

CORPORATE REVENUE BUDGET MONITORING REPORT 2018/19 DRAFT OUT-TURN REPORT

**(year to 31st March 2019)
Final Version**

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1. Executive Summary

1.1 The City Council (BCC) set its net revenue budget of £855.2m on 27th February 2018. Included in this budget was an assumed use of £30.5m of reserves to support budgetary pressures and

- A savings¹ programme totalling £52.9m in 2018/19, growing to £117.0m in 2021/22.
- Savings not fully achieved from previous years of £15.7m (including where they were met on a one-off basis).

Total savings to be met in 2018/19 were therefore £68.6m.

1.2 The General Fund revenue outturn position for 2018/19 shows an underspend of £5.9m. This comprises: -

- a. A £14.6m underspend on the base budget,
- b. £10.1m of savings not delivered in 2018/19, and
- c. accelerated achievement of part (£1.4m) of the efficiency target of £5.7m.

1.3 This is an overall improvement of £7.9m since the forecast at Month 9. The outturn for each Directorate is shown in Table 1 below, with further details in Annex 1. The net overspends and underspends broken down into base budget and savings in each Directorate can be seen in Table 3.

1.4 The outturn position on schools (DSG) is an underspend of £2.8m compared with an estimated £5.1m overspend at Month 9.

1.5 Discussions with the Council's external auditors are ongoing regarding the accounting impact of the issues around the delivery of the Highways PFI contract arrangements. When the PFI contract was initiated the accounting for the period of the contract was modelled on assumptions on investment in the network with specific delivery milestones and continued maintenance. The Court judgement in the Council's favour has set aside some of the delivery milestones, the result of which may impact on the accounting model and the outturn for the year.

¹ Savings refer both to cost reductions or additional income generated

Table 1	A	B	C = B - A	D			E = C + D
Directorate	Final Revised Budget	Outturn Position	Outturn Variation [+ over / - (under)]	Proposed Year End Transfers to / (from) reserves			In Year Variation (under) / over spend
	£m	£m	£m	Grant £m	Other £m	Total £m	£m
Adult Social Care & Health Directorate	336.358	321.324	(15.034)	4.341	0.000	4.341	(10.693)
Children & Young People Directorate	236.386	236.858	0.472	4.904	(3.062)	1.842	2.314
Place Directorate	139.287	153.267	13.980	1.716	0.543	2.259	16.239
Economy Directorate	97.873	51.818	(46.055)	46.002	(0.379)	45.623	(0.432)
Strategic Services Directorate	28.235	24.906	(3.329)	0.042	0.447	0.489	(2.840)
Human Resources	6.498	4.965	(1.533)	0.000	0.412	0.412	(1.121)
Finance & Governance Directorate	30.677	29.260	(1.417)	(0.044)	(0.878)	(0.922)	(2.339)
Chief Executive & Assistant Chief Executive	3.079	2.544	(0.535)	0.058	0.000	0.058	(0.477)
Directorate Subtotal	878.393	824.941	(53.452)	57.020	(2.917)	54.103	0.651
Corporate Subtotal	(23.204)	(35.504)	(12.300)	5.408	0.384	5.792	(6.508)
City Council General Fund	855.189	789.437	(65.752)	62.427	(2.533)	59.895	(5.857)
Housing Revenue Account (HRA)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total City Council	855.189	789.437	(65.752)	62.427	(2.533)	59.895	(5.857)

- 1.6 The outturn positions for individual Directorates, together with an explanation of the variances and mitigations are shown in Annex 1.
- 1.7 In line with the Council Plan and Budget 2018+ agreed in February 2018, the Council was planning for the use of £30.5m of Corporate Reserves in 2018/19, as shown in Table 2 below to support a balanced budget. A £4.0m reduction in the planned use of corporate reserves to balance the budget was approved by Cabinet at Month 9. At Outturn, due to the underspend of £5.9m on General Fund services, the Council has also been able to reduce the use of the corporate reserves by a further £5.9m. Therefore the total use of reserves to support the budget at outturn was £20.6m – some 32% lower than planned.
- 1.8 In addition, there are both planned uses of and contributions to Other Reserves. A net contribution of £1.9m to Other Reserves was assumed as part of setting the budget. At Month 9, Cabinet approved a net contribution of £9.5m. This was a £7.6m approved net increase in contributions to Other Reserves. At Outturn, there are £59.8m further net contributions to Other Reserves proposed mainly related to the Highways PFI contract.
- 1.9 It is proposed to refinance historic internal borrowing from the Highways PFI reserve in full from general reserves. This is merely a movement between reserves and has no net impact on the overall level of reserves and no impact on the overall budget position. Any borrowing repayments required from services will now be made directly to general reserves. However, whilst internal borrowing from reserves may

be acceptable in some circumstances, such borrowing from specific reserves such as highways PFI was questionable. The value of this reserves movement is £22.0m.

- 1.10 Similarly, it is proposed to refinance historic internal borrowing from schools' balances in full from general reserves. Again, this is merely a movement between reserves and has no net impact on the overall level of reserves and no impact on the overall budget position. Any borrowing repayments required from services will now be made directly to general reserves. The value of this reserves movement is £2.1m.
- 1.11 A review of reserves held by the Council has been undertaken, and it is proposed to recategorise and consolidate those identified in Annex 5. This review was intended to simplify and clarify reserve balances and ensure that specific funds (such as the Insurance reserve, are held at adequate levels) commensurate with the Council's risk profile.
- 1.12 The Council also recognises 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. It is recommended that in 2019/20, the Chief Finance Officer in conjunction with the Portfolio Holder for Finance and Resources be able to make the appropriate transfer from the general reserves to create this reserve, once the necessary due diligence has been undertaken on its appropriate level.

Table 2 Planned (Use of)/Contribution to Reserves

	Original Planned (Use) £m	Further Approved In Year (Use)/ Contribution £m	Proposed at Outturn (Use)/ Contribution £m	Overall Out- turn (Use)/ Contribution £m	Variance £m
Use of Organisational Transition Reserve	(3.9)	0.0	0.0	(3.9)	0.0
Use of Financial Resilience Reserve	(11.6)	0.0	5.9	(5.7)	5.9
Use of one off Resources from Previous Years	(13.2)	4.0	0.0	(9.2)	4.0
Other Corporate use of Reserves	(1.8)	0.0	0.0	(1.8)	0.0
Subtotal Strategic use of Reserves	(30.5)	4.0	5.9	(20.6)	9.9
Other (use of)/Contribution to Reserves	1.9	7.6	59.8	69.3	67.4
Total (use of)/Contribution to Reserves	(28.6)	11.6	65.7	48.7	77.3

- 1.13 Further details of the use of Other Reserves are provided in Annex 5. Cabinet are requested to approve a number of uses of and contributions to Reserves as detailed in Annex 5.
- 1.14 Further analysis of the Base Budget position is shown in Annexes 1 and 2 and analysis of the Savings Programme is provided in Annexes 1 and 4.
- 1.15 Section 2 of this report details the summary position on the Savings Programme.
- 1.16 Section 3 of this report details Resource Allocations requested to be approved.
- 1.17 Section 4 of this report details the summary position on the use of Reserves.

Appendix A

Section 1

Table 3 - Summary outturn position of base budget and risks relating to savings programme

Directorate	Current Budget £m	Base Budget Overspend/(Underspend) as at			Savings not Delivered as at			Efficiency Target as at			Total Overspend/(Underspend) as at		
		Outturn	Month 9	Movement	Outturn	Month 9	Movement	Outturn	Month 9	Movement	Outturn	Month 9	Movement
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Health Directorate	336.358	(10.693)	(5.205)	(5.488)	0.000	0.000	0.000	0.000	0.000	0.000	(10.693)	(5.205)	(5.488)
Children & Young People Directorate	236.386	1.014	1.235	(0.221)	1.300	1.300	0.000	0.000	0.000	0.000	2.314	2.535	(0.221)
Place Directorate	139.287	13.126	4.908	8.218	3.113	2.710	0.403	0.000	0.000	0.000	16.239	7.618	8.621
Economy Directorate	97.873	(3.583)	(2.653)	(0.930)	3.890	3.792	0.098	(0.739)	(0.739)	0.000	(0.432)	0.400	(0.832)
Strategic Services Directorate	28.235	(2.564)	(1.463)	(1.101)	0.000	0.000	0.000	(0.276)	(0.276)	0.000	(2.840)	(1.739)	(1.101)
Human Resources	6.498	(1.043)	(0.253)	(0.790)	0.000	0.000	0.000	(0.078)	(0.078)	0.000	(1.121)	(0.331)	(0.790)
Finance & Governance Directorate	30.677	(2.095)	(1.356)	(0.739)	0.000	0.000	0.000	(0.244)	(0.244)	0.000	(2.339)	(1.600)	(0.739)
Chief Executive & Assistant Chief Executive	3.079	(0.452)	0.000	(0.452)	0.000	0.000	0.000	(0.025)	(0.025)	0.000	(0.477)	(0.025)	(0.452)
Sub-total Directorates Position	878.393	(6.290)	(4.787)	(1.503)	8.303	7.802	0.501	(1.362)	(1.362)	0.000	0.651	1.653	(1.002)
Policy Contingency	1.265	(5.182)	0.000	(5.182)	0.000	0.000	0.000	0.000	0.000	0.000	(5.182)	0.000	(5.182)
Exceptional Item-Cost Incorrectly Charged to HRA	0.000	0.818	0.000	0.818	0.000	0.000	0.000	0.000	0.000	0.000	0.818	0.000	0.818
Exceptional Item-Waste Strike	0.000	5.764	0.000	5.764	0.000	0.000	0.000	0.000	0.000	0.000	5.764	0.000	5.764
Corporate Savings	(1.903)	0.000	0.000	0.000	1.835	1.858	(0.023)	0.000	0.000	0.000	1.835	1.858	(0.023)
Other Corporate Items	(22.566)	(9.743)	(1.503)	(8.240)	0.000	0.000	0.000	0.000	0.000	0.000	(9.743)	(1.503)	(8.240)
Sub-total Corporate Position	(23.204)	(8.343)	(1.503)	(6.840)	1.835	1.858	(0.023)	0.000	0.000	0.000	(6.508)	0.355	(6.863)
City Council General Fund	855.189	(14.633)	(6.290)	(8.343)	10.138	9.660	0.478	(1.362)	(1.362)	0.000	(5.857)	2.008	(7.865)
Housing Revenue Account (HRA)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Council	855.189	(14.633)	(6.290)	(8.343)	10.138	9.660	0.478	(1.362)	(1.362)	0.000	(5.857)	2.008	(7.865)

2. Summary of the Savings Programme

- 2.1 Savings of £68.6m were planned in 2018/19 in order to balance the budget. Analysis of the savings programme for 2018/19 shows that £58.5m of ongoing savings and one-off mitigations were delivered in year representing 85.2% of the savings target. £129.6m (94.6%) of the medium term programme set out in the Council Plan 2018+ is still considered to be deliverable by 2021/22.
- 2.2 £10.1m (14.8%) was not achieved in 2018/19. The overall Directorate savings position at Outturn is summarised in Tables 4 and 5. Future year's non-delivery has been taken into account in the Financial Plan 2019-2023.

Table 4 – Analysis of Savings Programme for 2018/19

Directorate	On Track £m	One Off Mitigations £m	Non- Delivery £m	Total £m
Adult Social Care & Health Directorate	13.367	1.690	0.000	15.057
Children & Young People Directorate	6.685	0.000	1.300	7.985
Place Directorate	9.355	0.469	3.113	12.937
Economy Directorate	5.613	0.626	3.890	10.129
Strategic Services Directorate	11.017	4.961	0.000	15.978
Human Resources	(0.155)	0.204	0.000	0.049
Finance & Governance Directorate	4.437	0.025	0.000	4.462
Chief Executive & Asst Chief Exec Dir.	0.037	0.000	0.000	0.037
Total Directorates	50.356	7.975	8.303	66.634
Corporate Savings	0.155	0.000	1.835	1.990
Grand Total	50.511	7.975	10.138	68.624
	73.6%	11.6%	14.8%	100.0%

NB – Total savings figure includes savings delivered on a one-off basis in previous years. See paragraph 1.1.

Table 5 – Analysis of Savings Not Fully Achieved for 2018/19 – 2021/22

Directorate	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Adult Social Care & Health Directorate	0.000	0.000	0.000	0.000
Children & Young People Directorate	1.300	1.754	1.974	1.974
Place Directorate	3.113	2.500	2.500	2.500
Economy Directorate	3.890	3.327	2.555	1.718
Strategic Services Directorate	0.000	1.000	1.000	1.000
Human Resources	0.000	0.000	0.000	0.000
Finance & Governance Directorate	0.000	0.000	0.000	0.000
Chief Executive & Asst Chief Exec Dir.	0.000	0.000	0.000	0.000
Total Directorates	8.303	8.581	8.029	7.192
Corporate Savings	1.835	0.206	0.271	0.271
Grand Total	10.138	8.787	8.300	7.463
of which:				
Savings non-delivery assumed in Plan 2019-23		4.465	5.231	5.311
Savings step-ups not achieved assumed in Plan 2019-23		4.322	3.069	2.152

- 2.3 The summary is based on a detailed review of each individual savings proposal. An overview of savings not fully achieved on an ongoing basis by project for each Directorate is shown at Annex 4.

Efficiency Targets

- 2.4 An efficiency target of £5.7m was agreed for 2019/20, with an expectation placed on Directorates to accelerate these savings into 2018/19. At outturn, £1.4m had been achieved as summarised in Table 6 below:

Table 6- Summary of Efficiency Targets

Directorates	Budget		Achievement in 2018/19	Forecast Achievability in 2019/20
	2018/19 £m	2019/20 £m	Delivery £m	Delivery £m
Adult Social Care & Health Directorate	0.000	(2.391)	0.000	(2.391)
Children & Young People Directorate	0.000	(0.664)	0.000	(0.664)
Place Directorate	0.000	(1.248)	0.000	(1.248)
Economy Directorate	0.000	(0.739)	(0.739)	(0.739)
Strategic Services Directorate	0.000	(0.276)	(0.276)	(0.276)
Human Resources	0.000	(0.078)	(0.078)	(0.078)
Finance & Governance Directorate	0.000	(0.244)	(0.244)	(0.244)
Chief Executive & Assistant Chief Executive	0.000	(0.025)	(0.025)	(0.025)
Total	0.000	(5.665)	(1.362)	(5.665)

3. Resource Allocations

3.1 General Policy Contingency

- 3.1.1** General Policy Contingency is used to cover small unforeseen calls on resources in year and its use reported to Cabinet through financial monitoring reports. The level of contingency agreed for 2018/19 was £3.0m. The use of £2.7m had already been approved leaving a balance of £0.3m following the Month 9 Cabinet Report.
- 3.1.2** A further use of £0.250m was approved by Cabinet on 26th March 2019 to provide financial support to the administrators of Assisted Travel Group (ATG) to ensure continuity of service to vulnerable children.
- 3.1.3** This has left an underspend of £0.1m in General Policy Contingency.

3.2 Specific Policy Contingency

- 3.2.1** The Council Plan and Budget 2018+ approved by Council on 27th February 2018 allocated £8.4m for Specific Policy Contingency in 2018/19. A breakdown by each specific contingency is reflected in Annex 3.
- 3.2.2** As part of the Council's simplification of processes, the Cabinet meeting of 31st July 2018, approved that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy Contingency to fund expenditure which is in line with the approval given as part of the Council Plan and Budget 2018+.
- 3.2.3** The Section 151 Officer has approved the release of the following allocations from Specific Policy Contingency since Month 9, in line with the Council Plan and Budget 2018+.
- £0.8m to fund the Carbon Reduction Commitment
 - £0.7m to fund under-recovery of Pension Fund costs
 - £0.9m to fund inflation costs for Place Directorate
- 3.2.4** The outturn figures have been completed after taking account of these items. Further detail regarding Policy Contingency is provided in section 5.10.

4. Use of Reserves

- 4.1** In line with the Council Plan and Budget 2018+ agreed in February 2018, the Council planned for the use of £30.5m of corporate reserves in 2018/19. In addition, there are both planned uses of and contributions to other reserves. A net contribution of £1.9m to other reserves was assumed as part of setting the budget. An £11.6m net reduction in use of reserves was approved by Cabinet at Month 9. This included a £4.0m reduction in the planned use of corporate reserves to balance the budget.
- 4.2** At outturn, due to the underspend of £5.9m on the General Fund, the Council has been able to reduce the use of the corporate reserves by a further £5.9m.
- 4.3** Originally, an overall £28.6m net use of total reserves was planned. At year end, there is an overall net contribution of £48.7m to reserves proposed. The change relates mainly to contract payments withheld in respect of a contract dispute, which will need to be released in future years to undertake the work which has not been carried out. Therefore, there is a £77.3m net increase in Reserves, as seen in Table 7 below. It is made up by the following:

Table 7: Movement in (Use of)/Contributions to Reserves	(increase in use or reduced contribution)/decrease in use or increase in contribution
reduction in use of one-off Reserves from previous years	4.0
reduction in the use of the FRR	5.9
use of the Capital Fund	(0.6)
reduction in contribution to Business Rates Appeals Reserve	(2.3)
reduction in contribution to Cyclical Maintenance Reserve	(1.8)
reduction in contribution to the Commonwealth Games Reserve	(1.9)
increase in Use of / Contributions to Grant Reserves	85.3
increase in Use of / Contributions to Other Earmarked Reserves	(12.0)
Contribution to Non Schools DSG Reserves	2.2
reduction in Schools Balances	(1.5)
Total	77.3

- 4.4** Table 8 below shows the requested use of Reserves in 2018/19 and Table 9 shows the impact on Reserves balances. Both tables assume the reserves movements identified above are approved.

Table 8 (Use of)/Contribution to Reserves as at Outturn

	Original Base Budget £m	Budget Approved at Month 9 £m	Changes Proposed at Outturn £m	Proposed Outturn £m	Variance to Original Budget £m	Balance Sheet Management £m
Corporate Reserves						
Invest to Save Reserve (ITS)	(3.902)	(3.902)	0.000	(3.902)	0.000	6.253
Use of Financial Resilience Reserve (FRR)	(11.575)	(11.575)	5.857	(5.718)	5.857	(25.510)
Use of One Off Resources from Previous Years	(13.250)	(9.250)	0.000	(9.250)	4.000	
Treasury Management	(1.815)	(1.815)	0.000	(1.815)	0.000	
General Fund	0.000	0.000	0.000	0.000	0.000	5.344
Strategic Use of Reserves	(30.542)	(26.542)	5.857	(20.685)	9.857	(13.913)
Contribution to Capital Fund	3.326	2.821	(0.113)	2.708	(0.618)	
Business Rates Appeals	9.349	7.000	0.000	7.000	(2.349)	
Cyclical Maintenance	2.540	2.540	(1.800)	0.740	(1.800)	
Commonwealth Games Contingency Reserve	4.746	3.254	(0.422)	2.832	(1.914)	
Other (Use of)/Contribution to Reserves	19.961	15.615	(2.335)	13.280	(6.681)	0.000
Sub Total (Use of)/Contribution to Reserves	(10.581)	(10.927)	3.522	(7.405)	3.176	(13.913)
Repayments - Borrowing Highways PFI	0.985	0.985	0.000	0.985	0.000	
Total Corporate (Use of)/Contribution to Reserves	(9.596)	(9.942)	3.522	(6.420)	3.176	(13.913)
Other Reserves						
Use of Grant Reserves	(17.894)	(15.403)	(21.400)	(36.803)	(18.909)	
Contribution to Grant Reserves	1.477	26.952	78.782	105.734	104.257	28.401
Use of Other Earmarked Reserves	(5.548)	(21.565)	(2.419)	(23.984)	(18.436)	
Contribution to Other Earmarked Reserves	2.364	2.936	5.921	8.856	6.493	(16.616)
Repayment of Schools' Balances	0.600	0.000	0.000	0.000	(0.600)	2.128
Contribution to Non Schools DSG Reserves	0.000	0.000	2.811	2.811	2.811	
Net Reduction in School Carry Forward Balances	0.000	0.000	(1.464)	(1.464)	(1.464)	
Use of Carry Forward Balances	(0.025)	(0.025)	0.000	(0.025)	0.000	
Total Other (Use of)/Contribution to Reserves	(19.027)	(7.108)	62.231	55.126	74.153	13.913
Total (Use of)/Contribution to Reserves	(28.623)	(17.049)	65.752	48.706	77.329	0.000

Table 9 Impact on Reserve Balances

	Balance as at 31/03/2018 £m	Planned Base Budget (Use)/Contribution to Reserves £m	Further (Use)/Contribution to Reserves Approved at Month 9 £m	Transfer of Borrowing from Schools to FRR	Transfer of Borrowing from Highways PFI to FRR £m	Further (Use)/Contribution to Reserves Proposed at Outturn £m	Consolidation of Reserves £m	Outturn Balance 31st March 2019 £m
Invest to Save Reserve (ITS)	39.316	(3.902)	0.000			0.000	6.253	41.667
Financial Resilience Reserve	98.283	(11.575)	0.000	(2.128)	(21.989)	5.857	(1.393)	67.055
General Fund Balance	30.699	(0.025)	0.000			0.000	5.344	36.018
Earmarked Reserves	133.027	1.711	(15.792)			1.167	(16.616)	103.497
Grant Reserves	169.687	(15.432)	27.969		21.989	57.381	6.412	268.006
Schools' Reserves	35.827	0.600	(0.600)	2.128		(3.700)		34.255
Non Schools DSG	2.297	0.000	0.000			5.047		7.344
	509.136	(28.623)	11.577	0.000	0.000	65.752	0.000	557.841

4.9 Further details of use of reserves are provided in Annex 5.

5. Detailed Revenue Commentaries by Directorate

The following paragraphs comment on the major financial issues for each Directorate. Detailed figures for each Directorate are shown in Annex 1.

5.1 Adult Social Care & Health – Net Underspend £10.7m (£5.2m at Month 9)

- 5.1.1** There is an underspend of £10.7m after recommended net transfer to reserves of £4.3m for delays on budgeted grant funded projects. This is an improvement of £5.5m since Month 9 largely related to an improved position on net Packages of Care (in relation to better than budgeted performance on income including windfalls as a result of negotiations and external factors, the underlying cost pressures are still ongoing). The details of the appropriations to/ (from) reserves are reported in Annex 5.

The net underspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(15.034)
Transfers to / (from) grant reserves	4.341
Transfers to / (from) other reserves	0.000
Net overspend/(underspend)	(10.693)
Explanation of variation after transfers	
Base Budget	
Packages of Care	(13.127)
Assessment and Support Planning	(0.752)
Specialist Care Services (SCS)	1.042
ASCH Commissioning	0.803
Corporate Director	1.341
Sub-Total	(10.693)
Savings Not Delivered	
none	0.000
Sub-Total	0.000
Efficiency Target	
Not accelerated	
Sub-Total	0.000
Net overspend/(underspend)	(10.693)

5.1.2 The Directorate has been taken a prudent consideration of pressures and risks. There have been a number of significant movements as detailed below and beneficial one off income and grants in year have been a key factor in the improved position.

5.1.3 It should be noted that the underlying pressures and demographics in Adults continue and that the improved outcome this year is partly due to a high level of caution throughout (including in long term planning and budget build before the year had started) and given previous years outturns.

Base Budget Position

There is a net underspend of £10.7m at Outturn. This relates to the following:

- **Adult Packages of Care – net £13.1m underspend (Month 9 £3.3m underspend)**
The packages of care net spend continues to be lower than originally anticipated due to the improved income and grant situation more than offsetting the overspend in care packages expenditure budgets. Due to past cost patterns and concern over pressures forecasting has been approached cautiously, and this has contributed to the improvement since Month 9. The underspend of £13.1m related to the following:
 - There was favourable variance on client income of £3.6m relating to increased income against budget level. This is due to a mix of changes including national uplifts as well as increased value of packages of care activity. A rebasing of income budget will be undertaken for 2019/20.
 - In year and one off income collected for Joint Funded Packages of care with local Clinical Commissioning Groups (CCGs) of £2.7m above budgeted levels. The base budget will be rebased for 2019/20 monitoring.
 - Other expenditure and income variances totalling a net £1.8m including in year grants.
 - Additionally the new Framework arrangements roll out assumed a full year effect, uptake by providers has been lower than expected and one procurement was delayed. This created an in-year underspend on framework budget of £5.0m.
- **Assessment and Support Planning (ASP) - £0.7m underspend (Month 9 £0.4m underspend)**
ASP's underspend position is principally around staffing costs where delays in recruiting social workers is a major issue as well as staff retention. A net movement of £0.3m since Month 9 has occurred in relation to this.
- **Specialist Care Services (SCS) - £1.0m overspend (Month 9 £0.1m underspend)**
This primarily relates to the significant major adaptations activity on council properties as part of prevention works which have not been charged to the Disabled Facilities Grant (DFG) and therefore a revenue contribution of £1.5m to meet capital expenditure cost has been necessary. In addition there is £0.9m overspend in staffing. These have been partially mitigated with a saving of £1.1m on capitalisation of equipment and £0.3m minor underspends.

- Adults Social Care and Health Commissioning - £0.8m overspend (Month 9 £0.2m underspend)
Adults made a one off alteration of £1.3m in the internal use of Public Health grant within the Directorate to offset growing pressures in the grant, this shows as an adverse movement in the period and outturn for Adults. A further net favourable movement of £0.3m has been achieved in this area to offset this, giving a £1.0m adverse movement in total comparing to Month 9.
- Corporate Director - £1.3m overspend (Month 9 £1.2m underspend)
Additional Health invoicing of £1.1m for costs previously agreed have been received, where timing was contingent and not known at Month 9. In addition there are £0.2m minor overspends across the service area.

Savings Programme delivery

Adult Social Care & Health has achieved full delivery of the budgeted savings.

Efficiency Target achievement

Adult Social Care & Health has not been able to identify a way of bringing forward the delivery of the £2.4m share of efficiency savings in 2018/19.

5.2 Children & Young People Net Overspend £2.3m (Net Overspend £2.5m at Month 9)

5.2.1 There is an overspend of £2.3m after recommended net transfer to reserves of £1.8m. This is made up of £1.0m (Month 9 £1.2m) base budget pressures and £1.3m (No movement since Month 9) savings not delivered. The details of the appropriations to/ (from) reserves are reported in Annex 5.

The net overspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	0.472
Transfers to / (from) grant reserves	4.904
Transfers to / (from) other reserves	(3.062)
Net overspend/(underspend)	2.314
Explanation of variation after transfers	
Base Budget	
Travel Assist	1.867
Early Years	0.588
Business Support	(0.936)
Children' s Trust	0.131
School Settings and Improvement	(0.169)
Strategic Leadership	(0.424)
Other miscellaneous savings	(0.043)
Sub-Total	1.014
Savings Not Delivered	
Travel Assist	1.300
Sub-Total	1.300
Efficiency Target	
Not accelerated	
Sub-Total	0.000
Net overspend/(underspend)	2.314

Base Budget position

The base budget overspend of £1.0m relates to the following:

- Travel Assist £1.9m overspend (Month 9 £1.8m)
There is a shortfall of £1.9m on Travel Assist (which when combined with the £1.3m savings non delivery results in a total deficit of £3.2m). The required changes to deliver sustainable recurrent savings has required a change in policy and a new commissioning and procurement strategy to deliver a part year impact in 2019-20. Options are currently being considered as part of the consultation on Travel Assist to reduce the overspend pressure carrying over into 2019-20.
- Early Years £0.6m overspend (Month 9 £0.5m)
A Cabinet report was planned for June 2018 to seek approval to the recommendations for the day nurseries following consultations and reviews of alternatives – prompted by the fact that the day nurseries are not financially sustainable. Delays have meant that the nurseries have remained open for the whole of the financial year creating a pressure which has increased to £0.6m at outturn.

- **Business Support £0.9m underspend (Month 9 £0.6m underspend)**
In the main this comprises a one-off saving of £0.6m identified by deferring repayment to FRR to help fund a Business Transformation programme, a £0.2m underspend on Schools Financial Services and a £0.2m saving which relates to historic Business Transformation programme prudential borrowing costs no longer being incurred. This has been partly offset by the costs of aged schools debt of £0.1m.
- **Children's Social Care £0.1m overspend (nil at Month 9)**
The review of children's social care transactions, which pre-date the Children's Trust, has been continuing and following this a net overspend of £0.2m is reported against the accrual set aside before establishment of the Trust which includes legal costs pressures. This is offset by an underspend of £0.1m on the Intelligent Client Function.
- **School Settings & Improvement £0.2m underspend. (nil at Month 9)**
The underspend comprises staff savings, savings against training accommodation and additional income generated by the Safeguarding team. There is an underspend of £0.3m against the School Improvement Grant whereby commitments have not materialised, and this is proposed to be carried forward to support SEND Invest to Save Initiatives.
- **Strategic Leadership £0.4m underspend (nil at Month 9)**
This comprises £0.1m of income received from Al Furqan Trust in relation to the court case which was ruled in Birmingham City Council's favour, £0.1m saving against legal cost budget, higher than anticipated income generated by the Participation team of £0.1m and staff savings of £0.1m.
- **Other Minor Variations £0.1m underspend (Month 9 £0.5m underspend)**
This relates to a number of areas including School Governor Support, Education Infrastructure, Admissions and Placements, Access to Education, High Needs, SENDIASS and Schools Funded Centrally Managed.

Savings Programme delivery

There were savings not fully achieved in 2018/19 of £1.3m (no movement since Month 9)

- £1.3m Travel Assist- the savings shortfall on Travel Assist with the issues as set out above.

Efficiency Target position

Children & Young People was not able to identify a way of bringing forward the delivery of the £0.7m share of efficiency savings in 2018/19.

5.3 Place (excluding Housing Revenue Account) – Net overspend £16.2m (Net overspend £7.6m at Month 9)

5.3.1 There is an overspend £16.2m after recommended net transfer to reserves of £2.3m, which represents an increase of £8.6m since Month 9. This includes base pressures of £13.1m (£4.9m Month 9) and non-delivery of savings of £3.1m (£2.7m Month 9). The details of the appropriations to/(from) reserves are reported in Annex 5.

The net overspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	13.980
Transfers to / (from) grant reserves	1.716
Transfers to / (from) other reserves	0.543
Net overspend/(underspend)	16.239
Explanation of variation after transfers	
Base Budget	
Waste Management Service	12.536
Markets	1.366
Equalities and Community Cohesion	0.124
Homelessness	2.485
Community Sports & Events	0.967
Neighbourhood Community Services	(2.712)
Bereavement Services	(0.450)
Regulatory Services	(0.694)
Private Sector Housing	(0.281)
Other minor variations	(0.215)
Sub-Total	13.126
Savings Not Delivered	
Parks	0.200
Cofton Nursery	0.306
Asset & Property Disposal	0.700
Workforce Savings	0.788
Community Sports & Events	1.119
Sub-Total	3.113
Efficiency Target	
Not accelerated	
Sub-Total	0.000
Net overspend/(underspend)	16.239

Base Budget position

A base budget overspend of £13.1m (£4.9m Month 9) is reported at Outturn comprising:

- Waste Management Services – £12.5m (£5.4m Month 9) overspend relating to:
 - The delay in the implementation of the 5 day working week until September 2018 (£1.7m)
 - On-going commercial volatility and lower paper market prices (£1.5m)
 - Residual matters relating to external contractors commissioned during the industrial dispute in 2017/18 (£1.6m)
 - The effect of the Memorandum of Understanding on transport and vehicle hire costs (£1.2m)
 - Increased repairs and maintenance on the ageing fleet (£1.9m)
 - Loss of income due to reduced demand across waste services from commercial trade waste, green and bulky waste (£1.3m)
 - Costs of the rollout of ICT for WRCOs (£0.6m)
 - Increased agency and staffing costs (£1.8m)
 - Overspend on Waste Disposal tonnage sent to Landfill (£0.9m)

These figures do not include the cost of the Waste Strike which is shown as an exceptional item within Corporate, see section 5.10.

- Markets – £1.4m overspend (£1.2m Month 9)
 - The pressure substantially relates to transitional costs arising from the relocation of the wholesale market. This includes part year costs of additional non domestic rate expenditure relating to the old wholesale market at Pershore Road, a requirement to increase the level of bad debt provision, and additional costs for water used by the demolition company. The latter is the reason for the movement since Month 9.
- £0.1m overspend on Equalities and Community Cohesion/CCTV (£0.2m Month 9)
 - There have been a number of budget reductions in previous years that have not been fully implemented. This has meant that the budget is not sufficient to support all of the existing cameras. A proposal is being prepared related to removing some of the cameras, which would reduce the annual overspend in future years. However there will be significant one-off costs for removing the cameras and making good the highways / pavements.
- Homelessness Service - £2.5m overspend (balanced at Month 9)
 - The Homelessness service continued to experience an increase in cases (18% year on year), the mitigation to which was a planned introduction of increased temporary accommodation capacity within our hostels (Barry Jackson and Magnolia House). The rollout of the Hostels capacity has been delayed resulting in a heavy reliance on costly Breakfast & Bed provision.
- Community Sports and Events - £1.0m overspend (balanced at Month 9)
 - The service has experienced income shortfalls for example , with Alexander Stadium there has been continued efforts to hire facilities to corporate clients, however with the redevelopment of the stadium has meant the facilities are less

attractive for customers. In addition, there were increased costs covering staffing, bed debts and interest payments for investment in new sites.

Offset by

- £4.4m underspend (£1.9m Month 9) due to a number of mitigations in a number of individual service areas comprising:
 - Bereavement Services (£0.5m): the service experienced a higher than anticipated increase in volumes for services, in addition, in order to minimise costs the service reduced the number of grass cuts taking advantage of the unusually dry weather
 - Neighbourhood & Community Services (£2.7m) due to £1.8m annual appropriation to Library of Birmingham Cyclical Maintenance Reserve not made in 2018/19 pending a review into the overall level of funding required , and other minor variations across service areas (£0.9m)
 - Private Sector Housing (£0.3m): the underspend is due to receipt of Grant (MCLHG – Controlling Migration Fund) which supported activity on enforcement and licencing targeting in particular Rogue Landlords.
 - Regulatory Services (£0.7m): the service held back on filling vacancies in environment health and increased use of external grant (National Trading Standards Board) for trading standards services.
 - Other variations (£0.2m)

Savings Programme position

The 2018/19 Savings Programme has savings of £3.1m (Month 9 £2.7m) that were not delivered. These are summarised below.

- £0.5m on Parks (£0.3m Month 9) – A previously anticipated pressure relating to the disposal of parks land (expected 8 acres per year subject to approval by Property Board) has now been alleviated leaving an undelivered prior year saving relating to Cofton Nursery of £0.3m. In addition there is £0.2m overspend relating to delays in disposal of unwanted or under-utilised park land.
- £0.7m Asset and Property Disposal Programme (no change since Month 9) – Sales of £8m per annum to generate a revenue saving subject to approval by Property Board. These have been delayed due to extended consultation on sites affected.
- £0.8m Cross Cutting Workforce Savings (£1.2m Month 9) – £1.7m is achieved from the total of £2.5m (the non-delivery of £0.8m relates to Waste Services). Plans are in development for a refreshed approach to delivery that will take a whole Directorate view rather than pro-rating savings to individual service areas from 2019/20 onwards.
- £1.1m Community Sports and Events (Month 9 balanced). There have been delays in reviewing the future options for wellbeing centres.

- There is no longer non-delivery of savings related to pension fund strain (Month 9 £0.1m) or the Capacity Fee and overrun Agreement (Month 9 £0.4m). The level of the capacity fee/planned maintenance charge that has been agreed as part of the overrun agreement with Veolia, starting in January 2019, is set at a level that allows the Directorate and Service to achieve its savings target.

Efficiency Target position

Place Directorate was not able to identify any ways of bringing forward the delivery of their £1.2m share of efficiency savings in 2018/19.

5.4 Economy – Net underspend £0.4m (Net overspend £0.4m at Month 9)

5.4.1 There is an underspend of £0.4m after recommended net transfer to reserves of £37.2m. This includes non-delivery of savings of £3.9m, offset by base underspends of £3.6m and by accelerated achievement of the Efficiency Target of £0.7m. This is an improvement of £0.8m since Month 9. Savings non-delivery has worsened by £0.1m. This is offset by a £0.9m improvement in the Base Budget position. The details of the appropriations to/ (from) reserves are reported in Annex 5.

The net overspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(46.055)
Transfers to / (from) grant reserves	46.002
Transfers to / (from) other reserves	(0.379)
Net overspend/(underspend)	(0.432)
Explanation of variation after transfers	
Base Budget	
CAB Income Shortfall	0.500
CAB Repair & Maintenance	0.500
Facilities Management (FM)	0.500
Street Lighting	0.500
Licences and Permit income	0.200
Wholesale Market capital costs	0.500
Civil Parking Enforcement	(1.000)
Prudential Borrowing	(0.800)
Planning	(2.100)
Developers Fee Income	(0.600)
HMMPFI Superannuation	(0.300)
funding of West Midlands Passenger Transport Levy	(0.500)
Other miscellaneous savings	(0.983)
Sub-Total	(3.583)
Savings Not Delivered	
In Reach	1.653
Council Administration Buildings (CAB)	1.774
City Centre On-street parking extension	0.463
Sub-Total	3.890
Efficiency Target	
Acceleration of target	(0.739)
Sub-Total	(0.739)
Net overspend/(underspend)	(0.432)

Base Budget position

The Directorate is reporting an underspend of £3.6m (Month 9 £2.6m underspend) on the base budget position which includes:

- Council Administration Buildings (CAB) Income £0.5m shortfall (No change since Month 9): This largely relates to a reduction of income due to the relocation of previous CAB occupants.

- CAB Repair & Maintenance £0.5m overspend due to greater than anticipated expenditure, particularly in two of the key CAB buildings, (Woodcock Street and Lancaster Circus). (Month 9 Balanced)
- Facilities Management (FM) £0.5m pressure (Month 9 £0.3m): FM provides a range of 'security and curatorial' services across the Council and became the management responsibility of Birmingham Property Services (BPS) at the start of 2018/19, having previously been managed on behalf of the Council by Acivico. Over recent years FM's year-end outturn position has been one of deficit.
- Wholesale Market Costs £0.5m Overspend (Month 9 Balanced): Funding contribution towards Capital costs of the former Wholesale Markets demolition as part of the overall Capital Project.
- Other minor in year overspend of £0.7m including £0.5m (Month 9 £0.5m) Street Lighting, and £0.2m (Month 9 £0.2m) shortfall on Licences and Permit income. At Month 9 there was a £0.1m deficit in Local Engineering and Car Parking. This was balanced at year end.
- These have been more than offset by £6.3m relating to the following:
 - Civil Parking Enforcement £1.0m Surplus (Month 9 £0.7m): improved recovery of fine income from the issue of fixed penalty notices (£4.9m in total)
 - Prudential Borrowing £0.8m Underspend (Month 9 £0.4m): Birmingham Property Services revenue funding for capital works such as Central Administration Buildings was underspent by £0.8m
 - Planning Income £2.1m Surplus (Month 9 £1.1m): an underspend of £2.1m from a combination of additional Planning Application income of £1.2m (volume increase and 20% national fee increase), other planning income of £0.7m, employee vacancy underspends of £0.5m and minor pressures of £0.3m
 - Developers Fee Income £0.6m Surplus (Month 9 £0.6m): additional unbudgeted permit income payable from large developments of £0.6m
 - Highways Maintenance Management Public Finance Initiative (HMMPI) Superannuation £0.3m Underspend (unchanged to Month 9): the £0.3m underspend arising from a reduction in the Council's liability as TUPE'd staff leave the contractor's employment.
 - West Midlands Passenger Transport Levy £0.5m underspend (unchanged to Month 9): £0.5m savings from part funding the West Midlands Passenger Transport Levy relating to concessionary fares
 - Car Parking Related Income was balanced (Month 9 £0.1m surplus)
 - Other minor underspends totalling £1.0m comprising: Highways & Infrastructure £0.1m (Month 9 £0.2m), Business & Customer Support £0.2m (Month 9 £0.2m), Transportation and Connectivity £0.5m (Month 9 balanced) and other underspends £0.2m (Month 9 £0.2m).

- The improvement is largely due to £0.6m application of Flexible Use of Capital Receipts within Planning and other movements totalling a net £0.4m.

Savings Programme position

Savings not fully achievable in 2018/19 of £3.9m are set out below:

- InReach £1.6m (no change since Month 9): This is made up of three elements: There is under-achievement of £0.4m on the Embankment Development and delays of £0.6m on the Further Market Rent Homes Scheme, including Key Hill and Brasshouse, and £0.7m delays on the HRA Voids Scheme. The HRA Voids Scheme was subject to approval from the Secretary of State, and due to delays in approval, this scheme is now forecast to commence with effect from 2019/20.
- Central Administrative Buildings £1.8m (Month 9 £1.7m): An underachievement of £2.0m after a one-off planned use reserves of £0.4m was partially mitigated by £0.2m on-going revenue benefit from property disposals. There was a delay in the disposal of some assets, thus worsening the position by £0.1m since Month 9.
- City Centre On-Street Parking £0.5m (no change since Month 9): The scheme was originally planned to be in operation for a full year in 2018/19. However, due to a lengthy consultation process the scheme is not now expected to generate income until April 2019. As a result there will be a shortfall against the income budget in 2018/19.

Efficiency Target position

Economy has accelerated its efficiency savings to cover its target of £0.7m in the current year as required.

5.5 Strategic Services – Net underspend £2.8m (Net underspend £1.7m at Month 9)

5.5.1 There is an underspend of £2.8m after recommended net transfer to reserves of £0.5m. This is an improvement of £1.1m since Month 9. This includes a net underspend on the base budget of £2.5m (£1.4m at Month 9) plus an accelerated achievement of the Efficiency Target of £0.3m (no change). The details of the appropriations to/ (from) reserves are reported in Annex 5.

The net underspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(3.329)
Transfers to / (from) grant reserves	0.042
Transfers to / (from) other reserves	0.447
Net overspend/(underspend)	(2.840)
Explanation of variation after transfers	
Base Budget	
Digital advertising income	0.935
Information Communication Technology & Digital Services (ICT&D)	(0.977)
Revenues and Benefits	(1.617)
Business Improvement	(0.974)
Other miscellaneous	0.069
Sub-Total	(2.564)
Savings Not Delivered	
None	
Sub-Total	0.000
Efficiency Target	
Acceleration of target	(0.276)
Sub-Total	(0.276)
Net overspend/(underspend)	(2.840)

Base Budget position

The Directorate is reporting a net underspend of £2.6m (£1.4m overspend at Month 9) on the base budget position which includes:

- A net shortfall in digital advertising income of £0.9m (Month 9 £1.1m) due to build delays, the impact of traffic disruption especially around the Paradise roadworks, and the challenging economic position which is impacting on the ability to sell advertising slots.
- Other variations of net £0.1m overspend (Month 9 Balanced)

Offset by

- £1.0m underspend (£1.0m at Month 9) for Information Communication Technology & Digital Services (ICT&D) – This is mainly due to lower Prudential Borrowing costs than budgeted for and an underspend on Microsoft Licences.
- A £1.6m (£1.0m at Month 9) underspend on Revenues and Benefits. There was a one-off budget to repay £1.0m use of Housing Benefit Subsidy Reserve that was expected to be

utilised in 2017/18. The £1.0m was not drawn down as anticipated in 2017/18, and therefore there is no requirement to repay this. It is now considered that this can be returned corporately. There are further savings of £0.6m related to delays in IT development.

- A £1.0m (£0.5m at Month 9) underspend on Business Improvement – The £1.0m underspend has been achieved through savings delivered against staffing budgets through the consolidation of administrative support roles and delay in appointing to vacancies identified following that consolidation process.

Savings Programme position

The Directorate has achieved its savings programme in 2018/19.

Efficiency Target position

Strategic Services has accelerated its efficiency savings to cover its target of £0.3m in the current year as required, which is unchanged since Month 9.

5.6 Human Resources – Net underspend £1.1m (Month 9 £0.3m underspend)

5.6.1 There is an underspend of £1.1m after recommended net transfer to reserves of £0.4m. This includes a base budget underspend of £1.0m plus an accelerated achievement of the Efficiency Target of £0.1m. The details of the appropriations to/ (from) reserves are reported in Annex 5.

The net underspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(1.533)
Transfers to / (from) grant reserves	0.000
Transfers to / (from) other reserves	0.412
Net overspend/(underspend)	(1.121)
Explanation of variation after transfers	
Base Budget	
Pension Fund Strain	(0.200)
Demand Management	(0.200)
Equal Pay	(0.300)
Career Transition	(0.100)
Other miscellaneous savings	(0.243)
Sub-Total	(1.043)
Savings Not Delivered	
None	
Sub-Total	0.000
Efficiency Target	
Acceleration of target	(0.078)
Sub-Total	(0.078)
Net overspend/(underspend)	(1.121)

Base Budget position

An underspend of £1.0m is reported on the base budget relating to the following:

- Pension Fund Strain £0.2m underspend (No movement since Month 9)
To reflect the fact that PFS is now paid centrally rather than charged to Directorates, an underspend of £0.2m is being reported against Human Resources' budgeted provision for PFS as a contribution to the City's overall financial position.
- Demand Management £0.2m underspend (Month 9 nil)
There is an underspend against budget, due to delays in the provision of cultural change activities across the Council.
- Equal Pay Administrative costs £0.3m underspend (Month 9 nil)
The underspend is mainly due to lower than anticipated legal fees.
- Career Transition £0.1m underspend (Month 9 nil)
This mainly relates to underspend in training.

- Other minor underspend £0.2m (Month 9 nil)
This mainly relates to additional income and underspends on employees as a result of vacancies.

Savings Programme position

HR had savings targets of £0.2m (no change) of Workforce savings that have not been achieved in 2018/19 year while the new service model is implemented. However, these have been mitigated in the short term through vacancy management.

Efficiency Target position

Human Resources has accelerated its efficiency savings to cover its target of £0.1m in the current year as required. This has been achieved, again, through vacancy management.

5.7 Finance & Governance – Net underspend £2.3m (Net underspend £1.6m at Month 9)

5.7.1 There is an underspend of £2.3m after recommended net transfers from reserves of £0.9m. This is a £0.7m improvement, related to lower than anticipated employee costs linked to the Finance Restructure and higher than anticipated income in Finance and Other Services. The details of the appropriations to/(from) reserves are reported in Annex 5.

The net underspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(1.417)
Transfers to / (from) grant reserves	(0.044)
Transfers to / (from) other reserves	(0.878)
Net overspend/(underspend)	(2.339)
Explanation of variation after transfers	
Base Budget	
Finance SAP Development	(1.246)
Business Transformation	(0.200)
Legal & Governance	(0.260)
Birmingham Audit	(0.120)
Other Variations	(0.269)
Sub-Total	(2.095)
Savings Not Delivered	
None	
Sub-Total	0.000
Efficiency Target	
Acceleration of target	(0.244)
Sub-Total	(0.244)
Net overspend/(underspend)	(2.339)

Base Budget position

There was an underspend of £2.1m (£1.4m at Month 9) made up of the following:

- Finance (mainly SAP Development) £1.2m underspend (Month 9 £1.0m) due to reduced prudential borrowing costs and lower than anticipated staff costs.
- Business Transformation £0.2m underspend (£0.2m at Month 9) due to additional income generated.
- Legal and Governance £0.3m underspend (£0.1m at Month 9) reflects the achievement of additional Core Plus income from further work from major projects including capital programmes and Commonwealth Games and additional external income achieved due to an increase in the external instructions.
- Birmingham Audit £0.1m underspend (Balanced at Month 9). Minor variations mainly related to income.
- Other minor variations £0.3m underspend (£0.1m underspend at Month 9). This reflects additional miscellaneous income not previously anticipated and a number of other minor variations.

Savings Programme position

The budgeted savings are expected to be fully achieved.

Efficiency Target position

Finance and Governance has accelerated its efficiency savings to cover its target of £0.2m in the current year as required.

5.8 Chief Executive and Assistant Chief Executive – net underspend £0.5m (£0.025m at Month 9)

5.8.1 There is an underspend position of £0.5m after recommended net transfer to reserves of £0.1m. The details of the appropriations to reserves are reported in Annex 5.

The net underspend position is explained below.

	Overspend / (Underspend) £m
Net expenditure (+ over / - under)	(0.535)
Transfers to / (from) grant reserves	0.058
Transfers to / (from) other reserves	0.000
Net overspend/(underspend)	(0.477)
Explanation of variation after transfers	
Base Budget	
Employee underspends	(0.100)
Savings on non-essential spend	(0.252)
Other miscellaneous savings	(0.100)
Sub-Total	(0.452)
Savings Not Delivered	
None	
Sub-Total	0.000
Efficiency Target	
Acceleration of target	(0.025)
Sub-Total	(0.025)
Net overspend/(underspend)	(0.477)

Base Budget position

There was an underspend of £0.5m (Month 9 Balanced) made up of the following:

- Employee underspends £0.1m as a result of restructure savings

- Non-essential spend £0.3m underspend: the majority of this is from the Leader's Development budget.
- Other miscellaneous variations £0.1m underspend

The Directorate is reporting a net underspend position of £0.5m at Outturn. This is an improvement of £0.5m since Month 9.

Savings Programme position

The budgeted savings have been fully achieved.

Efficiency Target position

The Directorate has accelerated its efficiency savings to cover its target of £0.025m in the current year as required.

5.9 Dedicated Schools Grant (DSG) net underspend £2.8m (Net overspend £5.1m at Month 9)

5.9.1 The Dedicated Schools Grant (DSG) is a highly prescribed and ring-fenced grant which was budgeted at £661.3m. 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 the table below. The total funding for Birmingham is £1,172.7m, of which £511.4m is currently recouped by the Education Funding Authority (EFA) to directly passport funds to academies and free schools, leaving £661.3m to be funded by the City Council.

	Funding	Less Recoupment	BCC Funding	Outturn	Over/ (Under) Outturn	Over/ (Under) M9
	£m	£m	£m	£m	£m	£m
Schools Block	908.5	(482.9)	425.6	424.3	(1.3)	0.0
High Needs Block	155.7	(28.5)	127.2	129.2	2.0	5.1
Early Years Block	90.7	0.0	90.7	87.6	(3.1)	0.0
Central Services Block	17.8	0.0	17.8	17.4	(0.4)	0.0
Total	1,172.7	(511.4)	661.3	658.5	(2.8)	5.1

5.9.2 The key issues for 2018/19 were as follows:

Schools Block

- There is a £1.3m underspend on the Primary growth fund (Month 9 Balanced). The underspend was mainly due to confirmed primary and secondary school growth fund allocations, which were allocated post December 2018.
- The Directorate is supporting schools with deficits to either come out of deficit and/or stop them increasing. As at 31 March 2018 the net balance on school carry forward was £48.9m, which comprised £60.0m surplus balances and £11.1m deficit balances. As at 31 March 2019 the net balance on the school carry forward was £47.4m, which comprised £60.0m surplus balances and £12.6m 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 table below shows the opening and closing balances of reserves related to the DSG.

	Opening balance 01.04.2018	Closing balance 31.03.2019
	£m	£m
Schools Carry Forward balances	48.9	47.4
High Needs Service Deficit	(13.8)	(16.0)
Other Non-Schools DSG	2.3	7.3
Total	37.4	38.7

High Needs Block

- The level of spend on High Needs is the second main area of concern, which is a concern nationally. At the end of 2017/18 the cumulative deficit on High Needs was £13.8m. The net overspend on High Needs Block for 2018/19 was £2.0m (Month 9 £5.1m), comprises £2.2m overspend on High Needs Service offset by £0.2m in Access to Education. This position has decreased from that reported at Month 9 by £3.1m, due in particular, to the application of the additional Government funding of £3.0m that was announced in December 2018.
- The net overspend of £2.0m in the High Needs Block (Month 9 £5.1m) largely relates to the following:
 - £1.6m in special schools as a result of additional place changes to top-up funding and ESN payments to reflect increased complexity of need (Month 9 £1.3m),
 - £0.8m in post 16 placements (Month 9 £1.8m)
 - £1.0m in independent placement provision primarily due to savings not achievable (Month 9 £1.2m),
 - £1.0m in Resource Base provision (Month 9 £0.9m)
 - £1.0m in mainstream primary, secondary and early year settings (Month 9 £0.7m).
 - There are also £1.0m other minor overspend (Month 9 £0.7m) relating to £0.6m placements in other LAs due to growth and shortage of places and £0.4m in alternative provision.
 - This has been partially offset by saving of £1.2m (no change from Month 9) due to unrealised liabilities from 2017/18 for independent placements (£0.8m) and Post 16 Placements (£0.4m),
 - Additional Government funding (£3.0m)
 - Other minor underspends of £0.2m in this block have been identified (Month 9 £0.2m). The movement is largely due to underspends on premises and equipment costs on Access 2 Education due to a delay in the planned move to new premises.
- The DFE Consultation on the implementation of new arrangements for reporting DSG deficits will require all local authorities with a cumulative overspend on DSG provision in excess of 1% to produce recovery plans detailing the steps they plan to take to provide statutory services within the annual funding envelope. These recovery plans should be

discussed with, and if possible, agreed with, the local schools forum and should look to bring the overall DSG account into balance within a maximum of three years.

- **At 2018/19 out-turn the accumulated deficit on DSG is £8.7m which equates to 0.74% of the total DSG budget. This is below the 1% threshold and therefore the Council does not have to make a formal return to the DFE. However, it recognises the need to reduce the Higher Needs deficit (which is an accumulated deficit of £16m at 2018/19 out-turn), and will be developing a local plan to address this in the coming months.**

Early Years Block £3.1m underspend (Month 9 balanced)

- There has been a significant underspend on Early Years of £3.1m. This has been confirmed late in the financial year due to the late notification from DFE of census information which influences the funding position and was only received mid-March. There has also been a reduction in take up for the past two years, exacerbated by the introduction of working parent conditions. Other savings relate to:
 - Higher 2 year old hours funded compared to those paid,
 - lower levels of deprivation and therefore Free School Meals paid than built into the funding formula.
- It has historically been difficult to forecast the year end position due to these factors and the implementation of the Early Years Single Funding Formula universal rate and introduction of working parents funding from September 2017, which limits the historical trend data available.

Other DSG variances £0.4m underspend (Month 9 balanced)

- Within other DSG spend areas, there is a £0.4m underspend (Month 9 Balanced Position). These relate to Admissions and Placements due to reduced third party costs.

5.10 Corporate Position - Net underspend £6.5m (Net overspend £0.4m at Month 9)

- 5.10.1 After transfers to reserves, the variations in corporate accounts, totalling a net underspend of £6.5m are listed below. This includes non- delivery of savings of £1.8m offset by a base budget underspend of £8.3m. This is an improvement of £6.9m since Month 9.

Base Budget position

Corporate Accounts Outturn	
	£m
Explanation of total outturn variation	
Treasury Management	(5.502)
Dividend Income 2018/19	(0.518)
Reduced Contribution to Business Rates Appeal Reserve	(2.349)
Business Rates Relief extra S31 Grant	(4.017)
Other	(1.369)
Other Corporate Items sub-total	(13.755)
Acivico	4.012
Sub-total Net Corporate underspend	(9.743)
Policy Contingency	(5.182)
Total Corporate Base Budget Variations	(14.925)
Savings Non-Delivery:	
Corporate Structure	0.600
Commercialism	1.082
Workforce Savings- DSG	0.153
Sub-Total Savings Non-Delivery	1.835
Total Corporate Variations before Exceptional Items	(13.090)
Exceptional Item-Cost Incorrectly Charged to HRA in 2017/18	0.818
Exceptional Item-Waste Management dispute	5.764
Total Corporate Variations	(6.508)

5.10.2 There is a Corporate underspend of £8.3m (Month 9 £1.5m underspend) on the base budget position which includes:

- Non-achievement of income of £0.7m related to budgeted Acivico profit share that has proved to be unachievable, and a further £0.1m costs for charges such as archiving and unfunded Highbury Hall costs (no change since Month 9).
- Following the report to Cabinet on 11th December regarding Acivico, it was recognised that there was a pressure of £2.0m for historic issues identified as part of the accounts process, and a pressure of £0.8m relating to the transitional process to move Acivico out of a deficit position (no change since Month 9).
- At outturn, a further pressure of £0.4m has been recognised relating to Acivico.

These have been more than offset by the following:

- As a result of the Government refining calculations relating to compensatory grants due for additional Business Rates Reliefs brought in as part of the Budget and Autumn Statement

2016, the Council will receive a further £2.2m of extra section 31 grants in 2018/19 which can be used to mitigate the corporate pressures described above. The Government made this announcement on 31st October 2018 (no change since Month 9).

- In addition, further section 31 grants of £1.8m are expected as a result of additional Business Rates Reliefs being awarded during the year for which the Council will be compensated.
- The Council's dividend income was £0.5m higher than budgeted (no change since Month 9).
- The Council identified that it could reduce the contribution to the Business Rates Reserves by £2.3m compared to the budget, thus reducing the corporate pressures (no change since Month 9).
- There was an underspend of £5.5m in Treasury Management. This variation is explained within Appendix 3 of the report.
- £1.4m of other net underspends have been identified, mainly related to balance sheet management and other minor variations.
- There was an underspend of £5.2m on Policy Contingency, as described below.

5.10.3 Policy Contingency

There is a proposed transfer to reserves of £2.9m from Policy Contingency for approved funding which will enable projects to be carried out in later years, relating to the following:

- Birmingham Jobs Fund £0.5m- this is to be utilised as match funding for Employment Project in future years
- Youth Strategy £0.1m to fund changes to COG system next year
- Mobile Investment Fund £1.5m required to mitigate potential liabilities
- High Speed 2 college £0.4m to fund potential appeals
- GDPR £0.2m to complete the two year programme of Information Assurance activity
- HR Records and Payments £0.2m: The work has not yet commenced. However the risk remains, and therefore, approval is sought for this to be applied to HR's 2019/2020 budget.

After these proposed transfers to Policy Contingency Reserve, there is a net underspend in Policy Contingency of £5.2m. This primarily relates to.

- Underspend relating to Carbon Reduction Commitment (£0.4m)
- Underspend relating to funding set aside to mitigate loss of income from car park closures (£0.3m)
- Underspends on inflation contingency that was not required in 2018/19 (£3.6m)
- Underspend of (£0.7m) relating to Future Council Improvement funding
- Other policy contingency underspends (£0.1m)
- Underspend of the General Policy Contingency (£0.1m)

Savings Programme

Savings not fully achieved in 2018/19 of £1.9m are set out below:

- Commercialism £1.1m (minor improvement since Month 9): There was a target of £1.2m from Commercialism savings. Only £0.1m was achieved in year. The benefits from the actions currently undertaken have been incorporated in the Financial Plan 2019-2023.
- Review of Senior Structure £0.6m (Month 9 £0.6m): There was a target of £0.6m from the planned review of senior structures. Whilst none of the savings were achieved in 2018/19, plans are in place to deliver ongoing savings of £1.1m in Financial Plan 2019-2023.
- Workforce Savings £0.2m (Month 9 £0.2m): There is non-achievement of £0.2m of Workforce savings that were previously shown against Children and Young People Directorate. It has been established that these savings relate to staff funded by the DSG and therefore cannot be achieved.

Exceptional Item – Waste Strike

- The direct costs that were attributable to the Waste Management dispute amount to £5.8m. These are shown as a corporate pressure due to the exceptional nature of this item.
- Following a review by the Chief Finance Officer, £0.8m of costs that were charged in error to the HRA in 2017/18 that relate to the 2017/18 dispute have been identified and charged back to the General Fund. The corresponding credit is to the HRA. These have also been shown as an exceptional item.

6. Movements since Month 9

The principal areas of change compared with the Month 9 reported position were:

6.1 Base Budget – Net Improvement £8.3m

- Adults - £5.5m net improvement primarily relates to recognising the additional income from central government grant of £5.6m for which expenditure had already been incurred and other net underspend of £1.0m, offset by Additional Health costs of £1.1m. Previous forecasts have prudently allowed for significant growth in demographic pressures.
- Economy - £0.9m net improvements largely relates to £0.6m from the flexible use of Capital Receipts to fund Clean Air Zone expenditure, and £0.3m other net improvements
- Childrens – £0.2 net improvement due to an improvement on Schools Financial Services of £0.3m offset by a net worsening of £0.1m across the Directorate.
- Strategic Services-£1.1m net improvement due to Revenues and Benefits IT projects being delayed until next year (£0.6m), further savings on Business Improvements (£0.4m), and £0.1m other net minor improvements.
- Human Resources - £0.8m net improvement from no longer assuming contributing underspend to reserves for Equal Pay (£0.3m), Career Transitions (£0.1m), Demand Management (£0.2m), and other additional income and vacancy savings (£0.2m).
- Chief Executive and Assistant Chief Executive - £0.5m net improvement due to employee underspends (£0.1m), savings on non-essential spend (£0.3m), and other minor underspends (£0.1m)
- Place - £8.3m net worsening in position due to worsening on Waste Management £7.1m, Homelessness £2.5m due to continued increase in cases, Community Sports £1.0m, Markets £0.2m, offset by savings from not making payment to Library of Birmingham Cyclical Maintenance Reserve (£1.8m) and other variations (£0.7m).
- Finance & Governance - £0.7m improvement relates to higher than anticipated income in Finance, Legal Services and Audit and employee savings in Finance.
- Corporate £6.9m improvement largely due to £5.2m underspend in Policy Contingency, additional grant of £1.8m relating to section 31 grant, a benefit from Balance Sheet management of £1.4m and underspend of £5.5m from Treasury Management. These have been offset by exceptional items related to Waste Management (£6.6m) and the worsening position related to Acivico (£0.4m).

6.2 Savings Non-Delivery – Net Adverse Movement £0.5m

- Economy - £0.1m worsening due to a reduction in the achievement of income from Inreach in 2018/19 only.

- Place - £0.4m worsening due to delay in achieving savings on Community Sports (£1.1m) and Parks Land disposals (£0.2m), offset by improvements in savings delivery on cross-cutting savings (£0.4m), Waste Services Capacity fee (£0.4m), and Pension Strain Costs from Prior Years (£0.1m).

Financial Position analysed by Directorate - budget pressures (including budget savings)

Division of Service Area	FULL YEAR BUDGET			YEAR END			
	Original Budget £'m	M'ments £'m	Revised Budget £'m	Base Budget Pressures / (Savings) £'m	Savings Programme not Delivered £'m	Efficiency Target £'m	Total £'m
Corporate Director	37.222	0.063	37.285	1.341			1.341
Adult Packages of Care	197.179	7.236	204.415	(13.127)			(13.127)
Assessment & Support Planning	35.817	0.903	36.720	(0.752)			(0.752)
Specialist Care Services	31.036	0.490	31.526	1.042			1.042
Adult Social Care & Commissioning	34.979	(8.566)	26.413	0.803			0.803
Public Health	0.000	0.000	0.000	(0.000)			(0.000)
Adults Social Care & Health Directorate	336.232	0.126	336.358	(10.693)	0.000	0.000	(10.693)
Education and Skills	76.408	1.130	77.538	(0.112)			(0.112)
Schools Budgets	(156.117)	(6.555)	(162.672)	0.113			0.113
Children With Complex Needs	108.201	6.420	114.621	1.818	1.300		3.118
Early Help & Childrens Soc Care	0.000	0.000	0.000	0.231			0.231
Business Change	23.055	(0.571)	22.484	(0.936)			(0.936)
Birmingham Children' Trust	183.304	1.110	184.414	(0.099)			(0.099)
Children and Young People Directorate	234.850	1.535	236.386	1.014	1.300	0.000	2.314
Community Sports & Events	5.781	0.238	6.019	0.967	1.119		2.086
Fleet and Waste Management	57.237	2.698	59.935	12.536			12.536
Parks and Nature Conservation	11.600	0.522	12.122	0.135	0.506		0.641
Bereavement Services	(3.404)	0.007	(3.397)	(0.450)			(0.450)
Markets	(1.190)	(0.406)	(1.595)	1.366			1.366
Business Support	1.044	0.002	1.046	0.194			0.194
Equalities, Cohesion & Safety	0.277	(0.076)	0.201	0.124			0.124
Resilience and Services	1.107	0.090	1.197	(0.043)			(0.043)
Regulatory Services	8.125	0.075	8.200	(0.694)			(0.694)
Private Sector Housing	(0.147)	0.004	(0.143)	(0.281)			(0.281)
Neighbourhood Community Services	27.641	0.194	27.835	(2.712)			(2.712)
Birmingham Adult Education	(0.365)	0.031	(0.334)	0.011			0.011
Central Support Costs	14.532	(0.923)	13.609	(0.701)	1.488		0.787
Housing Revenue Account	0.000	0.000	0.000	0.000			0.000
Culture & Visitor Economy	8.463	0.068	8.531	(0.004)			(0.004)
City Centre Management	0.041	0.076	0.117	0.099			0.099
Housing Options	5.106	0.928	6.034	2.485			2.485
Shelforce	(0.164)	0.073	(0.091)	0.092			0.092
Other funds	0.000	0.000	0.000	0.000			0.000
Place Directorate Total	135.687	3.600	139.287	13.126	3.113	0.000	16.239
Planning & Development (City Centre, EZ & BDI)	2.842	0.304	3.145	(0.031)			(0.031)
Planning & Development (Strategy & Planning)	2.541	(0.372)	2.169	(2.138)			(2.138)
Business and Customer	8.008	2.102	10.111	(0.148)		(0.125)	(0.273)
Transportation and Connectivity	46.246	0.900	47.146	(0.992)		(0.381)	(1.373)
Housing Development	(1.343)	0.007	(1.335)	0.021	1.653		1.674
Highways and Infrastructure	40.834	(0.571)	40.263	(1.307)	0.463		(0.844)
Birmingham Property	(6.899)	1.283	(5.616)	1.202	1.774	(0.233)	2.743
Employment Services	0.535	1.451	1.987	(0.187)			(0.187)
GBSLEP Executive	0.000	0.004	0.004	(0.004)			(0.004)
Economy Directorate Total	92.764	5.110	97.873	(3.583)	3.890	(0.739)	(0.432)

Division of Service Area	FULL YEAR BUDGET			YEAR END			
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Delivered	Efficiency Target	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Corporate Strategy	0.231	(0.030)	0.201	0.206		0.000	0.206
Procurement	(2.387)	(0.019)	(2.406)	0.935		(0.022)	0.913
Revenues & Benefits	1.216	0.056	1.272	(1.617)		(0.038)	(1.655)
Core ICT	7.485	(0.347)	7.138	(0.977)	0.000	(0.017)	(0.994)
Customer Services	10.015	0.297	10.312	(0.020)		(0.065)	(0.085)
Communications	1.595	0.003	1.598	(0.257)		(0.010)	(0.267)
Business Improvement	12.131	0.269	12.400	(0.974)		(0.124)	(1.098)
Cityserve	(2.315)	0.033	(2.282)	0.238			0.238
Civic Catering	0.000	0.001	0.001	(0.101)			(0.101)
Birmingham City Labo	0.000	0.000	0.000	0.002			0.002
Strategic Services Total	27.972	0.264	28.235	(2.564)	0.000	(0.276)	(2.840)
Human Resources	6.572	(0.075)	6.498	(1.043)		(0.078)	(1.121)
Human Resources Total	6.572	(0.075)	6.498	(1.043)	0.000	(0.078)	(1.121)
City Finance	8.898	0.250	9.148	0.000			
Birmingham Audit	1.679	0.052	1.731	(1.246)		(0.100)	(1.346)
Business Transformation	39.756	0.072	39.828	(0.120)			(0.120)
Directorate Wide Rec	(30.882)	(0.091)	(30.974)	(0.200)			(0.200)
Shared Services Centre	0.120	(0.119)	0.000	0.000			0.000
Insurance	0.120	(0.119)	0.000	0.034			0.034
Corporate Resources	0.095	0.000	0.095	(0.000)			(0.000)
Major Projects	1.087	2.237	3.324	(0.422)		(0.144)	(0.566)
Business Loans & Other	0.064	0.324	0.388	(0.065)			(0.065)
ACVICO Profit Share	(0.548)	0.300	(0.248)	(0.028)			(0.028)
Legal & Democratic Services	0.497	0.000	0.497	0.096			0.096
Elections Office	5.148	0.068	5.216	(0.260)	0.000		(0.260)
Charities & Trusts	1.618	0.003	1.621	0.154			0.154
	0.051	0.000	0.051	(0.039)			(0.039)
Finance & Governance Total	27.581	3.096	30.677	(2.095)	0.000	(0.244)	(2.339)
Chief Executive & Assistant Chief Executive	3.174	(0.095)	3.079	(0.452)		(0.025)	(0.477)
Chief Executive & Assistant Chief Executive Total	3.174	(0.095)	3.079	(0.452)	0.000	(0.025)	(0.477)
Total Directorate Gross Spending	864.832	13.561	878.393	(6.290)	8.303	(1.362)	0.651
Policy Contingency	11.481	(12.118)	(0.638)	(5.182)	0.000	0.000	(5.182)
Exceptional Item-Cost Incorrectly Charged to HRA	0.000	0.000	0.000	0.818			0.818
Exceptional Item- Waste Strike	0.000	0.000	0.000	5.764			5.764
Other Corporate Items	(21.124)	(1.443)	(22.566)	(9.743)	1.835		(7.908)
Centrally Held Total	(9.643)	(13.561)	(23.204)	(8.343)	1.835	0.000	(6.508)
Net Budget Requirement	855.189	(0.000)	855.189	(14.633)	10.138	(1.362)	(5.857)
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Council (inc HRA & DSG)	855.189	(0.000)	855.189	(14.633)	10.138	(1.362)	(5.857)

	Original Budget 2018/19	Approvals / Adjustments in Voyager	Revised Budget 2018/19
	£'000	£'000	£'000
Car Park Closure Resources	252		252
Carbon Reduction	1,056	(613)	443
National Living Wage	101		101
Autoenrolment in Pension Fund	300		300
Inflation Contingency	5,275	(2,608)	2,667
Highways Maintenance	589		589
Apprenticeship Levy	869	(869)	0
Commonwealth Games Project Team Costs	1,000	(1,000)	0
Future Council Improvement Funding	682		682
WOC2 Implementation Costs	69		69
Subtotal Specific Contingency	10,193	(5,090)	5,103
General Contingency	3,038	(2,959)	79
Total Contingency excluding savings	13,231	(8,049)	5,182
Corporate Structures - savings to be allocated	(600)		(600)
Commercialism - savings to be allocated	(1,150)		(1,150)
WOC savings incorrectly charged to DSG		(153)	(153)
Subtotal Savings	(1,750)	(153)	(1,903)
Total Contingency including savings	11,481	(8,202)	3,279

Directorate Savings Programme – Position at Outturn**Adult Social Care & Health savings not fully delivered**

Savings Reference	Service Area	One off Mitigations £m	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
	Bad Debt	0.350	0.000	0.000	0.000	0.000
	Contracts -PH	1.340	0.000	0.000	0.000	0.000
Grand Total		1.690	0.000	0.000	0.000	0.000

Children & Young People savings not fully delivered

Savings Reference	Service Area	One off Mitigations £m	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
CH4 17+ / MIA3 16+	Education travel	0.000	1.300	1.754	1.974	1.974
Grand Total		0.000	1.300	1.754	1.974	1.974

Place savings not fully delivered

Savings Reference	Service Area	One off Mitigations £m	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
HW2 17+	Review future options for wellbeing centres and community hubs	0.000	0.700	0.000	0.000	0.000
SN26 16+	Discontinue Non Framework Contract at Health and Wellbeing Centres	0.000	0.419	0.000	0.000	0.000
SN6 16+	Waste Disposal Contract	0.000	0.000	(2.500)	(2.500)	(2.500)
SN45 16+	Disposal of unwanted/under utilised parks land (8 acres per year)	0.000	0.200	0.000	0.000	0.000
SN24 16+	Provide above ground mausoleums and vaults	0.209	0.000	0.000	0.000	0.000
PL004	Bereavement Services	0.060	0.000	0.000	0.000	0.000
HN7 17+	Asset and property disposal programme	0.000	0.700	0.000	0.000	0.000
WOC1	Allocation of workforce savings	0.200	0.788	0.000	0.000	0.000
SN32 (16/17)	Income Generation from Cofton Nursery	0.000	0.306	0.000	0.000	0.000
Grand Total		0.469	3.113	(2.500)	(2.500)	(2.500)

Economy savings not fully delivered

Savings Reference	Service Area	One off Mitigations	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
MYR4/HN11/SN 40	InReach Housing Programme	0.000	1.653	1.493	1.011	0.332
SN35 16+	Expansion of City Centre on-street parking, concessions and restrictions	0.000	0.463	0.000	0.000	0.000
CC26 16+	Council administrative buildings reduction	0.626	1.774	1.834	1.544	1.386
Grand Total		0.626	3.890	3.327	2.555	1.718

Strategic Services savings not fully delivered

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Savings Reference	Service Area	One off Mitigations £m	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
CC1 17+ / CC23 16+ / E23 16+	Implementation of ICT & D strategy	4.145	0.000	0.000	0.000	0.000
CC4 17+	Increase advertising income from pavement advertising	0.500	0.000	0.000	0.000	0.000
SS002	Corporate Procurement Services	0.030	0.000	0.000	0.000	0.000
SS002A	Commissioning and Procurement - Bus & Comm Development Team	0.286	0.000	1.000	1.000	1.000
Grand Total		4.961	0.000	1.000	1.000	1.000

Human Resources savings not fully delivered

Savings Reference	Service Area	One off Mitigations £m	2018-19 Non-Delivery £m	2019/20 Shortfall/ (Surplus) £m	2020/21 Shortfall/ (Surplus) £m	2021/22 Shortfall/ (Surplus) £m
WOC1	Allocation of workforce savings	0.204	0.000	0.000	0.000	0.000
Grand Total		0.204	0.000	0.000	0.000	0.000

Finance & Governance savings not fully delivered

Savings Reference	Service Area	One off Mitigations £m	2018/19 Non-Delivery £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m	2021/22 Shortfall / (Surplus) £m
CC13 17+	Impact of reduced numbers of councillors	0.025	0.000	0.000	0.000	0.000
Grand Total		0.025	0.000	0.000	0.000	0.000

Chief Executive & Assistant Chief Executive Directorate: All savings are fully delivered

Corporate savings not fully delivered

Savings Reference	Service Area	One off Mitigations £m	2018-19 Non-Delivery £m	2019/20 Shortfall/ (Surplus) £m	2020/21 Shortfall/ (Surplus) £m	2021/22 Shortfall/ (Surplus) £m
CC001	Review of senior structures	0.000	0.600	0.000	0.000	0.000
SS012	Commercialisation	0.000	1.082	0.000	0.000	0.000
WOC1	Workforce Costs	0.000	0.153	0.206	0.271	0.271
Grand Total		0.000	1.835	0.206	0.271	0.271

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6. Use of Reserves

Annex 5

	Net Budgeted (Use) /Contribution	Changes Approved at Month 9	Other Changes Proposed at Outturn	Consolidation of Reserves	Final Net (Use)/Contri bution
	£m	£m	£m	£m	£m
Adult Social Care & Health					
Originally planned use of iBCF and then reduction in use	(9.3)	6.5			(2.8)
Increase in contribution to iBCF for additional investment in projects that will be required in 2019/20, rather than 2018/19		5.7	3.0		8.7
Contribution to Public Health Reserve			2.3		2.3
Contribution to Syrian Refugee Programme Grant Reserve			0.6		0.6
Use of Better Care Fund Grant Reserve			(1.6)		(1.6)
Adult Social Care & Health-Grants	(9.3)	12.2	4.3	0.0	7.2
TOTAL-Adult Social Care & Health	(9.3)	12.2	4.3	0.0	7.2
Children & Young People					
Use of Assessed & Supported Year in Employment (AYSE) Reserve		(0.1)			(0.1)
Use of 30 Hours Free Childcare Delivery Support Fund Reserve		(0.1)			(0.1)
Contribution to Section 106 Grant Reserve		0.3	(0.1)		0.2
Contribution to DSG Non Schools Reserve			5.0		5.0
Children & Young People-Grants	0.0	0.1	4.9	0.0	5.0
Use of Childrens Trust Reserves	(1.1)	(5.0)			(6.1)
Use of Special Educational Needs Grant Reserves		(1.2)	0.4		(0.8)
Contribution to Schools Financial Services Restructure Reserve to support future pressures on the service and offset potential litigation charges		0.2	(0.2)		0.0
Contribution to Education Welfare Service Fixed Penalty Charge. This reserve is required to fund potential payments to the DfE regarding parents penalty charges			0.1		0.1
DfE Grant-Systems Improvement			0.1		0.1
Arts Connect grant to fund Arts Offer for Children in Care			0.2		0.2
Children & Young People-Other Earmarked	(1.1)	(6.0)	0.6	0.0	(6.5)
Deferring Repayment to Schools Balances	0.6	(0.6)			0.0
Net reduction in Schools Carry Forward Balances			(1.5)		(1.5)
Borrowing from Schools Balances related to High Needs			(2.2)		(2.2)
Transfer of Borrowing from Schools Balances to FRR					0.0
Children & Young People-Schools Balances	0.6	(0.6)	(3.7)	0.0	(3.7)
TOTAL-Children & Young People	(0.5)	(6.5)	1.8	0.0	(5.2)
Place					
Use of Adult Education Lifelong Learning Grant Reserve	(1.8)	(0.2)	(1.2)		(3.2)
Use of Modern Slavery Victim Pathway Pilot Grant Reserve		(0.5)			(0.5)
Use of/Contribution to Historic England Grant Reserve related to Moseley Road Pool			0.1		0.1
Use of/Contribution to MHCLG-Future Parks Grant			0.1		0.1
Use of/Contribution to Controlling Migration Fund Grant			0.1		0.1
Use of/Contribution to Section 106 Reserve	(0.4)		2.2		1.8
Use of/Contribution to Prevent Reserve			0.3		0.3
Place-Grants	(2.2)	(0.7)	1.6	0.0	(1.3)
Use of Local Innovation Fund (LIF) Reserve to fund local projects		(1.0)			(1.0)
Use of Proceeds of Crime Act(POCA) Reserve	(0.1)	(0.2)			(0.3)
Use of Replacement Leisure Booking System			(0.1)		(0.1)
Repayment of Birmingham Museums Trust Loan Guarantee			0.7		0.7
Contribution to Insurance Reserve from proceeds from the claim for the historic barn that burnt down at Manor Farm Park in order to procure replacement		0.3			0.3
Place-Other Earmarked	(0.1)	(0.9)	0.6	0.0	(0.4)
TOTAL-Place	(2.3)	(1.6)	2.2	0.0	(1.7)
Economy					
Clean Air Zone Grant Reserve		(0.2)	0.8		0.6
Contribution to Highways PFI disputed reserve		17.3	32.3		49.6
Contributions to Highways PFI Grant			2.8		2.8
Highways Commuted Sum			0.2		0.2
Work Local Programme			0.1		0.1
Business Development & Innovation Grant			(0.8)		(0.8)
Wider Hospital Master Plan			0.1		0.1
Section 38 Grant Reserves			(0.3)		(0.3)
Repayment of Borrowing from FRR			2.4		2.4
Removal of Highways PFI Borrowing				22.0	22.0
Contribution to Community Infrastructure Levy (CIL)			6.3		6.3
Contribution to Section 106		1.1	1.3		2.4
Use of Unlocking Social and Economic Innovation Together (USE-IT) Grant Reserve		(1.1)	0.6		(0.5)
Other Economy use/contribution	(1.2)	(0.7)	0.2		(1.7)
Highways PFI Reserves transferred from Earmarked to Grant Reserves				6.4	6.4
Economy-Grants	(1.2)	16.4	46.0	28.4	89.6
Highways PFI Reserves transferred from Earmarked to Grant Reserves				(6.4)	(6.4)
Youth Promise Plus		(0.9)	0.6		(0.3)
Bus Lane Enforcement Income Reserve		1.6	(1.2)		0.4
Other Economy use/contribution	(0.6)	(0.1)	0.2		(0.5)
Economy-Other Earmarked	(0.6)	0.6	(0.4)	(6.4)	(6.8)
TOTAL-Economy	(1.8)	17.0	45.6	22.0	82.8

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Annex 5

	Net Budgeted (Use) /Contribution £m	Changes Approved at Month 9 £m	Other Changes Proposed at Outturn £m	Consolidation of Reserves £m	Final Net (Use)/Contri bution £m
Strategic Services					
Use of Core ICT Grant Reserve	(3.1)	(0.2)			(3.3)
Strategic Services-Grants	(3.1)	(0.2)	0.0	0.0	(3.3)
There was a planned repayment of £0.7m to the World Indoor Athletics Reserve. The decision was taken not to repay reserve this year	0.7	(0.7)			0.0
Transfer of World Indoor Athletics Negative Reserve to FRR				1.4	1.4
Not needing to contribute as much as originally planned to Housing Benefit Reserve	0.4	(1.0)			(0.6)
Use of Benefits Transformation Reserve	(0.8)	0.2			(0.6)
Use of Communications (Marketing) Reserve to mitigate reduction in the marketing budget in 18/19	(0.1)				(0.1)
Use of Communications (air quality & recycling campaign) Reserve		(0.1)	0.1		0.0
Contribution to Reserves related to the ICT Landing Team			0.4		0.4
Use of Procurement Reserve to fund strategic priorities and support savings delivery	(0.3)	0.1			(0.2)
Use of HMG Exemplar Reserve to fund the project and secondment funding	(0.2)				(0.2)
Strategic Services-Other Earmarked	(0.3)	(1.5)	0.5	1.4	0.1
TOTAL-Strategic Services	(3.4)	(1.7)	0.5	1.4	(3.2)
Human Resources					
Use of Career Transition Funding Reserve	(0.2)				(0.2)
Use of Improvement Hub Reserve	(0.4)				(0.4)
Contribution to Reserves by Schools HR to fund work needed in relation to Enterprise Resource Program (ERP) and Website Development work. As a traded service Schools HR will need to fund those areas of the project that are specific/unique to schools.			0.4		0.4
Human Resources-Other Earmarked	(0.6)	0.0	0.4	0.0	(0.2)
TOTAL-Human Resources	(0.6)	0.0	0.4	0.0	(0.2)
Finance & Governance					
Contribution to Individual Electoral Registration Grant Reserve		(0.4)			(0.4)
Elections Individual Electoral Registration (IER) Grant		0.2			0.2
Finance & Governance-Grants		(0.2)	0.0	0.0	(0.2)
Finance & Governance is not using a budgeted appropriation from Reserves of £0.9m for the phased introduction of the new structure	(0.9)	0.9			0.0
Contribution of Unidentified Income to Reserve			0.2		0.2
Finance & Governance is also not using a budgeted appropriation from Reserves of £0.3m for Audit	(0.3)	0.3			0.0
Use of Insurance Reserve to fund the forecast excess of claims in year		(0.2)	(1.2)		(1.4)
Use of Reserves to smooth cost of four yearly elections			(0.3)		(0.3)
Finance Birmingham Loan Contingency			0.4		0.4
Finance & Governance-Other Earmarked	(1.2)	1.0	(0.9)	0.0	(1.1)
TOTAL-Finance & Governance	(1.2)	0.8	(0.9)	0.0	(1.3)
Assistant Chief Executive					
Contributing Brexit Funding to Reserves			0.1		0.1
Assistant Chief Executive-Grants	0.0	0.0	0.1	0.0	0.1
TOTAL-Assistant Chief Executive	0.0	0.0	0.1	0.0	0.1

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Annex 5

	Net Budgeted (Use) /Contribution £m	Changes Approved at Month 9 £m	Other Changes Proposed at Outturn £m	Consolidation of Reserves £m	Final Net (Use)/Contrib ution £m
Corporate					
Use of Construction Cost Dispute Reserve not required as income received in 2018/19, rather than in 2017/18, so the income never went in to Reserves.	(4.0)	4.0			0.0
Other budgeted one-off uses of Reserves	(9.2)				(9.2)
Use of FRR to balance the budget and reduction in use due to underspend at year end	(11.6)		5.9		(5.7)
Transfer of World Indoor Athletics Negative Reserve to FRR				(1.4)	(1.4)
Use of Treasury Management Reserve	(1.8)				(1.8)
Use of Invest to Save Reserve	(3.9)				(3.9)
Borrowing from FRR transferred from Highways PFI Reserve				(22.0)	(22.0)
Borrowing from FRR transferred from Schools Balances				(2.1)	(2.1)
Transfer of Airport Dividend to General Balances				0.3	0.3
Transfer of Use of Airport Dividend Reserve to General Balances				0.2	0.2
Transfer of Leasing to General Balances				0.3	0.3
Transfer of Policy Contingency to General Balances				1.2	1.2
Transfer of Business Rates Pilot to General Balances				3.4	3.4
Transfer of Consolidated Reserves to ITS Reserve				6.3	6.3
Corporate-Strategic Reserves	(30.5)	4.0	5.9	(13.8)	(34.4)
Business Rates Top Up Grant that was used in setting the budget for 2017/18 was based on estimated Business Rates Rateable Values used in the Government Calculations for the Final settlement for that year. The 2017/18 Business Rates Top Up Grant was adjusted by Central Government and was included as part of the Final settlement for 2018/19. The Council was made aware of this additional grant of £1.8m towards the end of 2017/18. The Council elected to carry this additional grant forwards to be used in setting the budget for 2018/19.		(1.8)			(1.8)
At the end of 2017/18 there was a £2.1m Corporate contribution to reserves relating to Business Rates compensatory grants which is being used to offset a shortfall as a result of downwards adjustments to these grants by Central Government in 2018/19 following a calculation error on their part. This shortfall became apparent after the budget for 2018/19 was set.		(2.1)			(2.1)
Leasing Adjustment Reserve			0.1		0.1
Planned Contribution to Capital Fund	3.3				3.3
Use of Capital Fund to fund costs related to sale of Innovation Birmingham Group		(0.5)	0.1		(0.4)
Use of Capital Fund to fund residual costs of disposal of the NEC			(0.2)		(0.2)
Planned contribution of £9.3m in relation to Business Rates Reserves. Following a review, the Council now considers it needs to contribute £7.0m Reserves in 2018/19, and is therefore contributing £2.3m less than originally budgeted	9.3	(2.3)			7.0
Contribution to Cyclical Maintenance Reserve	2.6		(1.8)		0.8
Contribution to Commonwealth Games Reserve and reduction to reflect expenditure incurred in this financial year	4.8	(1.5)	(0.4)		2.9
Repayments of Borrowing from Highways PFI Reserve	1.0				1.0
The Council has received £5.4m at the end of 2018/19 related to the redistribution of National Business Rates Levy. This will be taken into Reserves and is assumed within the Financial Plan 2019-2023			5.4		5.4
Borrowing from Schools Balances repaid and borrowed from FRR instead				2.1	2.1
Other Corporate Reserves	21.0	(8.2)	3.2	2.1	18.1
Use of reserve in relation to the Collective Investment Fund held on behalf of the WMCA		(0.2)			(0.2)
use of Policy Contingency Reserves for Economy		(3.9)	2.7		(1.2)
use of Policy Contingency Reserves for CTR-Arts Fund		(0.2)			(0.2)
Policy Contingency Reserves related to the Future Council programme		(0.1)			(0.1)
Policy Contingency-HR Records-The work has not yet commenced. However the risk remains, and therefore, approval is sought for this to be appropriated to 2019/20			0.2		0.2
use of Policy Contingency Reserves for BFI Project			(0.1)		(0.1)
Major Events Subvention			(0.2)		(0.2)
Transfer of Airport Dividend to General Balances				(0.3)	(0.3)
Transfer of Use of Airport Dividend Reserve to General Balances				(0.2)	(0.2)
Transfer of Leasing to General Balances				(0.3)	(0.3)
Transfer of Policy Contingency to General Balances				(1.2)	(1.2)
Transfer of Business Rates Pilot to General Balances				(3.4)	(3.4)
Transfer of Consolidated Reserves to ITS Reserve				(6.3)	(6.3)
Corporate-Other Earmarked	0.0	(4.4)	2.6	(11.7)	(13.5)
TOTAL-Corporate	(9.5)	(8.6)	11.7	(23.4)	(29.8)
GRAND TOTAL	(28.6)	11.6	65.7	0.0	48.7