though the intention with these is that remedial action will be taken over the remainder of 2019/20 to ensure delivery or mitigation.

Future Years Issues

- 1.8 Key future years issues include:

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
PFI Reserve (Note 1)	2.135	1.041	0.805
Travel Assist – alternative provision for provider in administration and red-rated savings risk(Note 2)	3.888	3.888	3.888
Total	6.023	4.929	4.693

Note 1 PFI Reserve. It should be noted that a further £1.181m will be required between 2023/24 to 2027/28.

Note 2 Travel Assist. Following the administration in March of one of the Travel Assist main transport providers it has been necessary to secure alternative provision for this service. Discussion and negotiation has been underway since April and the expected additional cost of this provision with an alternative provider has been factored into the forecast. In addition the Travel Assist savings which were targeted for 2019/20 and 2020/21, though are red-rated have been flagged as a future year's issue.

Other potential risks not yet quantified are:

- Early Years– transition to new contractual arrangements
- Children Trust commissioning pressures relating to LAC placement demand and remand pressures.
- New Dynamic Purchasing System (DPS) framework for remaining Home to School transport provision
- Service demand pressures
- Workforce sustainability

Finance and Governance Directorate Revenue Budget Management Report Period 3 Forecast



1. Executive Summary

- 1.1 The Finance and Governance (F&G) Directorate net budget for 2019/20 as set at the Council's meeting on 26 February 2019 was £24.914m. This net budget is after approving a savings programme of £2.261m and requiring a further £0.530m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments, the net budget for the Directorate is now £25.034m.
- 1.2 At Period 3 the F&G is forecasting an overspend of £0.742m. The overspend is made up by a Base Budget overspend within Development & Commercial of £0.749m which is offset by a small underspend of £0.007m in Audit. The Directorate is actively pursuing solutions to resolve this position.

Table 1: Period 3 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Period 3 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Detorioration	
	£m	£m	£m	£m	%
Development & Commercial	(4.374)	(4.374)	0.749	0.749	-
Service Finance	20.005	19.996	0.000	0.000	-
GBSLEP	0.000	0.000	0.000	0.000	-
City Solicitor	7.754	7.754	0.000	0.000	-
Birmingham Audit	1.529	1.657	(0.007)	(0.007)	-
Holding Accounts and Other Funds	0.000	0.000	0.000	0.000	-
Directorate Total	24.914	25.034	0.742	0.742	-

Table 1a: Period 3 Forecast Outturn Position for Development and Commercial

Directorate	Forecast Base Budget Over/ (Under)	Forecast Savings Non-delivery	Forecast Over/ (Under)	Summary Action Plan	Target Date for completed actions	Direction of Travel (green/red/amber arrows)
	£m	£m	£m			
D & C Finance team	0.000	0.000	0.000			
Major Projects	0.000	0.000	0.000			
Birmingham Loans	0.000	0.000	0.000			
Other Investments	0.000	0.000	0.000			
Acivico Profit Share	0.000	0.000	0.000			
Services managed by Acivico	0.000	0.000	0.000			
Procurement Services	0.336	0.000	0.336	Procurement Maturity assessment and Contract review	Oct/Nov 2019	
Outdoor Advertising	(0.087)	0.500	0.413	Directorate wide budget deep dive and Spend review	Sept/Oct 2019	
Commercial Business	0.000	0.000	0.000			
Total	0.249	0.500	0.749			

Key Issues Identified up to Period 3

- 1.3 The key issues that are included within the F&G Directorate's forecast overspend are:

1.3.1 Development & Commercial

Development and Commercial is reporting a forecast outturn overspend of £0.749m against the annual budget of (£4.374m). This is mainly driven by

- £1.111m projected shortfall against the Digital advertising due to general economic conditions and Brexit uncertainty affecting the general advertising market. In addition at a local level BT cabling impacting on the Lancaster build and the announcement that Five Ways underpass would close.

This projected overspend is being mitigated partly by £0.682m non contribution to the World Indoor Athletics (WIA) reserve and £0.016m of other minor variations resulting in a £0.413m overspend.

The Advertising budget transferred into the F&G Directorate with the budget pressure as part of the 2019/20 Council wide restructure.

- £0.336m projected shortfall on Procurement income as a result of shortfall in fees and charges.

The Procurement team continues to carry full time vacancies pending the anticipated outcome of the PWC 12 week procurement maturity assessment. The vacancies are currently being filled through the use of interims which continue to create pressure on the budget position.

The Procurement team is also partly funded through internal recharging for procurement and project support and this income line is subject to fluctuation dependent on the procurement workplan.

Mitigating Plan

The projected overspend within Development and Commercial is being mitigated partly by £0.682m non contribution to the World Indoor Athletics (WIA) reserve and £0.016m of other minor variations.

A procurement maturity assessment with PWC is planned with a view to helping shape the future of the Council's Procurement department for the benefit of the wider organisation. It is anticipated that to deliver this work,

additional budget of £0.105m will be required, which will form an application to the Invest to Improve budget.

This review will take approximately 12 weeks to conclude, following which it is anticipated that a future structure will have been designed from which approval can be sought to recruit to any existing vacancies.

The increased cost of the use of interims is being offset to some extent by not filling all existing vacancies with interims and in some cases the costs of interims is being fully funded by Directorates \ specific project budgets e.g. Brum Breathes, Waste and CWG.

Other WM Heads of Procurement are also being contacted to ascertain whether any procurement staff would be interested in a secondment into BCC to alleviate the requirement for Interims. In addition, workload is prioritised.

A paper agreed by CMT in February 2019 set out the process by which a proportion of any savings delivered by procurement can be ringfenced and transferred in the budget to offset the £0.300m savings target in 2019/20. For all projects within the 2019/20 Procurement workplan has identified which projects will either deliver a cashable saving; are one off or project procurements e.g. CWG, BMHT works; are grant or HRA funded or savings are already committed as part of an existing council savings reference.

By working with finance Business Partners (BPs) to validate this categorisation it will enable finance BPs and Procurement to present and agree with budget holders which projects (with cashable revenue savings) can be used to achieve the agreed savings target. It is anticipated that this will be agreed over the next month.

1.3.2 Service Finance

At the end of period 3, Service Finance is reporting a nil variance, subject to a successful application to the Invest to Improve Budget to fund planned improvement work as summarised below.

The recent CIPFA report into the Council's Financial Management arrangements identified a series of recommendations for improvement in the Council's financial management arrangements. These were set out in recent briefings to CMT, EMT and Scrutiny Committee Chairs and the Chair of the Audit Committee,

The Finance Service is in the final stages of developing a comprehensive improvement plan that will cover 2019/20 and 2020/21 to achieve an improvement to 3 star rating in Financial Management across the Council during 2020.

This plan is due to be completed and incorporated into the Finance Business Plan by early August. This incorporates a number of improvement work streams, some of which are in delivery, with the final elements linked to ERP

Programme business change requiring integration once the ERP Change partner is operational:

- **CIPFA Improvement Plan-** delivery plan workshops and training with Elected Members, CMT, service directors and their budget holders as well as with the Finance Team have commenced.
- **Owning & Driving Performance (ODP)** – the culture change programme for all staff within Finance launched in June and will run throughout the remainder of the year.
- **Investment in resilience and wellbeing** workshops to support staff and address the areas of risk identified in the 2018 staff survey took place between March and June. Together with the ODP programme represents critical investment in staff to support them on the improvement and change journey.
- **Investment in expert interim finance business partnering** capacity are engaged and currently working to support Directorates and to drive the development of working practices, skillsets and knowledge of the substantive in-house finance team until Spring 2020.
- **Development of Target Operating Model and design of future Finance Structure, together with a comprehensive training, development and succession plan for the medium term.** This will commence in the late summer with an expected implementation in the Spring of 2020 at which stage interim staff resource will transition out of the organisation.
- **Internal Finance Improvement Team**, supplemented by interim process change capacity is actively engaged in end to end business process and procedure review which form the foundation of robust financial administration and reporting. Revisions to current practices are required in the short term together with improvements in the use of financial systems and processes using the existing SAP ERP solution. This is critical to stabilising business as usual activities including securing data quality for 2019/20 budget monitoring, forecasting and 2020+ budget development ahead of the ERP Programme
- **The ERP Programme** and invest to save business case is being considered for approval of the Final Business Case, associated budget and award of contracts to a System Integrator partner and replacement ERP IT by Cabinet on 30 July. This will establish the medium to long term operating platform for future financial management.
Integration and alignment of the business change element within the ERP Programme and the current improvement work of the internal Finance Improvement team will be critical to achieving sustainable improvement over the medium term.

Over the course of 2019/20, the Finance team therefore needs additional resources to support both the delivery of business as usual and to respond to the CIPFA recommendations for improvement to achieve 3 star Financial Management standard during 2020. The team needs to be developed from the existing traditional book-keeping and reporting model, into a proactive and

enabling service that adds value in advising and supporting the strategic decisions of Service Directorates and operating using streamlined and automated financial systems and procedures. That improvement journey towards a 5 star Financial Management organisation is currently estimated to be 3 years.

Delivery of this comprehensive improvement programme will be partially funded from the Finance base budget but will need supplementary funding through an application against the Invest to Improve budget as set out in the table below.

The gross cost of the investment required in 2019/20 is £2.550m. £1.358m has been identified within the Finance base revenue budget. The application for the balance of required funding is £1.192m from the Invest to Improve Budget held in the Policy Contingency which has been set aside for services to invest in sustainable change programmes where no direct cashable savings can be readily identified, but from which the wider organisation will benefit. In the event that the additional funding is not approved, this would require interim staff resource to be terminated early and/or CIPFA improvement work to be curtailed. This would result in an inability to deliver the finance focused improvement work.

Forecast at Period 3			
	Budget Required	Proposed Funding Source	
		Finance base budget, Service contributions and Savings	Application to Corporate Funding for transformation
	£	£	£
Forecast Cost of Interim Resource	2.150	1.341	0.809
Forecast cost - Resilience and Wellbeing Coaching	0.010	0.010	-
Forecast cost - ODP	0.050	-	0.050
Forecast cost - CIPFA	0.340	0.008	0.332
Estimated Total Cost	2.550	1.358	1.192

1.3.3 Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)

The GBSLEP is a self-funded service made up of a gross expenditure budget of £1.172m against a gross income budget of £1.172m. At the end of Period 3, GSLEP is reporting a nil variance.

1.3.4 City Solicitor

At the end of Period 3, City Solicitor is reporting a nil variance against a net current budget of £7.754m. A budget deep dive is planned in readiness for Period 4 monitoring to ensure better transparency and budget integrity.

At Period 3, savings “FG102 – Reduced External Legal Spend” is reported as Amber. The steps to deliver this saving are currently taking place and as instructions with Counsel are agreed the fees are negotiated. Counsel fees are incurred throughout the year and the instructions might vary as the case progresses. Final negotiation is expected during July/August and delivered by March 2020.

1.3.5 Birmingham Audit

At the end of Period 3, Birmingham Audit is reporting a £0.007m underspend against a net current budget of £1.657m.

1.4 Risks identified but not yet included in the Forecast

The savings identified as “at risk” (i.e. amber) at Period 3 and the management actions being put in place to ensure that they will be delivered are listed below:

Savings Reference	Proposal Title / Description	Amount £m	Commentary
CC104 19+	Commercialisation	0.146	Directorate inherited savings as part of restructure. Savings lead identified at period 3
CC106 19+	Contract Management Savings Opportunities	0.300	Paper agreed at CMT regarding delivery of this saving. Contracts for renewal etc. being drawn up for each Directorate by Corporate Procurement Services to identify potential opportunities for savings delivery and how these can be met by Directorates. Maturity assessment by PWC underway.
FG102 19+	Reduced External Legal Spend	0.200	Working group being established to put in place framework for delivery of reduced external legal fees. Paper to go to CMT to set out options for savings delivery. Saving may have to be delivered in an alternative way in short term pending outcome of working group. To be monitored closely.

1.7 Future Years

Issues that have the potential to impact on future years’ budgets (excluding inflation adjustments) are presented in table 2 below.

Future Years Issues - Describe any that may impact on future years budget				
Future Years	2020/21 £m	2021/22 £m	2022/23 £m	Comments
Base Budget	0.129	0.129	0.129	Budget for AD Audit post needs to be reinstated for 2020-21 onwards
	0.961	0.868	0.685	Realignment of Millenium Point Loan
	0.218	0.218	0.218	NNDR Budget Realignment
Savings	0.500	0.500	0.500	CC4 17+, SS002a and Base Budget - Digital Advertising forecast shortfall
Mitigations	0	0	0	
Total	1.808	1.715	1.532	

Human Resources

Revenue Budget Management Report – Period 03 Forecast

1. Executive Summary

1.1 The Council set the HR Directorate a net budget of £6.629m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £0.514m and requiring a further £0.204m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments the net budget for the Directorate is now £6.597m and remains unchanged at Period 3.

1.2 HR are requesting allocation of one-off Invest to Improve funding of £0.596m in 2019/20 for the following activities:

£0.215m Demand Management – to continue to support delivery of cultural change activity throughout the organisation that recognises the skills, attitudes and behaviours required of a modern council.

£0.069m Career Transition – to support organisational development in the delivery of career transition activity for those areas undergoing restructuring. This investment is not about reinstating resources but ensuring there is the necessary change support across the City Council for those undergoing restructuring

£0.312m Equal Pay – to mitigate potential additional spend in terms of ongoing cases and actions.

1.3 Separately, the service are requesting the use of £0.170m from policy contingency reserve. This is in respect of ensuring historical data is cleansed to reflect an accurate position in terms of payments and allowances.

1.4 At Period 03 the HR Directorate is forecasting a balanced budget.

Table 1: Period 3 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 3 Forecast Outturn	Period 3 Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Deterioration	
	£m	£m	£m	£m	£m	£m	%
Schools	0.141	0.141	0.141	0	0	0	-
HR Services	6.456	6.456	6.456	0	0	0	-
Directorate Total	6.597	6.597	6.597	0	0	0	-

Key Issues Identified up to Period 3

1.5 No key issues have been identified at this stage for HR.

Future Years

1.6 No issues have been identified that affect future years.

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget	0	0	0
Savings	0	0	0
Mitigations	0	0	0
Total	0	0	0

Inclusive Growth Directorate Revenue Budget Management Report – Period 3 Forecast

1. Executive Summary

- 1.1 The Council set the Inclusive Growth Directorate a net budget of £103.977m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £2.836m and requiring a further £1.934m savings to be delivered that were achieved on a one-off basis in 2018/19. Following budget adjustments, including the transfer of Educational Skill and Infrastructure to Education and Skills Directorate plus other minor changes, the net budget for the Directorate is now £97.604m.
- 1.2 At Period 3 the Inclusive Growth Directorate is forecasting an overspend of £0.594m. The overspend is made up by a Base Budget underspend of £0.252m and Savings non-delivery of £0.794m. The Inclusive Growth Directorate is actively pursuing solutions to resolve this position. At Period 3 £0.134m of new savings have been identified as mitigations and are included in the forecast.

Table 1: Period 3 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Forecast Outturn	Forecast Base Budget Over/ (Under)	Forecast Savings Non-delivery	Forecast Over/ (Under)	Period 1 Forecast Over/ (Under)	Change since Period 1 (Improvement)/ Deterioration	
Inclusive Growth	£m	£m	£m	£m	£m	£m	£m	£m	%
P&D City Centre, EZ, BDI	3.257	(0.701)	(1.491)	(0.790)	0.000	(0.790)	0.000	(0.790)	0.000
Transportation & Connectivity	46.159	46.095	46.095	0.000	0.000	0.000	0.000	0.000	0.000
P&D Strategy & Planning	0.963	4.670	4.330	(0.440)	0.100	(0.340)	0.000	(0.340)	0.000
Birmingham Property Services	(3.743)	(3.567)	(2.427)	1.140	0.000	1.140	0.000	1.140	0.000
Housing Development	(0.322)	(0.322)	0.372	0.000	0.694	0.694	0.000	0.694	0.000
Highways & Infrastructure	43.483	43.485	43.375	(0.162)	0.052	(0.110)	0.000	(0.110)	0.000
Inclusive Growth Director	7.718	7.944	7.944	0.000	0.000	0.000	0.000	0.000	0.000
Directorate Total	97.515	97.604	98.198	(0.252)	0.846	0.594	0.000	0.594	0.000

Key Issues Identified up to Period 3

- 1.3 The key issues that are included within the Inclusive Growth Directorate's forecast overspend are:

Base Budget and Savings Key Issues:

- Planning & Development (City Centre, Management & EZ) - £0.790m Surplus:
 - £0.560m employee underspend (net of agency costs);
 - £0.230m planning application fee income over-recovery.
- Planning & Development (Strategy & BDI) - £0.340m Surplus:
 - £0.440m employee underspend;
 - £0.100 European & International Affairs self-funding 'Saving'. Until financial plan is finalised uncertainties remain around income generation.
- Property Services - £1.140m Deficit:
 - £0.900m commercial income under-recovery;
 - £0.240m central administration buildings (CAB) income under-recovery.
- Housing Development - £0.694m Deficit:
 - £0.694m InReach 'Saving' income under-recovery. Resulting from delays experienced in progressing agreements and uncertainties and risk around schemes.
- Highways & Infrastructure - £0.110m Surplus:
 - Highways energy cost balanced. This is subject to Cabinet approval of an allocation of ongoing Corporate Policy Contingency to address the forecast £0.600m overspend resulting from unit price increases;
 - £0.200m highways permits and licences income over-recovery;
 - £0.100m city centre car parking and enforcement surplus. This includes one-off mitigation of £0.052m for in year delays in delivery of 'Saving' SN35 16+ 'Expansion of on-street parking';
 - £0.190m local car parking deficit.

Savings that cannot be achieved in line with the original proposals and the ongoing mitigations:

- SN1 Sharing of Highways Maintenance Database £0.050m – £0.050m delivered through a reduction in Traffic Regulation Order expenditure;
- CC103 19+ Review of Non-Essential Expenditure £0.084m - To be delivered via an increase in planning pre-applications income.

- 1.4 Current budgetary pressures and the mitigations that are being considered, (including financial implications where known):

Table 1a: Period 3 Forecast Outturn Position for Assistant Director Property Services						
Directorate	Forecast Base Budget Over/ (Under)	Forecast Savings Non-delivery	Forecast Over/ (Under)	Summary Action Plan	Target Date for completed actions	Direction of Travel (green/red/amber arrows)
	£m	£m	£m			
Commercial Income under-recovery	0.900	0.000	0.900	<ul style="list-style-type: none"> Targeting High Value Lease Renewals/Rent Reviews; Targeting Supplemental Rents; Investment Strategy - Accelerating acquisition of new stock to generating increased rental income; External support engaged: <ul style="list-style-type: none"> Strategic review of the existing investment portfolio; Identification of target markets. 	<p>External support engaged May 2019/ongoing</p> <p>Ongoing wef May as part of work programme for 2019/20+;</p> <p>Cabinet approval of 'Investment Strategy' 30/07/2019 - External investment manager to be appointed autumn 2019/ongoing</p> <p>Commenced April 2019/ongoing</p> <p>External investment manager to be appointed autumn 2019/ongoing.</p>	
CAB Income under-recovery	0.240	0.000	0.240	<ul style="list-style-type: none"> Review of CAB revenue budgets initiated to establish statutory minimum requirements and cost impact. CMT paper to seek direction on funding budgetary requirements. 	31/07/2019	
Total	1.140	0.000	1.140			

Detail of anticipated implications upon levels of service provision:

- There are no anticipated negative implications on levels of service provision as a direct result of the key issues identified.

Use of base budget underspend:

- Base budget mitigations will be identified where possible to balance the position either at a Division of Service or Directorate level. Please refer to section 1.3 for the current forecast base budget surpluses by Division of Service.

Table 1b: Period 3 Forecast Outturn Position for Assistant Director Housing Development						
Directorate	Forecast Base Budget Over/ (Under)	Forecast Savings Non-delivery	Forecast Over/ (Under)	Summary Action Plan	Target Date for completed actions	Direction of Travel (green/red/amber arrows)
	£m	£m	£m			
Housing Development	0.000	0.000	0.000			
InReach Commercial loan income under-recovery	0.000	0.694	0.694	<ul style="list-style-type: none"> • Loan agreement drafted and circulated for re-commencement of negotiations; • Council and InReach to engage professional advice to consider risk and review of existing planned schemes for deliverability; • Other potential asset disposals to be identified for consideration. 	21/06/2019	
Total	0.000	0.694	0.694			

Detail of anticipated implications upon levels of service provision:

- There are no anticipated negative implications on levels of service provision as a direct result of the key issues identified.

Use of base budget underspend:

- Base budget mitigations will be identified where possible to balance the position either at a Division of Service or Directorate level. Please refer to section 1.3 for the current forecast base budget surpluses by Division of Service.

Risks identified but not yet included in the Forecast

- 1.5 The Inclusive Growth Directorate is not reporting any base budget or saving programme risks/associated mitigations in addition to those detailed.

- The Inclusive Growth Directorate is not reporting any savings identified as “at risk” (i.e. amber).

Future Years

- 1.6 Describe any issues that may impact on future years’ budgets. See overleaf:

Future Years Issues			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget Pressures			
Property Services:			
Central Administration Building (CAB) Income	0.240	0.240	0.240
Commercial Income (linked to Commercial Income saving below)	TBC	TBC	TBC
Highways & Infrastructure:			
Highways Energy Costs – Annual increases.	TBC	TBC	TBC
Savings			
Identification of potential values subject to progress made as a result of mitigation actions detailed above and/or general progress on saving delivery:			
Property Services:			
Commercial Income	TBC	TBC	TBC
Operational Hub Programme	TBC	TBC	TBC
Housing Development:			
InReach (Birmingham) Ltd Loan Income	TBC	TBC	TBC
Mitigations			
Identification of potential values subject to progress made as a result of mitigation actions detailed above.	TBC	TBC	TBC
Total	TBC	TBC	TBC

Revenue Budget Management Report

Neighbourhoods Directorate

1. Executive Summary

- 1.1 The Council set the Neighbourhoods Directorate a net budget of £99.843m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £14.982m. Following budget adjustments, including transfers of services to other Directorates as part of the Council's new structure, the net original budget for the Directorate was revised to £99.565m and the budget at Period 3 to £99.545m. There is also a savings target of £3.582m to deliver that was delivered as a one-off in 2018/19.
- 1.2 At Period 3, the Directorate is forecasting an overspend of £13.993m (14%), unless a number of issues can be resolved before year end as discussed within this report. The Department is working on a recovery plan with the support of the Member led Star Chamber to present to Cabinet at the earliest opportunity.
- 1.3 For the Housing Revenue Account a balanced overall revenue position is forecast, with any net overspends or underspends to be managed by corresponding adjustments to the level of HRA borrowing repaid, Reserves or an additional contribution to the capital investment programme.

Table 1: Period 3 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Forecast Outturn	Forecast Base Budget Over / (Under)	Forecast Savings Non-delivery	Forecast Over / (Under)	Period 1 Forecast Over / (Under)	Change since Period 1 (Improvement) / Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Street Scene	66.363	66.363	72.693	5.300	1.030	6.330	0.000	6.330	0%
Housing Services	3.760	3.760	5.360	1.550	0.050	1.600	0.000	1.600	0%
Neighbourhoods Management	15.310	15.290	19.636	3.046	1.300	4.346	0.000	4.346	0%
Regulation & Enforcement	0.788	0.788	1.081	0.084	0.209	0.293	0.000	0.293	0%
Business Support	13.344	13.344	14.768	(1.074)	2.498	1.424	0.000	1.424	0%
Total	99.565	99.545	113.538	8.906	5.087	13.993	0.000	13.993	0%

1.4 Key Issues Identified up to Period 3

The key issues that are included within the Neighbourhoods Directorate's forecast overspend are discussed below. Recovery plans are being developed so that the Directorate operates within budget range and will be reported to Cabinet at the earliest opportunity. Service redesigns are being undertaken in Waste, Parks, Housing Services and Community Sports and Leisure. The use and replacement of assets such as the waste fleet is being evaluated to

improve cost efficiency and service uptime. Contracts for services with partners and commercial entities are being assessed to see whether different models can be procured to deliver greater value to customers. Each division of service is analysed in the following section.

Street Scene Service – Overspend £6.330m (10%)

Service	Annual		
	Budget £m	Forecast £m	Variance £m
Waste Management	54.910	60.460	5.550
Parks and Nature	11.452	12.232	0.780
Net Expenditure for Service Committee	66.363	72.693	6.330

- £3.000m relates to repair and maintenance and hire costs of waste management vehicles. This is based on an assumption that the capital investment in replacement vehicles will take a lead time of 6 to 9 months.
- Due to centralisation of IT services there remains a £0.500m pressure to cover specific IT licences for waste collection services.
- Loss of recharge income of £0.750m from fleet repairs service, where internal customers have either opted for leasing or long term hire from external providers.
- Loss of business to competitors associated with street cleansing at major events at City Centre £0.500m.
- The service is undertaking a redesign of its street scene service in order to deliver on a number of savings initiatives. As the redesign is expected to become operational in October 2019 there is a pressure of £0.800m.
- In relation to parks service a past savings initiative of £0.600m regarding the disposal of parks land has not delivered due to resistance from the community of selected sites. Parks service has identified additional sites for disposal as mitigation. However lead time will mean this remains a pressure.
- An increase in income across the service through sports hire and car parking income of £0.180m is subject to market demand and the implementation of three new sites has not been realised due to delays associated with consultation process.

Neighbourhoods Service – Overspend, £4.346m, (28%)

Service	Annual		
	Budget £m	Forecast £m	Variance £m
Community Sport	4.196	8.186	3.990
Neighbourhood	2.520	2.279	(0.242)
Cultural Development	8.574	9.171	0.597
Net Expenditure for Service Committee	15.290	19.636	4.346

- Health and Wellbeing Centres (HW2) step up saving relied upon externalising the remaining 8 sites at reduced cost. Various permutations have led to the net budget for this service being significantly below what was envisaged. A fundamental reassessment is required. It is forecast that the £0.600m budget saving cannot be delivered
- Mitigations to partially offset reductions in budget and reduced public health funding have been delivered, but a £0.6m pressure remains.
- A pressure has been created due the grant provided to The Active Wellbeing Society (TAWs) above the level that was affordable. The budget did not allow for the fact that the management of the service and the technical team would remain with the council as this is a requirement to effectively deliver the retained sites
- There are pressures relating to the retention of Moseley Road baths and the delayed outsourcing of Great Barr Leisure Centre and below budget performance of Linden Road pool
- Major Events, £0.597m relates to potential commitments on the major events programme, £0.653m, that is offset by underspend on the arts budget (£0.056m). Historically, major events were able to manage increases and decreases in commitments over financial years; however this is no longer in place.
- Additional TUPE costs of £0.058m related to operation of Harborne Pool.

Housing Service – Overspend, £1.600m, (43%)

Service	Annual		
	Budget £m	Forecast £m	Variance £m
Private Sector Housing	(0.253)	(0.253)	0.000
Housing Options	4.256	5.856	1.600
Shelforce	(0.243)	(0.243)	0.000
Net Expenditure for Service Committee	3.760	5.360	1.600

- Higher demand in temporary accommodation £0.600m based on a projected utilisation of B&B (high unit cost) accommodation at a maximum of 375, and an assumption that any increase in overall homelessness numbers is accommodated within existing and increased (lower unit cost) facilities such as Hostels and dispersed properties.
- Bad debt provision £1.000m is projected in line with past trends

Regulation & Enforcement Service - £0.293m, (37%)

Service	Annual		
	Budget £m	Forecast £m	Variance £m
Bereavement Services	(4.935)	(4.905)	0.030
Markets	(1.281)	(0.785)	0.496
Regulatory Services	7.004	6.771	(0.233)
City Centre	0.001	0.001	0.000
Net Expenditure for Service Committee	0.788	1.081	0.293

- lower income from markets, £0.496m principally rent/service charge pressure related to Indoor Market voids and Indoor Market debt and regulatory services
- A combination of underspends in salaries, premises and transport of £0.203m offset the lower market income.

Business Support - £1.424m, Overspend (11%)

Service	Annual		
	Budget £m	Forecast £m	Variance £m
Neighbourhoods Business Support	1.072	1.272	0.200
Neighbourhoods Central Support Cost	12.273	13.497	1.224
Net Expenditure for Service Committee	13.344	14.768	1.424

- Business support services include central service costs as well as directorate wide savings initiatives. Asset and Property Disposal savings (£1.224m is anticipated) will not deliver due to resistance evident from the community consultations. The Directorate is finding additional assets and properties for disposal to offset this pressure.
- The remaining overspend relates to staffing costs over establishment.

1.5 Risks identified but not yet included in the Forecast

The Directorate has identified a number of risks which are being actively managed, these include:

- Housing Options is currently showing an overspend £1.600m, however if homelessness cases presenting increase beyond the capacity of housing services, costs may increase by an estimated £4.000m.
- Coroners staffing risk of £0.436m is expected to be met within divisional budgets through improved income projections for Environmental Health and Bereavement services. However, there remains an unquantified risk regarding ongoing building and maintenance costs for the Coroners court and Mortuary services.
- Shelforce are working on alternative income streams to cover the £0.235m risk, for example, processing orders from Housing Revenue Account repairs and maintenance capital schemes and Mod Pod installations within our BMHT housing development programme.
- Neighbourhoods is actively working to mitigate the known pressures and overspends reported with a view to quantify and provide implementation plans over the coming weeks.
- Street Scene: whilst awaiting the permanent replacement of Waste Vehicles, the waste service will look to partially mitigate costs by switching from spot hires to a longer term contractual commitment.
- Street Scene: with the loss of recharge income in fleet repairs, partnerships are being explored with other local authorities to share

resources and improve productivity in line with service requirements, however, savings are unlikely to be achieved this year.

- Street Scene: a partial mitigation for costs within street cleansing at major events the service proposes to introduce a bond scheme at safety advisory groups to ensure that costs of mopping-up operations are recovered from Event organisers.
- Parks service has identified and is progressing land sales over and above those planned for as part of existing saving initiatives (ref: SN45). Work is underway to quantify the value of the mitigation.
- Neighbourhoods: The Long Term Financial Plan and Transformational programme for leisure always anticipated a review of Health & Wellbeing Centres. The review will be concluded promptly once the future budget envelope, brought about by the duplicated budget savings, is resolved. In the meantime cost control measures are being implemented across the division to partially limit the inherent overspend in Sport & Wellbeing.
- Housing : Whilst the housing service aim to utilise B&B accommodation as the least favourable option (financially and for residents) we still face a pressure as current projections for temporary accommodation suggest a net increase of 15 households per week. To address this medium to longer term risk, the service are to launch two pilots to test new ways of working as part of the whole housing redesign model, a prevention hub model and Homeless on the Day approach.

1.6 Future Years – issues that may impact on future years budgets

- Street Scene: future requirements for Vehicle Replacement beyond the current capital investment to address the aging fleet will be provided in a future report with a view to inform the future year's capital programme.
- Street Scene: there is a continual growth in waste to be collected and this will put pressure on street scene services in future years beyond our current resources in the Long Term Financial Plan (LTFP).
- Directorate wide: continued responsive repair bills across all Directorate property and assets without a financial sustainable solution for example, repairs to aging community leisure centres, parks buildings, parks infrastructure, Mortuary services.
- Homelessness: capacity on temporary accommodation to anticipate and address increasing demand in Birmingham will require a joint approach with adult social care and other system partners.

Partnerships, Insight and Prevention

1. Executive Summary

- 1.1 The Council set the PIP Directorate a net budget of £4.050m for 2019/20 at its meeting on 26 February 2019. This net budget is after approving a savings programme of £0.548m. Following budget adjustments, including transfers of services from other Directorates as part of the Council's new structure, the net budget for the Directorate is now £6.174m.
- 1.2 At Period 3 the Directorate is forecasting an overspend of £0.180m against the budget of £6.174m. This overspend is in respect of the commitment to decommission obsolete CCTV cameras as per a review of the Council's CCTV estate. As this is yet to be implemented, there is a legacy maintenance pressure arising in the PIP Directorate. A request for Policy Contingency funding of £0.281m is being requested in order that a programme of decommissioning the CCTV cameras is undertaken. Please see 1.3 for more details.

Table 1: Period 3 Forecast Outturn Position

Directorate	Original Budget	Current Budget	Forecast Outturn	Forecast Base Budget Over/(Under)	Forecast Savings Non - delivery	Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Deterioration	
	£m	£m	£m	£m	£m	£m	£m	£m	%
Asst Chief Exec	5.101	4.834	5.014	0.180	-	0.180	-	0.180	-
Communications	1.340	1.340	1.340	-	-	-	-	-	-
Public Health	0.000	0.000	0.000	-	-	-	-	-	-
Directorate Total	6.441	6.174	6.354	0.180	-	-	-	-	-

Key Issues identified up to Period 3

- 1.3 It is anticipated that there will be an overspend of £0.180m on the running costs of the Community Safety CCTV equipment in 19/20. This is in respect of the commitment to decommission obsolete CCTV cameras as per a review of the Council's CCTV estate which is yet to be implemented. Due to this, there is a legacy maintenance pressure now manifesting in the PIP directorate.

A request for Policy Contingency funding of £0.281m is being requested in order that a programme of decommissioning the CCTV cameras is undertaken. These cameras are either obsolete, dysfunctional or no longer achieve operational requirements. This programme will avert budget overspends from 2020/21 onwards.

A report is to be presented to Cabinet on 30 July on the Birmingham City Council Assurance Framework for the establishment of a Strategic Programme Board (SPB) as a response to the findings of the Birmingham Improvement Panel. The report proposes that a budget of £0.150m be allocated to support the effective operation of the SPB over a 12 month period (July 2019 – July 2020). Therefore £0.112m is requested from Policy

Contingency for 2019/20 and the balance of £0.038m will be included in the budget pressures submission for 2020/21.

Risks identified but not yet included in the Forecast

- 1.4 There is £0.073m showing as amber for two of the savings lines. These are in respect of services that have transferred into the Directorate and relate to efficiency and workforce savings. Plans are currently being worked on in order that these will be met and it is anticipated that there are no risks to delivery.

Future Years

- 1.5 None identified

Future Years Issues N/A			
	2020/21 £m	2021/22 £m	2022/23 £m
Base Budget Pressures	0	0	0
Savings	0	0	0
Mitigations	0	0	0
Total	0	0	0

Public Health Report

Public Health is currently funding operations this year from reserves as shown in the table below. This is due to the reduction in grant and changes to plan due to issues arising in consultations and particularly the priorities with recognition that the service needed more time to adjust to the new grant level. In the new budget financial planning process it will also be necessary to review the Public Health Grant support to other directorates programmes to ensure that the overall balance of priorities is maintained going forward and maximum impact and outcomes to grant funded activity.

Appendix - 2019/20 Public Health Budget

Subjective	Budget £m
Direct Employees	2.781
Indirect Employees	0.007
Transport	0.063
Supplies and Services	17.693
Third Party Payments	71.276
Gross Budget	91.820
Income - Public Health Grant	(88.432)
Deficit	3.388
<u>Funded by:</u>	
Contribution from Reserve (already budgeted)	(1.593)
* Additional reserve to be appropriated	(1.795)
Total	0

Education & Skills Directorate

DSG Forecast

1. Executive Summary

- 1.1 The Dedicated Schools Grant (DSG) is a highly prescribed and ring-fenced grant which is currently budgeted at £645.975m. It is the primary source of funding that is delegated /allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The funding is shown in Table 1 below. The total funding for Birmingham is £1,188.833m, of which £542.858m is currently recouped by the Education Funding Authority (EFA) to directly passport funds to academies and free schools, leaving £645.975m to be funded by the City Council.
- 1.2 At Period 3 the DSG the DSG budget is analysed across the 4 Funding Blocks as follows:

Table1

	Funding	Less	BCC	Forecast	Over/	Over/
		Recoupment	Funding	Period 3	(Under)	(Under)
					Period 3	Period 1
	£m	£m	£m	£m	£m	£m
Schools Block	918.160	515.358	402.802	402.802	0.000	0.000
High Needs Block	161.971	26.600	135.371	135.371	0.000	0.000
Early Years Block	90.662	0.900	89.762	89.762	0.000	0.000
Central Services Block	18.040		18.040	18.040	0.000	0.000
Total	1,188.833	542.858	645.975	645.975	0.000	0.000

- 1.3 The Directorate have not reported any variations on the DSG at Period 3, but have identified potential risks and mitigations in the High Needs Block detailed below.

Risks and Mitigations identified but not yet included in the Forecast

- 1.4 Budget risks that have not yet crystallised and mitigations that are being considered to address these, including financial implications, are:
- **High Needs.**
The level of spend on High Needs is an area of concern, which is a concern nationally. At the end of 2018/19 the cumulative deficit on High Needs was £16.037m. The Directorate is developing and will be implementing a 5 year deficit recovery plan in 2019/20; this includes £1.400m funding to be applied to innovate to save initiatives in 2019/20 academic year. In 2019/20 there is an intention to mitigate an immediate

overspend risk of £1.794m in the high needs block via the management of costs and demand. This is being reviewed monthly and a substantial update will be provided at period 6 when the new academic year placement of pupils will be known and costed.

The Alternative Provision, Attendance and Independent School's service area have identified £0.200m of savings, due to minimal number of pupils being placed in alternative provision in 2019/20 to date.

- **School Deficits.** The Directorate is supporting schools with deficits to either come out of deficit and/or stop them increasing. As at 31/3/2019 the net balance on schools was £47.400m, which comprised £59.000m surplus balances and £12.600m deficit balances. The growing level of deficit is an increasing concern since where those deficits are not addressed and schools are directed to become academies due to poor educational performance. BCC are required to fund these deficits and the 1st July saw the conversion of John Wilmott secondary school that had deficit of £1.589m at the end of the 18/19 financial year. The extent of the final deficit to be funded by BCC will be calculated by the end of period 6.
- **Admissions and Appeals.** The service could receive less income approx. £0.100m due to unclear DfE guidance on charging of academies for admission appeals. The budget holder is seeking further legal clarification, though at this stage no adverse impact has been assumed.

1.5 Table 2 sets out the Period 3 forecast out-turn position for 2019/20.

Table 2: Period 3 Forecast Outturn Position							
Directorate	Original Budget	Current Budget	Period 3 Forecast Outturn	Period 3 Forecast Over/(Under)	Period 1 Forecast Over/(Under)	Change Since Period 1 (Improvement)/Deterioration	
	£m	£m	£m	£m	£m	£m	%
Service							
School Settings/Improvements	1.273	1.273	1.273	0.000	0.000	0.000	-
Admissions & Placements	2.972	2.772	2.772	0.000	0.000	0.000	-
Education Skills & Infrastructure	0.047	0.047	0.047	0.000	0.000	0.000	-
Early Years	63.350	63.254	63.254	0.000	0.000	0.000	-
Schools Delegated Budgets	493.668	468.288	468.288	0.000	0.000	0.000	-
DHSchools Funding Central	(653.064)	(635.647)	(635.647)	0.000	0.000	0.000	-
LACES	1.613	1.613	1.613	0.000	0.000	0.000	-
Higher Needs	80.446	88.815	88.815	0.000	0.000	0.000	-
Access to Education	5.663	5.663	5.663	0.000	0.000	0.000	-
Complex Needs Care	0.110	0.000	0.000	0.000	0.000	0.000	-
Early Support Service	1.673	1.673	1.673	0.000	0.000	0.000	-
Early Help & Childrens	0.069	0.069	0.069	0.000	0.000	0.000	-
Business Support	2.180	2.180	2.180	0.000	0.000	0.000	-
Directorate Total	0.000	0.000	0.000	0.000	0.000	0.000	-

2 Future Years

2.1 Key future year's issues include:

High Needs Block

Nationally the gap between allocated high needs funding and local spending to meet demand is forecast to continue to increase. Increases in demand are due to many factors, and include:

- Additional unfunded statutory obligations arising from the 2014 SEND reforms
- Increasing numbers of pupils with high needs and increasing complexity of need.

The level of spend on High Needs is an area of concern, which is a concern nationally. At the end of 2018/19 the cumulative deficit on High Needs was £16.037m. Latest modelling of pupil pipeline data shows that growth in demand is outstripping available local resources. Currently, if no action is taken and there is no national increase in funding, there is a forecast cumulative deficit for the High Needs Funding Block shown in the table below:

Table 3

Year	Cumulative Deficit
	£m
2019/20	17.300
2020/21	29.200
2021/22	40.100
2022/23	50.000
2023/24	59.900

The Directorate is developing and will be implementing a 5 year deficit recovery plan in 2019/20, including £1.400m funding to be applied to innovate to save initiatives in 2019/20 academic year.

School Deficit Balances

The Directorate is supporting schools with deficits to either come out of deficit and/or stop them increasing. As at 31/3/2019 the net balance on schools was £47.400m, which comprised £59.000m surplus balances and £12.600m deficit balances. The growing level of deficit is an increasing concern since where those deficits are not addressed and schools are directed to become academies due to poor educational performance BCC is required to fund the deficits.

The Directorate have produced and presented a School Financial Deficit Action Plan to CMT (13th May 2019) of the level of financial deficits in schools at the 2018/19 out-turn and outlined the action plan which has been developed to seek to minimise future levels of deficits, to avoid additional financial risk to the Council.

The Deficit Recovery Action plan was also reported to Schools Forum in June and actions agreed which will mean greater engagement of the Schools Forum, including a Schools Forum representative on the Schools Finance Governance Board and quarterly reporting of the schools deficit position to Schools Forum.

Housing Revenue Account

- 1.1 A balanced overall revenue position is forecast, with any net overspends or underspends to be managed by corresponding adjustments to the level of HRA borrowing repaid or Reserves.

Annual			
£'000	Budget	Forecast	Variance
Expenditure	205,019	205,716	697
Income	(274,089)	(274,786)	(697)
Below the Line Analysis	69,070	69,070	0
Net Expenditure	0	0	0

- 1.2 Pressures on the HRA include:
- Repairs contract pension provision for 2020/21 and 2021/22 based on extending the current contracts for 2 years, estimate £1.000m.
 - In addition, 'seed funding' for the Ladywood Development project, estimate as £0.600m in the current year and £0.700m in future years.
 - HRA Restructure Phase 2 costs are estimated £0.400m
 - Other pressures arising, including impact of Hackett report, tenancy conditions review and stock condition survey are yet to be quantified over the coming weeks.
- 1.3 Overall there are sufficient forecast savings on HRA expenditure to cover current specific pressures where costs have been identified.
- Savings on Repairs Contract - Voids £1.100m if void levels similar to 2018/19, repair costs and gas servicing costs £0.500m due to numbers of properties.
 - Savings on employee costs - a combination of savings identified from the Phase 1 restructure and other vacancies

Appendix A

Annex 12 Uses of Reserves

Detailed Breakdown of Proposed Use of / (Contribution to) Reserves							
Directorate making request	Reserve	Reason for request	Original Base Budget £m	Budget Assumed Month 1 £m	Changes Proposed By Month 3 £m	Forecast Proposed Use £m	Variance To original £m
Corporate	Financial Resilience Reserve		(5.910)	(5.910)	0.000	(5.910)	0.000
	Subtotal Use of General Reserves		(5.910)	(5.910)	0.000	(5.910)	0.000
PIP	Policy Contingency - Future Council Programme	To fund Birmingham Independent Improvement Panel (BIIP) costs	0.000	0.000	(0.018)	(0.018)	(0.018)
PIP	Policy Contingency - Graduate Development Programme	Fund National Graduate Development Programme	0.000	0.000	(0.050)	(0.050)	(0.050)
Digital & Customer Services	Revenues and Benefits-Service Transformation	To fund transformation for Revenues and Benefits	0.000	0.000	(1.000)	(1.000)	(1.000)
Digital & Customer Services	Policy Contingency - Information Assurance (GDPR)	2018/19 under-spend to be used in 2019/20 on Information Assurance (GDPR)	0.000	0.000	(0.190)	(0.190)	(0.190)
Finance & Governance	World Indoor Athletics Championship	The P2 monitoring submission seeks approval for the appropriation to the WIA reserve not be made and form a mitigation towards the forecast digital advertising overspend.	0.682	0.682	(0.682)	0.000	(0.682)
Human Resources	Policy Contingency - HR records and payments	Review of HR records to ensure that these are up-to-date and that all payments are made correctly	0.000	0.000	(0.170)	(0.170)	(0.170)
Corporate	Business Rates Section 31 Grant Income	2019/20 Business Rates Section 31 Grant Income Surplus to be Carried Forwards to offset 2019/20 Business Rates Collection Fund Deficit Forecast	0.000	0.000	5.612	5.612	5.612
Corporate	Other Uses of Corporate Reserves		11.179	11.179	0.000	11.179	0.000
	Subtotal Use of Corporate Reserves		11.861	11.861	3.503	15.363	3.503
PIP	Brexit funding	Brexit Grant funding required in 2019/20	0.000	0.000	(0.052)	(0.052)	(0.052)
PIP	INLOGOV	2018/19 under-spend to be used in 2019/20. The £21,000 is already budgeted for	(0.021)	(0.021)	(0.005)	(0.026)	(0.005)
PIP	Public Health	Transition funding required in 2019/20	(1.593)	(1.593)	(1.795)	(3.388)	(1.795)
Digital & Customer Services	DCLG Local Digital Fund Grant	2018/19 under-spend to be used in 2019/20	0.000	0.000	(0.042)	(0.042)	(0.042)
Finance & Governance	Elections Individual Electoral Registration Grant	Reduce budgeted use of reserve in line with the available reserve balance.	(0.200)	(0.200)	0.044	(0.156)	0.044
Inclusive Growth	CIL - City Wide Projects	Known amounts to be received during year	0.000	0.000	0.203	0.203	0.203
Inclusive Growth	Section 106's-Inclusive Growth	Section 106 Grant Income Received up to Period 3	0.000	0.000	0.253	0.253	0.253
Inclusive Growth	Underpayments & Disputed Sum Reserve	PFI payment deductions to date	(15.000)	(15.000)	5.478	(9.522)	5.478
Inclusive Growth	Clean Air Zone Grant Allocation	Conditional Grant received in advance of profile expenditure	0.000	0.000	5.788	5.788	5.788
Neighbourhoods	Controlling Migration Gund	To fund MCHLG projects controlling migration from Grant received in 2018/19 to be spent in 2019/20	0.000	0.000	(0.112)	(0.112)	(0.112)
Various	Other Uses of Grant Reserves		(12.392)	(12.392)	0.000	(12.392)	0.000
	Subtotal Use of Grant Reserves		(29.206)	(29.206)	9.758	(19.448)	9.758
Digital & Customer Services	Landing Team	2018/19 under-spend to be used in 2019/20	(2.665)	(2.665)	(0.387)	(3.052)	(0.387)
Education & Skills	DFE Grant - System Improvement	Fixed term Children's Service Improvement Programme	0.000	0.000	(0.070)	(0.070)	(0.070)
Education & Skills	SEND preparation for Employment	Job Coach Training funded by DfE	0.000	0.000	(0.198)	(0.198)	(0.198)
Education & Skills	SSI-SEND	Special Educational Needs (SEN) grant required	0.000	0.000	(0.270)	(0.270)	(0.270)
Education & Skills	Arts Connect/Other Local Authorities	2 year grant funding received in 2018/19 to be utilised in 2019/20	0.000	0.000	(0.190)	(0.190)	(0.190)
Finance & Governance	Insurance	To fund potential claims in 2019/20. This is subject to review.	0.000	0.000	(1.950)	(1.950)	(1.950)
Finance & Governance	Unidentified Income	Unidentified Income carried forward to be allocated to Directorates	0.000	0.000	(1.112)	(1.112)	(1.112)
Various	Other Uses of Earmarked Reserves		(1.054)	(1.054)	0.000	(1.054)	0.000
	Subtotal Use of Earmarked Reserves		(3.719)	(3.719)	(4.176)	(7.895)	(4.176)
Education & Skills	Non-Schools Dedicated Schools Grant (DSG)	School Forum at the meeting on the 10th January 2019, agreed to fund the shortfall of £699,000 in the 2019/20 growth Fund from the DSG carry forward.	0.000	0.000	(0.699)	(0.699)	(0.699)
Education & Skills	Non-Schools Dedicated Schools Grant (DSG)	Schools Forum at the meeting on the 14th March 2019 agreed to fund the High Needs Innovate to Save initiative	0.000	0.000	(0.500)	(0.500)	(0.500)
	Subtotal Non Schools DSG		0.000	0.000	(1.199)	(1.199)	(1.199)
	Total Use of Reserves		(26.975)	(26.975)	7.885	(19.090)	7.885

Table 2a: Overview of the Forecast Delivery of the 2019/20 Savings Programme- Original Approved Savings								
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple- Undeliverable	One off Mitigations to adress Savings Non-Delivery
	£m	%	£m	£m	£m	£m	£m	£m
Adult Social Care	(14.620)	93.7	(3.366)	(10.336)	0.000	(0.918)	0.000	0.000
Digital & Cust Services	(2.773)	31.5	0.711	(1.584)	(1.760)	(0.140)	0.000	0.000
Education & Skills	(8.837)	56.5	0.148	(5.137)	(1.520)	(1.010)	(1.318)	(1.010)
Finance & Governance	(2.261)	71.4	(0.399)	(1.216)	(0.646)	0.000	0.000	0.000
Human Resources	(0.514)	100.0	(0.068)	(0.446)	0.000	0.000	0.000	0.000
Inclusive Growth	(2.836)	91.7	(1.196)	(1.406)	0.000	(0.100)	(0.134)	0.000
Neighbourhoods	(14.982)	70.2	(6.188)	(4.329)	(2.175)	(1.290)	(1.000)	0.000
Partnerships, Insight and Prevention	(0.548)	86.7	(0.475)	0.000	(0.073)	0.000	0.000	0.000
Directorate Subtotal	(47.371)	74.5	(10.833)	(24.454)	(6.174)	(3.458)	(2.452)	(1.010)
Corporate Savings	1.180	100.0	1.180	0.000	0.000	0.000	0.000	0.000
Total Programme	(46.191)	73.8	(9.653)	(24.454)	(6.174)	(3.458)	(2.452)	(1.010)

Table 2b: Overview of the Forecast Delivery of the 2019/20 Savings Programme- One Off Savings								
Directorate	2019/20 Agreed Savings	On Track/ Fully Delivered against Programme	Blue - Fully Delivered	Green-On Track	Amber-At Risk	Red-Non Delivery	Purple- Undeliverable	One off Mitigations to adress Savings Non-Delivery
	£m	%	£m	£m	£m	£m	£m	£m
Adult Social Care	(1.690)	100.0	(1.690)	0.000	0.000	0.000	0.000	0.000
Digital & Cust Services	(4.145)	0.0	0.000	0.000	(4.145)	0.000	0.000	0.000
Education & Skills	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Finance & Governance	(0.530)	0.0	0.000	0.000	0.000	(0.500)	(0.030)	(0.030)
Human Resources	(0.204)	100.0	(0.164)	(0.040)	0.000	0.000	0.000	0.000
Inclusive Growth	(1.934)	61.4	(0.211)	(0.977)	0.000	(0.694)	(0.052)	0.000
Neighbourhoods	(3.582)	1.7	0.000	(0.060)	(0.725)	(2.097)	(0.700)	0.000
Partnerships, Insight and Prevention	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Directorate Subtotal	(12.085)	26.0	(2.065)	(1.077)	(4.870)	(3.291)	(0.782)	(0.030)
Corporate Savings	0.000	0.0	0.000	0.000	0.000	0.000	0.000	0.000
Total Programme	(12.085)	26.0	(2.065)	(1.077)	(4.870)	(3.291)	(0.782)	(0.030)

1. Resource Allocations

1.1 General Policy Contingency

Assurance Framework

In order that the council continues to make progress whilst continuing to benefit from sector-leading advice and support it is proposed in a separate Cabinet report the adoption of an innovative new mode of 'progressive assurance' and the formation of a quarterly Strategic Programme Board (SPB) and the invitation of specialist Non- Executive Advisors. It is recommended that £0.112m be allocated from General Policy Contingency to support the effective operation of the SPB for this financial year.

If this is approved the unallocated balance on the General Policy Contingency for the year is £2.434m.

1.2 Specific Policy Contingency

The Council Financial Plan and Budget 2019-2023 approved by Council on 26th February 2019 reflected £39.698m for Specific Policy contingency in 2019/20. A breakdown by each specific contingency is reflected in Annex 15. It should be noted that the Directorate forecasts have already assumed the allocation of Specific Policy Contingency in year.

The Gateway and Related Financial Approvals Framework requires approval from the Section 151 Officer, in conjunction with the Leader and the Chief Executive, to release funds from Specific Policy Contingency.

As part of the Council's simplification of processes, it is proposed that Cabinet approve 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 Financial Plan and Budget 2019-2023. Progress on this would be reported to Cabinet as part of the regular Revenue Monitoring reports.

Any requests for funding from Specific Policy contingency that are not in line with the original application in the Council Financial Plan and Budget 2019-2023 will require approval by Cabinet.

Invest to Save Fund

Within the allocation for Specific Policy Contingency, there is an allocation of £3.172m for Invest to Save projects. Following a number of reviews across the Council, in particular in support services, it has been identified that there is a need to significantly improve some of the Council services. It is therefore recommended that this budget is made available to services so that they can improve their ability to support the Council.

It is proposed that Cabinet approve the following allocations of £2.174m:

Finance & Governance Directorate: Finance re CIPFA Review £1.192m: Following both an internal review, issues raised by the BIIP and our External Auditor together

with an independent review (by CIPFA) to assess financial management arrangements across the City Council and within the finance team, it is necessary to invest in a series of improvements to ensure the future direction of financial management and delivery of savings following the implementation of the new Finance system (ERP) are secured. The gross cost of the investment required is £2.550m but £1.358m has been identified within the revenue budget. It is therefore necessary to allocate £1.192m from Policy Contingency (Invest to improve) set aside for services to invest in sustainable change programmes.

Finance & Governance Directorate: Procurement £0.105m: A procurement maturity assessment with PwC is planned with a view to helping shape the future of the Council's Procurement department. £0.105m from Policy Contingency (Invest to improve) has been set aside for the assessment.

HR Directorate: Demand Management £0.215m – to continue to support delivery of cultural change activity throughout the organisation that recognises the skills, attitudes and behaviours required of a modern council.

HR Directorate: *Career Transition £0.069m* – to support organisational development in the delivery of career transition activity for those areas undergoing restructuring. This investment is not about reinstating resources but ensuring there is the necessary change support across the City Council for those undergoing restructuring

HR Directorate: £0.312m Pay Review – funding allocated to mitigate potential additional spend in terms of ongoing cases and actions

PIP Directorate: CCTV Decommissioning £0.281m – allocation of one-off resource to enable the decommissioning of CCTV cameras, in line with previous Council decisions, and to ensure that the savings assumed materialise.

Inclusive Growth: Energy Inflation

The Council Financial Plan 2019+ approved a Specific Policy Contingency allocation up to £4.951m for inflation. Included as part of this was inflation for energy cost.

There has been a 16% increase in electricity prices in 2019/20, which is the final position following supplier negotiations, (the original increase was equated to 24%)

It is requested that £0.600m is allocated ongoing out of the inflation budget to address the increase in inflation cost.

1.3 Transfer of Service Areas

The Council continues to periodically review the Directorate Service responsibilities with the aim of securing the most appropriate service delivery arrangements to ensure that these are delivered effectively in a co-ordinated manner. The latest approved hierarchy is reflected in Table 1.

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Annex 15 Policy Contingency

	Original Budget 2019/20	Approvals / Adjustments in Voyager	Revised Budget 2019/20	Approvals / Allocations not yet in Voyager as at 30th June	Proposals awaiting approval at 30th June	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Car Park Closure Resources	252		252			252
National Living Wage	365		365			365
Autoenrolment in Pension Fund	300		300			300
Inflation Contingency	4,951		4,951		(600)	4,351
Highways Maintenance	250		250			250
Apprenticeship Levy	1,108		1,108			1,108
Commonwealth Games Project Team Costs	1,000		1,000			1,000
Budget Delivery Contingency	12,000		12,000			12,000
Adult Social Care & Health Demography	8,500		8,500			8,500
Short-term Council House Improvement	200		200			200
Adults Social Care Winter Pressure	5,600		5,600			5,600
Invest to Save Fund	3,172		3,172		(2,174)	998
Art Endowments	2,000		2,000			2,000
Subtotal Specific Contingency	39,698	0	39,698	0	(2,774)	36,924
General Contingency	2,526		2,526		(112)	2,414
Revenue Services Transformation Programme	20		20			20
Total Contingency excluding savings	42,244	0	42,244	0	(2,886)	39,358

5.1 Collection Fund

The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. However, for the most part, the impact on the budget is as set out in the Financial Plan 2019 - 2023, with any surplus or deficit being required to be carried forward and taken into account as part of the 2020/21 budget setting process.

Council Tax

The overall net budget for Council Tax income including Parish and Town Council Precepts is £349.276m in 2019/20. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities.

There is a surplus forecast for the year of which the Council's share is £6.085m. This is made up of a cumulative surplus brought forwards from 2018/19 of £4.280m, which was reported previously in the 2018/19 Outturn Report, plus an additional in year surplus relating to 2019/20 of £1.805m. This additional surplus is primarily due to further forecast growth in the number of new properties compared with the volumes anticipated when setting the budget.

Business Rates

Under the 100% Business Rates Pilot that came into effect on 1st April 2017 the Council continues to retain 99% of all Business Rates collected under the Business Rates Retention Scheme with 1% being paid over to the West Midlands Fire Authority. The overall budgeted level of Business Rates in 2019/20 is £441.484m (excluding the Enterprise Zone), of which the Council's retained share is £437.069m.

Excluding the impact of appeals there is a deficit anticipated, in year, of which the Council's share is £7.334m. This is mainly due to additional reliefs for small businesses and retail premises, the majority of which will be compensated for via additional grants from Central Government, plus to a lesser extent, additional charitable and empty property reliefs.

The total additional grants anticipated to offset this deficit is £5.612m. However, this will be received into the General Fund in 2019/20 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £7.334m forecast deficit in the Collection Fund.

In addition, there is an appeals related deficit anticipated of which the Council's share is £1.396m. This is due to an increase in the number of Business Rates appeals that have been submitted. This increase is expected and is anticipated to increase further over the next couple of years. However, in anticipation of this, the Council has set aside, from previously reported Business Rates surpluses, a reserve to cover eventual Business Rates appeals losses. It is anticipated that £1.396m will be released from this reserve in 2020/21 to cover this element of the deficit.

As a result of the above a total in year deficit of £1.722m is assumed to be carried forward and taken into account in setting the budget for 2020/21 made up of £8.730m deficit (£7.334m non appeals related plus £1.396m for appeals) relating to the Council's

Appendix A

Annex 16 Collection Fund

share offset by £7.008m of use of reserves (£5.612m relating to compensatory grants plus £1.396m of appeals reserves).

In addition to the in-year position and as previously reported in the 2018/19 Outturn report, a cumulative deficit was brought forward from 2018/19 of £5.241m due to the final surplus position for 2018/19 being £7.439m compared with a £12.680m surplus anticipated when setting the budget for 2019/20. Therefore, an overall forecast Deficit of £6.963m relating to the Council's share of Business Rates (£1.722m in year Deficit plus £5.241m Deficit brought forward) is anticipated.

The position for Business Rates is shown in the table below.

	£m	£m
Business Rates (BR) Deficit Excluding Appeals		7.334
BR Deficit relating to Appeals		1.396
Forecast 2019/20 Deficit		8.730
BR Deficit B/F 2018/19		5.241
BR Deficit C/F		13.971
Use of BR Appeals Reserve	(1.396)	
Compensatory Section 31 Grants	(5.612)	
		(7.008)
BR Related Overall Forecast Deficit		6.963

Overall

Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £0.878m to be carried forward and taken into account in setting the budget for 2020/21 (£6.085m surplus for Council Tax offset by a £6.963m deficit for Business Rates).

Write-off of Irrecoverable Housing Benefit, Council Tax and Business Rates**a. 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 return 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 2019/20, from 1st April up to 30th June 2019, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table below details the gross value of amounts written off of £0.548m, which members are asked to note.

Age analysis	Up To 2013/14	2014/15- 2016/17	2017/18- 2019/20	Total
	£m	£m	£m	£m
Benefit Overpayments	0.063	0.235	0.250	0.548
Total	0.063	0.235	0.250	0.548

Section (c) of this Appendix gives a more detailed age analysis of overpayments and income written off.

b. 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 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 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.

Appendix A**Annex 17 Write-offs**

In 2019/20, from 1st April 2019 to 30th June 2019, further items falling under this description have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £2.555m for Council Tax and £3.136m for Business Rates, which Members are asked to note.

Age analysis	Up To 2013/14	2014/15- 2016/17	2017/18- 2019/20	Total
	£m	£m	£m	£m
Council Tax	1.405	0.653	0.497	2.555
Business Rates	3.136	-	-	3.136
TOTAL	4.541	0.653	0.497	5.691

Section (d) of this Appendix gives a more detailed age analysis of overpayments and income written off.

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Annex 17 Write-offs

c. Age analysis of Overpayments and Debts written off under delegated authority by Revenues and Benefits Division

Detail	Pre 2009	2009/10	2010/11	2011/12	20012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£7,124	£1,356	£15,838	£20,992	£8,631	£9,264	£26,113	£86,843	£122,140	£81,950	£148,837	£18,744	£547,832	766
TOTAL	£7,124	£1,356	£15,838	£20,992	£8,631	£9,264	£26,113	£86,843	£122,140	£81,950	£148,837	£18,744	£547,832	766

Debt Size							
Small		Medium		Large		Total	
Cases	>£1,000	Cases	£1,001- £5,000	Cases	£5,000- £25,000	Cases	
644	£132,660	100	£234,256	22	£180,916	766	£547,832

Appendix A

Annex 17 Write-offs

d. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

Detail	Pre 2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Council tax written off under delegated authority	£433,087	£112,242	£161,954	£190,399	£346,306	£161,055	£181,150	£209,564	£262,454	£322,495	£173,926	£2,554,632
Business rates written off under delegated authority	£775,236	£592,693	£532,311	£613,735	£622,139	-	-	-	-	-	-	£3,136,114
TOTAL	£1,208,323	£704,935	£694,265	£804,134	£968,445	£161,055	£181,150	£209,564	£262,454	£322,495	£173,926	£5,690,746

Debt size analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

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	£2,111,221	6,391	£443,411	361	-	-	£2,554,632	6,752
Business Rates written off under delegated authority	£310,185	699	£1,491,042	656	£1,334,887	135	£3,136,114	1,490
TOTAL	£2,421,405	7,090	£1,934,637	1,017	£1,334,887	135	£5,690,746	8,242