

# Cabinet (Resources) Panel

## 19 July 2016

**Time** 5.00 pm **Public Meeting?** YES **Type of meeting** Executive

**Venue** Committee Room 4 - Civic Centre

### Membership

**Chair** Cllr Andrew Johnson (Lab)

**Vice-chair** Cllr Roger Lawrence (Lab)

### Labour

Cllr Peter Bilson

Cllr Claire Darke

Cllr Steve Evans

Cllr Val Gibson

Cllr John Reynolds

Cllr Milkinderpal Jaspal

Cllr Sandra Samuels

Cllr Paul Sweet

Quorum for this meeting is five Councillors.

### Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

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# Agenda

## Part 1 – items open to the press and public

*Item No.*    *Title*

1            **Apologies for absence**

2            **Declarations of interest**

### MEETING BUSINESS ITEMS

3            **Minutes of the previous meeting** (Pages 5 - 8)  
[To approve the minutes of the previous meeting as a correct record.]

4            **Matters arising**  
[To consider any matters arising from the minutes.]

### DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

5            **Income Generation Civic Halls** (Pages 9 - 16)  
[To approve the proposal to offer the Visitor Economy Box Office out to tender, in order to generate income in excess of £110,000.]

6            **Civic Halls Improvement Programme**  
[This Report will be sent to Follow.]

7            **Special Educational Needs and Disabilities Implementation Grant** (Pages 17 - 20)  
[To approve the expenditure of £437,000 in 2016/17 to be funded from the Special Educational Needs and Disabilities (SEND) Implementation Grant to fund the Implementation of the Children and Families Act 2014 in relation to high needs disabled children and young people.]

8            **Revenue Budget Monitoring 2016/2017** (Pages 21 - 48)  
[To consider the likely revenue outturn position compared with the council's approved revenue budgets for 2016/17 and related targets]

9            **Exclusion of press and public**  
[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

### PART 2 - EXEMPT ITEMS, CLOSED TO PRESS AND PUBLIC

10          **Procurement - Award of Contracts for Works,**

**Goods and Services** (Pages 49 - 72)

[To award contracts and delegate authority to execute the contracts in respect of the recommendations as required]

Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

11

**Heath Town Regeneration** (Pages 73 - 80)

[To make approvals and delegate authority in respect of the recommendations as required]

Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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## Attendance

### Members of the Cabinet (Resources) Panel

Cllr Andrew Johnson (Chair)  
Cllr Roger Lawrence (Vice-Chair)  
Cllr Claire Darke  
Cllr Steve Evans  
Cllr Val Gibson  
Cllr John Reynolds  
Cllr Milkinderpal Jaspal  
Cllr Sandra Samuels

### Employees

Dereck Francis	Democratic Support Officer
Claire Nye	Chief Accountant

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## Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i>   |
|-----------------|--|
| 1               | <b>Apologies for absence</b><br>Apologies for absence were submitted on behalf of Cllrs Peter Bilson and Paul Sweet.   |
| 2               | <b>Declarations of interests</b><br>No declarations of interests were made.  |
| 3               | <b>Minutes of the previous meeting - 7th June 2016</b><br>Resolved:<br>That the minutes of the previous meeting held on 7 June 2016 be approved as a correct record and signed by the Chair.   |
| 4               | <b>Matters arising</b><br>There were no matters arising from the minutes of the previous meeting.  |
| 5               | <b>Charging Framework - late payment of invoices</b><br>Cllr Andrew Johnson presented a report seeking approval to the introduction of charges for late payment of invoices by commercial organisations. The primary objective of the proposal was to encourage prompt payment.<br><br>Resolved:<br>That the introduction of charges for late payment of invoices be approved. |

**6 Statutory Food Service Plan 2016/17**

Cllr Steve Evans presented, for approval, a draft Statutory Food Service plan for 2016/17. Production of the plan was a statutory requirement. It provided a framework upon which a scrutinising body, such as the Food Standards Agency could conduct an official audit. It also set out, within an overall commitment to quality and continual improvement, the general aims and objectives of the service, the scope and levels of the service and the means by which it is delivered.

Resolved:

1. That the draft 2016/17 Statutory Food Service be approved.
2. That the Service Director for City Environment, in consultation with the Cabinet Member for City Environment, be authorised to approve the final version of the Statutory Food Service Plan for 2016/17.
3. That the requirement to prepare a Food Service Plan be noted.
4. That the impact on the ability to deliver the statutory requirements of the plan of the resource reductions arising from the restructure of the service in 2014 and the measures in place to mitigate the impact of further vacancies be noted.
5. That the positive impact on food safety standards of the development of the food hygiene service following a systems thinking intervention, be noted.

**7 Exclusion of press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

## **Part 2 - exempt items, meeting closed to press and public**

**8 Corporate Asset Management Fund - Future Years Funding from 2017/18 to 2020/21**

Cllr Andrew Johnson presented the report on the development of the Strategic Asset Management Plan and how this would relate and support in the identification of future funding requirements. The report also outlined the critical components that form part of the Corporate Asset Management Fund and explained why they needed to be addressed. It also identified the essential statutory and maintenance works needed for future years, 2017/18 to 2020/21, as it was necessary to implement these priorities to ensure compliance and on-going functionality and operation of the buildings.

Resolved:

1. That the proposed growth in capital funding requirements to be included within the Capital Programme 2015/16 to 2020/21 quarter one outturn report to Full Council in July 2016 and would include the programme of works identified as detailed in Appendix 1 to the report be approved.

2. That subject to 1 above, the proposed programme of works for 2017/18 to 2019/20 as set out in Appendix 1 to the report be approved.
3. That authority be delegated to the Cabinet Member for City Assets in consultation with the Head of Corporate Landlord to initiate works in relation to emergency / priority works preventing building closure, the nature of which would not allow sufficient time to gain normal Council approvals, then to be confirmed through an Individual Executive Decision Notice.

9 **Procurement - award of contracts for works, goods and services**

The recommendations for the award of contracts for works, goods and services were introduced by the relevant Cabinet Member.

Resolved:

1. That authority be delegated to the Cabinet Member for City Housing and Assets, in consultation with the Strategic Director for Place, to approve the award of a contract for the Supply of Electricity to Total Gas and Power Limited of 10 Upper Bank Street, Canary Wharf, London, E14 5BF for up to four years from 1 October 2016 to 30 September 2020 for a total estimated contract value of £24.0 million when the negotiation process is complete.
2. That the framework contracts for Vehicle Accident Repairs be awarded to Autocraft Telford Limited of Unit 1 Hortonwood 33, Telford, Shropshire, TF1 7EX; CMS Hire Limited of 3 Dale Street, Wolverhampton, WV14 7JY; and Interserve Construction Limited of 395 George Road, Erdington, Birmingham, B23 7RZ for a duration of four years from 1 July 2016 to 30 June 2020 for a total estimated contract value of £200,000.
3. That authority be delegated to the Cabinet Member for Children and Young People, in consultation with the Strategic Director for People, to approve the award of a contract for the Intensive Support for Looked After Young People service for up to three years from 1 August 2016 to 31 July 2019 when the evaluation process is complete.
4. That authority be delegated to the Director of Governance to execute contracts in respect of the above as required.
5. That the Exemptions to the Contract Procedure Rules with contract values less than £164,000 that have been approved by the Head of Procurement and Chief Accountant for April to June 2016 be noted.

10 **Heath Town Regeneration - Preparation for Procurement**

Cllr John Reynolds presented a report seeking approval to commence enabling works on Phases 1 and 2 of the Heath Town Regeneration project; to commence the demolition of identified sites to meet the project programme; and to approve the delivery of Affordable Rent Council housing as part of the residential scheme.

Resolved:

1. That the commencement of the enabling works programme and associated costs for phases 1 and 2 of the Heath Town Regeneration project be approved.
2. That the demolition of Hobgate Road garages (225-242), Adventure Playground, associated pedestrian link bridges and walkways, 36 residential premises at 184-288 Chervil Rise, commercial premises at 172-240 Chervil Rise and a GP surgery building be approved.
3. That the proposal to deliver Affordable Rent Council housing as part of the Heath Town scheme at a cost of 12 million to be funded from the Housing Revenue Account capital programme be approved.



# Cabinet (Resources) Panel

## 19 July 2016

<b>Report title</b>	Income Generation – Civic Halls	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keren Jones, City Economy	
<b>Originating service</b>	Visitor Economy	
<b>Accountable employee(s)</b>	Mark Blackstock Tel Email	Head of Visitor Economy 01902 554447 Markblackstock@wolvescivic.co.uk
<b>Report to be/has been considered by</b>		

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended:

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1. To approve the proposal to offer the Visitor Economy Box Office out to tender, in order to generate income in excess of £110,000.

#### 1.0 Purpose

- 1.1 The report summarises the case for procuring the Visitor Economy Box Office service. This seeks to optimise the commercial income of the newly refurbished concert halls, ensuring the venue has the box office and marketing system required for the improved venue and consolidating its new place in the market.

#### 2.0 Background – current position

- 2.1 The Civic Halls current box office sales system is old fashioned, being limited primarily to the production of tickets, marketing data and administration. What is now required is an offer that manages the complete customer journey - from the customer deciding to buy a

ticket, to arriving home after a wonderful show. This journey will include the normal electronic booking systems, marketing systems, Wi-Fi marketing, integrating till systems into the marketing data bank and the capacity to book secondary sales products such as buying a pint of beer, a meal, a car parking space etc.

- 2.2 The Visitor Economy team do not control the distribution of tickets, this is dictated by the organisers of the events. Currently the tickets are sold by our own box office alongside other commercial ticket selling operators. It is expected that the new provider would operate from their call centre, but would also provide outlets at the Civic Hall, Wulfrun Hall, The Slade Rooms and the City's Art Gallery.
- 2.3 Whilst ticket sales are a core activity for any box office service, this only represents around 30% of the modern commercial process, with the other 70% being made up of marketing and publicity activity. The customer data that larger operators have is often in excess of 1 million live email addresses, and a Facebook following in excess of 1 million. Currently the Civic & Wulfrun Halls only has a database of 92,000 email addresses and 12,000 followers on Facebook. In addition to the volume of customers a commercial provider could offer, they also have the ability to tailor their marketing to the customer, which the current system used by the box office does not allow for.
- 2.4 A more commercial box office will lead to faster sales. This is a key factor in a promoter's choice to add more shows at certain venues on a tour. Working with a commercial provider will lead to more events being booked into the venues, increasing the income of the halls.

### **3.0 An improved offer**

- 3.1 A modern service would offer an enhanced experience. Customers could book their whole experience with the service including parking, meals, drinks and merchandise. Some ticket system operators will link up to our till system, marrying the customer ticket buying and product purchasing activity in order to further profile the customer.
- 3.2 The Wi-Fi offer and how that is configured would be included. On new systems we can follow the customer from purchase to their visit to the venue and profile the offer to their specific need. Their processes also allow us to collect the data of their fellow attendees.

### **4.0 Progress, options, discussion, etc.**

- 4.1 A draft Scope for the Contract is attached that sets out the aspirations of what will be delivered under the contract. An open procurement will be carried out to seek a single provider. The tender will be split 60% quality and 40% price.
- 4.2 The quality evaluation will identify clear mandatory criteria as well as seek the best proposal taking into account of their offer in relation to:
  - A modern ticketing service including system infrastructure

- An enhanced CRM (Customer Relationship Management), marketing and publicity package (at their cost)
  - Access to customer data, presumed to be in excess of 1m users
  - An on-site customer service
  - On site box offices at the Civic Hall, Wulfrun Hall, Slade Rooms, Art Gallery
  - Wi-Fi on site for customer marketing and publicity purposes
  - Access control systems – entry ticket scanning
  - Increased events in the venues, resulting from the promoters receiving a world class box office service and being more inclined to use the venues.
  - Bookings fees charged to the customers – cap to be agreed in the contract
- 4.3 The price evaluation will take into account a number of factors but predominantly a percentage of the 'house' (total number of tickets available), (Note it is the promoters of the events that dictate where ticket stock is sold and any agreement will reflect the fact that they have overall control of the allocation of tickets for sale.)
- 4.4 The intention is for the new provider to be in place and operational by September 2016.
- 4.5 All customer data would be owned by both the ticketing provider and the council. Visitor Economy would work closely with Corporate Comms to ensure that the whole council benefits from the Civic Halls marketing approach, supporting the council's aim to improve overall email marketing, helping to improve subscriptions to other sources of info.
- 4.6 Visitor Economy will continue to offer a face to face Visitor Information Service from the Art Gallery reception. This service will be delivered as part of the role of the council staff operating the box office and reception services at the Art Gallery. Any direct tourism costs will be charged to existing tourism budgets. Work is under way to host more detailed destination information on the service's websites, guiding customers to hotels, places to stay and eat etc, offering a more modern way to access visitor information.

## **5.0 Financial implications**

- 5.1 In a normal trading year, the box office income after costs is £100,000 approx.
- 5.2 Market testing suggests that we can expect a box office income of between £110,000 and £140,000, after approximately £10,000 of internal costs, once the halls refurbishment is complete. This is based on conservative estimates in terms of audience and event volumes. Initially the additional anticipated income will go towards repaying the cost of borrowing for additional capital works for the Civic Halls, a more detailed paper about this element will be brought to a future SEB meeting.
- 5.3 The current system generates a marginally higher net income per ticket sold but is 12 years old, and needs to be replaced. Should a decision be made to keep the service in house, this would require significant expenditure in the region of £200,000. In addition to this, the most recent restructure of Visitor Economy has left the service with a minimal box office capacity for the closure period. Any decision not to accept a tender would

mean that additional posts would be needed in order to cope with the demand as the halls reopen.

5.4 The introduction of a modern ticketing system also opens up opportunities for further additional income. Pre-booked car parking is forecasted to offer additional income of £100,000 per annum, with the halls retaining approximately £57,000 of this additional income after covering borrowing costs associated with enhanced car parking provision. The current box office system would not be able to facilitate this service.

5.5 A modern ticketing offer could also draw in significant catering income as audiences grow. Ticket holders will be able to pre-book their evening meal at the Art Gallery. [ES/16062016/C]

## **6.0 Legal implications**

6.1 Procurement and Data protection will be in line with Council's procurement and data protection processes. All data would be retained by the Council and shared with the ticket selling operator. RB/15062016/S

## **7.0 Equalities implications**

7.1 Going out to tender will give the service access to data to gain info on markets we don't currently operate in, therefore broadening our offer. It is proposed to retain the ability for personal callers to purchase tickets. A modern ticketing service comes with a dedicated department for customers to contact when they have specific access needs and requirements. Many large scale ticketing providers have opted into a national system which removes the need for long conversations and proof of disability when booking tickets for events. This service would be of great benefit to our users and would offer them the same booking experience as other ticket bookers.

## **8.0 Environmental implications**

8.1 We are not aware of any implications.

## **9.0 Human resources implications**

9.1 We understand that we can either employ staff direct from some companies, or employ our own.

## **10.0 Corporate landlord implications**

10.1 We are not aware of any implications.

## **11.0 Schedule of background papers**

11.1 Draft Scope of Works 150616

## Scope of works

### Summary – Electronic Journey

The Civic Halls current box office sales system is of the old school, being limited primarily to the production of tickets, marketing data and administration system. It is the wish to develop a complete customer journey from the customer discovering a desire to buy a ticket to arriving home after a wonderful show. This journey will include the normal electronic booking systems, marketing systems, Wi-Fi marketing, integrating till systems into the marketing data bank and the capacity to book secondary sales products such as buying a pint of beer, car park ticket or similar tickets to the ones you normally purchase.

### Venues

There are main three venues, the Civic Hall, Wulfrun Hall, and The Slade Rooms. The Civic Hall and Wulfrun Hall are currently closed as they are being refurbished and will reopen in September 2017 and October 2016 respectively. The proposed capacities are:

- Civic Hall 3550 standing, 2550 seated for the Civic Hall
- Wulfrun Hall 1340 standing, 900 seated
- Slade Rooms 550 standing, and 160 seated

The Civic & Wulfrun Halls reopens in October 2016 until late December 2016, with a temporary capacity of 3000 standing, 2215 seated for the Civic Hall, and 1134 standing and 672 seated in the Wulfrun Hall.

The Council also operates the following venues which it is developing commercial products for:

- City of Wolverhampton Art Gallery
- Bilston Gallery
- Bantock House and park
- Northcote Farm
- Molineux House – Archives
- Various parks and open spaces

Commercial live event product is already programmed for some of these sites.

### Current Activity

The Wolverhampton and Black Country area have a long standing heritage of Rock fans so this market remains strong. Established and cemented in 90s by the vibrant live scene and Blast Off club night, the venues attract a strong contingent of Indie/Alternative music fans.

We know by use of our pure 360 marketing system that our customer base is not confined to local regions, in fact we attract audiences from across the UK and beyond. Email subscribers from London regularly register as our second highest open rate, beating other nearby Cities.

We have an email data bank of 92,000 subscribers.

Currently when we sell tickets 30-40% go to Ticketmaster, 10% to see tickets and the rest sold at home. This can vary show to show and can include smaller agencies. We have access to all data Ticketmaster accumulate through our shows.

In 2014/15 the Box office made a Gross Margin of £156,472 on a sales turnover of £2,830,435.

Our forecasts expect to sell 350,000 tickets per year in the Wulfrun Hall, Slade Rooms and Civic Hall from 2018/19, increasing as the business develops.

### Performances

Genre and industry contacts (music; entertainment; comedy; sport; etc.) – Currently our major promoters are Live nation, SJM Concerts, Metropolis Music, Avalon, AEG, DHP, Off the Kerb, Kilimanjaro, Phil McIntyre's and in-house promoters.

## **Requirements**

The Council is looking for a fully digitised service that is engaging in current technology and social media platforms to access potential demand.

## **Innovation**

The provider is required to bring continuous innovation to the start and during the life of the contract with the purpose of driving up sales and events.

## **Web Technology**

- Web site access to allow complete ticketing
- Development of app's access to allow complete ticketing
- Complete ticketing experience to include booking local parking, venue tickets, advice of future events, book interval drinks, meals, etc.,.

## **Provision of technology at the Civic Halls, Wulfrun Hall and the Slade Room venues to allow:**

- Wifi access at venues to social media and email etc.
- Interface with tills to allow drinks ordering via App's
- Ticketless access using Mobile Apps
- Purchase of Merchandise through Apps

## **Hardware**

Ticket scanning system providing entry using paper or paperless ticketing.

The Council will purchase separately new cash tills after the contract commencement date. – The Council will require the provider to advise the Council on the specification for these machines and any necessary interface arrangements.

Wifi equipment in the Civic Halls, the Wulfrun Hall and the Slade Rooms.

## **Interfaces**

Any systems provided will interface with the Councils Till System (to be purchased).

Car Parking System – A new system is being installed in the Civic Centre car park. This will be an Automatic Number Plate Recognition system allowing prepayment. The Providers system should be able to interface with this system to provide parking ticketing at point of purchasing Theatre ticketing. The advanced ticketing system for car parking will be facilitated by Keyivr, using an updated version of the Parkeon system already in place.

## **Contact Centre**

The Supplier will provided access to their contact centre for enquiries, purchases and complaints.

## **Customer Service**

The provider will excel in its customer service. It will advertise its cancellation and complaints procedure clearly and have quality processes in place to ensure that the standards are met.

The provider will have a rapid mechanism for notifying customers of cancellation of events.

## **Box Office**

The existing Midland Box Office Brand will be retained, this will include all websites and the exiting telephone number.

Provision of ticketing and equipment for the Midland Box Office based within the City of Wolverhampton Art Gallery which will remain operated by Council staff. The Council will provide any phone or internet connection necessary. The provider will give any necessary training to Council Staff.

The box office will continue to provide ticketing for local events offered by others including the V-festival. The V-festival booking fees will be retained by the council to a maximum of 1000 tickets to pay for the community ticketing in Tong and Weston (this is an arrangement between the Council and Roseclaim to compensate for disturbance caused by the event)

Provision of box office facilities at events held and the Civic Halls and the Slade Rooms before, during and after events

### **Policy on disabilities**

Provision of booking service that takes into account customers with special access needs.

### **Marketing and Sales**

The provider shall provide marketing and sales of all events. The provider shall have access to large volumes of relevant customer data and be able to target marketing at individual sectors at our request, reflecting the future events.

The provider will provide future marketing advice as part of their service.

The provider will provide access to new and established event markets to increase the events programme.

### **Ticketing**

The provider will provide:

- Online ticketing of all events
- Contact centre phone ticketing
- Local Box office ticketing of all events

Anti-fraud measures and ability to cancel tickets in the event of fraud

The provider will provide a clear ticketing policy which sets out the conditions in which refunds will be made in the event of a show cancellation or customer complaint.

Council is seeking to increase the number of events by 10% each year of the contract.

### **Sponsorship**

The provider will provide advice and brokerage to enable venue and events sponsorship.

### **Cash Settlement**

The provider will provide ticket sales revenue on a weekly basis.

### **Disaster recovery**

The providers systems shall be robust and available to customers to access 24 hours a day 7 days a week, subject to availability of 98%.

### **Management Information**

The provider will provide a comprehensive set of management information that will include:

- Daily updates on ticket sales
- Information in order to settle each event within half an hour of ticket sales finishing
- Share all customer data. This should include email addresses, post code and age information per event
- Breakdown of marketing carried out and a plan of proposed marketing per event.
- Information on wifi activity per event

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# Cabinet (Resources) Panel

## 19 July 2016

<b>Report title</b>	Special Educational Needs and Disabilities Implementation Grant	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Val Gibson Children and Families	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Linda Sanders - People	
<b>Originating service</b>	All Age Disability and Mental Health	
<b>Accountable employee(s)</b>	Kathy Roper	Head of Commissioning
	Tel	01902 550975
	Email	Kathy.roper@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	PLT	20 June 2016
	SEB	28 June 2016

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the expenditure of £437,000 in 2016/17 to be funded from the Special Educational Needs and Disabilities (SEND) Implementation Grant to fund the Implementation of the Children and Families Act 2014 in relation to high needs disabled children and young people.

## **1.0 Background**

- 1.1 The Children and Families Bill 2013 included proposals to reform provision for children and young people with special educational needs or with disabilities (SEND). Draft clauses regarding SEND provision were published in September 2012, followed in February 2013 by the Children and Families Bill, the draft regulations and the draft Code of Practice. The Children and Families Act became statute in March 2014.
- 1.2 The Department for Education has allocated funds to each local authority as part of the SEND Implementation Grant. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them. Wolverhampton was allocated a total of £237,000 in 2014/15, £157,000 in 2015/16 and £178,000 in 2016/17.

## **2.0 Current Situation**

- 2.1 In preparation for the Joint Area Review the SEND Partnership Board is currently undertaking an evaluation of local provision and the implementation of the reforms. The allocation of the SEND grant has therefore been prioritised to support key strategic activity and to enhance areas that need to be developed.
- 2.2 The SEND Partnership Board agreed that a key funding priority is the continued financial support of the Special Educational Needs (SEN) team undertaking the conversions from Educational Statements to Education Health and Care Plans (EHCP), and the support for co-production with young people and carers.
- 2.3 The Partnership Board also recognises the burden being experienced by partners in the delivery of the SEND reforms and is committed to collaborative working to deliver personalised Education, Health and Care (EHC) plans. In order to progress this area members of the partnership Board were able to bid for funds from the Implementation Grant. The bids were evaluated and proposed funding allocations as set out below.

## **3.0 Financial Implications**

- 3.1 Wolverhampton Council have been awarded a grant of £178,000 for 2016/17 and along with unallocated grant of £259,000 give £437,000 available for Special Educational Needs reform.
- 3.2 Table 1 below outlines the activities that need to be undertaken to successfully implement the programme in the required timescales.

**Table 1**

Activity	Recommended Budget
	2016/17 £000
Continuation of Conversion activity by SEN service	170
Co-production with families through Voice 4 parents	17
Additional case worker time to support the new duties of the Information Advice and Support Service	10
To support increased demand experienced by Royal Wolverhampton Trust (RWT) for clinical services as part of the conversion program	50
To respond to increased demand for Educational psychology as part of the conversion program	60
Supporting young people's co-production via Changing Young Lives	5
Support to respond to increased demand for Connexions services as part of the conversion process	20
Support to respond to increased demand for City of Wolverhampton College services as part of the conversion process	20
Support for the on-going development of the SEND Partnership Board, e.g. Partnership Events, conferences etc	7
SEND Strategy Implementation	78
Total	437

[AS/14062016/S]

[GS/01072016/Q]

#### **4.0 Legal Implications**

4.1 There are legal implications associated with this report as there are statutory responsibilities on the local authority to implement the key elements of the Children and Families Act 2014.

[Legal Code: TS/07072016/M]

#### **5.0 Equalities Implications**

5.1 This report has equalities implications as it relates to disabled children and young people. Although there are national challenges, locally we know that the number of children growing up in the city will be increasing by approximately 1000 children to 64,200 over the next ten years. 4.9% of these children will have some form of disability. Up to 10% of children will have some type of learning difficulty or disability, one in 100 children will be diagnosed with an autistic spectrum condition, of which 50% will also have some degree of learning disability. The SEND Grant is designed to support the Local Authority to implement the SEND reforms and to enable disabled children to have access to mainstream and specialist services to support their development. The policy and the grant process has been subject to equalities analysis.

## **6.0 Environmental Implications**

6.1 There are no environmental implications associated with this report.

## **7.0 Human Resources Implications**

7.1 There are human resource implications associated with this report as the Implementation Grant is being used to increase staffing capacity in the Information Advice and Support Service as it take on its new duties to provide information advice and guidance to disabled children and young people. All relevant human resource processes will be followed to establish and fill the posts.

## **8.0 Corporate Landlord Implications**

8.1 There are no corporate landlord implications associated with this report.

## **9.0 Schedule of Background Papers**

9.1 There are no background papers.

# Cabinet (Resources) Panel

## 19 July 2016

<b>Report title</b>	Revenue Budget Monitoring 2016/17	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Director of Finance 01902 554410 <a href="mailto:mark.taylor@wolverhampton.gov.uk">mark.taylor@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Strategic Executive Board Confident Capable Council Scrutiny Panel	8 July 2016 14 September 2016

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### Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of £436,000 from the Transformation Reserve to fund various transformation priorities as detailed at section 4.3.2.
2. Approve the use of £762,000 from the Efficiency Reserve to fund various efficiency priorities as detailed at section 4.3.3
3. Approve the use of £256,000 from the Regeneration Reserve to fund various regeneration priorities as detailed at section 4.3.4
4. Approve the write off of three sundry debts totalling £34,091.28 as detailed in Appendix F.
5. Approve three virements totalling £184,000 detailed in Appendix G.

## **Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

1. The projected outturn for the General Fund for 2016/17 is in line with the approved net budget requirement of £217.4 million.
2. That projected redundancy costs, including the cost of pension strain totalling £3.0 million are included in the forecast outturn. The projected costs are subject to change dependent upon the actual redundancies approved by year end. It is anticipated that underspends against the central provision for auto-enrolment and pay award costs will offset the cost of redundancies at this stage, however the allocation of capital receipt flexibility to transformational projects in 2016/17 is currently under review with the potential for redundancy costs and the costs of other transformational projects to be met in this way. Cabinet and Council will be presented with an update on the use of capital receipts to transformational projects over the forthcoming months. In the event that the use of capital receipts replaces previously approved specific reserve drawdowns, an update will be provided to Cabinet and Council.
3. That 2,070 sundry debt accounts totalling £679,754.52 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
4. That 413 council tax accounts totalling £135,981.75 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 30 non domestic rates accounts totalling £94,149.12 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 39 housing benefit accounts totalling £5,993.82 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That a £15.5 million surplus on the Housing Revenue account (HRA) is projected compared with a budgeted surplus of £14.9 million as shown at table 7 and in detail at Appendix H. The projected increased surplus of £594,000 will be used to redeem debt in line with the HRA Business Plan.

## 1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with a projection of the likely revenue outturn position for the General Fund and Housing Revenue accounts, compared with the Council's approved revenue budgets for 2016/17.

## 2.0 Summary

- 2.1 Overall, the General Fund projected outturn is currently forecast to be in line with the net budget requirement of £217.4 million, as analysed in Table 1 below.

**Table 1 – 2016/17 General Fund Revenue Budget Projected Outturn**

	Net Controllable Budget 2016/17 £000	Projected Outturn 2016/17 £000	Projected Variation Over/(Under)	
			£000	%
People	116,741	117,333	592	0.51%
Corporate	57,391	56,678	(713)	-1.24%
Place	41,985	41,756	(229)	-0.55%
Education	1,233	1,583	350	28.39%
<b>Net Budget Requirement</b>	<b>217,350</b>	<b>217,350</b>	-	<b>0.00%</b>
Government Grant (General)	(94,154)	(94,154)	-	0.00%
Council Tax	(86,036)	(86,036)	-	0.00%
Business Rates	(37,805)	(37,805)	-	0.00%
Collection Fund Deficit	2,237	2,237	-	0.00%
Business Rates Equalisation Reserve	(1,592)	(1,592)	-	0.00%
<b>Total Resources</b>	<b>(217,350)</b>	<b>(217,350)</b>	-	<b>0.00%</b>
<b>Net Budget (Surplus) / Deficit</b>	-	-	-	<b>0.00%</b>

- 2.2 The Council continues to be faced with a challenging projected financial position over the medium term, and significant budget reduction and income regeneration proposals are required in order to achieve a robust financial position. The Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20 approved by Full Council on 2 March 2016 identified that the Council is now faced with finding further budget reduction and income regeneration proposals totalling £54.6 million over the three year period to 2019/20. It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £37.4 million over the four year period to 2019/20.
- 2.3 A report will be presented to Cabinet on 20 July 2016, which will detail the outcome of work that has been in progress across all areas of the Council to identify budget reduction and income generation targets to deliver the strategy of identifying £22.2 million for 2017/18.

- 2.4 An update on the General Fund budget risks is provided at section 5. Overall the risk for 2016/17 is currently assessed as Amber, it is important to note, however, that it is very early in the year and the Council has significant budget reductions to deliver and income to achieve.
- 2.5 It is important to note that projected redundancy costs, including the cost of pension strain, totalling £3.0 million are included in the forecast outturn. It is anticipated that underspends against the central provision for auto-enrolment and pay award costs will offset the cost of redundancies. The projected costs are subject to change dependent upon the actual redundancies approved by year end.
- 2.6 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of this panel. There are three virements that require approval in this report as detailed in Appendix G.
- 2.7 The most significant factors contributing towards the projected net underspend against the budget are reported on a service-by-service basis in section 3 below.
- 2.8 The forecast outturn position for the Housing Revenue Account is a surplus of £15.5 million, compared to a budgeted surplus of £14.9 million. The projected additional surplus of £594,000, which is mainly as a result of additional income from garages, will be used to redeem debt to comply with the Council's approved HRA Business Plan.

### 3.0 General Fund Revenue Budget Monitoring: Service Analysis

#### 3.1 People

- 3.1.1 A summary of the projected outturn against the People 2016/17 revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix A.

**Table 2 – 2016/17 Revenue Budget Projected Outturn - People**

	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	Projected Variation	
			Over/(Under)	
			£000	%
Strategic Director	2,465	2,509	44	1.78%
Older People	28,344	29,346	1,002	3.54%
Disability & Mental Health	39,040	40,552	1,512	3.87%
Children & Young People	46,892	44,926	(1,966)	-4.19%
Public Health & Wellbeing	-	-	-	0.00%
<b>People Total</b>	<b>116,741</b>	<b>117,333</b>	<b>592</b>	<b>0.51%</b>

- 3.1.2 Overall a net overspend of £592,000 (0.51%) is projected for the year. The main factors contributing towards this forecast overspend are:



1. **Older People** - There is a forecast overspend of £1.0 million for Older People Services mainly as a result of pressures on care purchasing budgets particularly in residential, nursing and domiciliary care (£1.1 million). This is offset partially by a projected underspend against Community Recreation services as a result of staff vacancies (£138,000).
2. **Disability & Mental Health** - There is a forecast overspend of £1.5 million mainly due to projected overspends for Children's Special Educational Needs arising from Out of City placements across independent schools and External Placements Panel (£1.3 million) and the effect of slippage in closure of internal provision against full year budget reduction targets for in-house provision (£370,000). These overspends are partially offset by a projected underspend for Physical Disabilities Assessment & Care Management as a result of early achievement of budget reduction proposals (£382,000).
3. **Children & Young People** - There is a forecast underspend of £2.0 million for this service which has arisen primarily as a result of an underspend within the Looked after Children service (£1.6 million) and a delay in recruiting to new posts within the Early Intervention Service (£200,000).

3.1.3 It is important to note that it is early in the financial year, and the People Directorate will seek to manage budget issues within their budget during the year.

## 3.2 Corporate

3.2.1 A summary of the projected outturn against the Corporate 2016/17 revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix B.

**Table 3 - 2016/17 Revenue Budget Projected Outturn - Corporate**

	2016/17 Controllable Budget	2016/17 Forecast Outturn	Projected Variation	
			Over/(Under)	
			£000	%
Managing Director	632	632	-	0.00%
Corporate Services	25,696	25,474	(222)	-0.86%
Governance	5,138	5,276	138	2.69%
Corporate Budgets	25,925	25,296	(629)	-2.43%
<b>Corporate Total</b>	<b>57,391</b>	<b>56,678</b>	<b>(713)</b>	<b>-1.24%</b>

3.2.2 Overall a net underspend of £713,000 (-1.24%) is projected for the year. The main factors contributing towards the forecast underspend are:

1. **Corporate Services** - This budget is forecast to underspend by £222,000, primarily as a result of vacant posts across the Organisational Development service.
2. **Governance** - An overspend of £138,000 is currently forecast against this budget as a result of a shortfall against markets' income for 2016/17.
3. **Corporate Budgets** - Overall there is a projected underspend of £629,000 against this budget. Within this budget there is a forecast net underspend of £886,000 against the Treasury Management budget primarily due to a reduced forecast borrowing need in year arising as a result of re-phasing in the capital programme and changes in interest rates.

In addition to this, projected redundancy costs including the cost of pension strain totalling £3.0 million are included in the forecast outturn. The projected costs are subject to change dependent upon the actual redundancies approved by year end. It is anticipated that underspends against the central provision for auto-enrolment and pay award costs will offset the cost of redundancies at this stage, however the allocation of capital receipt flexibility to transformational projects in 2016/17 is currently under review with the potential for redundancy costs to be met in this way. Cabinet will be presented with an update on the allocation of capital receipts to transformational projects over the forthcoming months.

### 3.3 Place

- 3.3.1 A summary of the projected outturn against the Place 2016/17 revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix C.

**Table 4 – 2016/17 Revenue Budget Projected Outturn - Place**

	2016/17 Controllable Budget	2016/17 Forecast Outturn	Projected Variation	
			Over/(Under)	
			£000	%
Strategic Director	479	479	-	0.00%
City Economy	5,927	5,927	-	0.00%
Corporate Landlord	9,993	9,777	(216)	-2.16%
Housing	1,788	1,795	7	0.39%
City Environment	23,798	23,778	(20)	-0.08%
<b>Place Total</b>	<b>41,985</b>	<b>41,756</b>	<b>(229)</b>	<b>-0.55%</b>

- 3.3.2 Overall a net underspend of £229,000 (-0.55%) is projected for the year. The main factors contributing towards this underspend are:

1. **Corporate Landlord** - A £216,000 underspend is currently forecast mainly as a result of underspends on non-domestic rates and energy costs (£153,000).

### 3.4 Education

- 3.4.1 A summary of the projected outturn against the Education 2016/17 revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix D.

**Table 5 – 2016/17 Revenue Budget Projected Outturn - Education**

	2016/17 Controllable Budget  £000	2016/17 Forecast Outturn  £000	Projected Variation	
			Over/(Under)	
			£000	%
Education	1,233	1,583	350	28.39%
<b>Education Total</b>	<b>1,233</b>	<b>1,583</b>	<b>350</b>	<b>28.39%</b>

- 3.4.2 Overall a net overspend of £350,000 (28.39%) is projected for the year. This is largely due to a projected overspend within the Special Schools home to school transport budget (£330,000) which is currently being independently reviewed.

### 4.0 Reserves and Balances

- 4.1 As a result of a £3.6 million special dividend from Birmingham Airport, a £3.4 million underspend within the Children & Young People service arising as a result of the success of the early intervention programme, in addition to the prudent approach to spending adopted by all budget managers to generate budget reductions in 2015/16, a net underspend of £9.4 million against the General Fund revenue budget for 2015/16 will be reported to Cabinet on 20 July 2016. As will also be reported to Cabinet on 20 July in the Reserves, Provisions and Balances 2015/16 report, it is proposed that £9.4 million be transferred into specific reserves to fund future transformational projects, costs anticipated to arise as a result of business rate appeals and redundancy costs. Subject to statutory audit and the necessary approvals by Cabinet, at the beginning of 2016/17 the balance held within the General Fund reserve, therefore, remains unchanged at £10.0 million.
- 4.2 This report projects at this stage that during 2016/17, the City of Wolverhampton Council will spend in line with the approved budget for 2016/17. However, in those individual areas where overspends are currently projected, budget managers will seek to identify and manage these during the year to ensure that services outturn at least within budget.

### **4.3 Other Transfers to/from Earmarked Reserves**

4.3.1 Approval is sought from this meeting for a number of other transfers to/from earmarked reserves, as set out in the following paragraphs. In the event that the use of capital receipts replaces previously approved specific reserve drawdowns as a result of the new capital receipts flexibilities announced by central government, an update will be provided to Cabinet and Council.

#### **4.3.2 Transformation Reserve**

Approval is sought from this meeting for the use of £436,000 from the Transformation Reserve, as shown below, to fund one-off expenditure:

1. Fleet services to support the operational management review (£16,000);
2. The cost of 2 x Business Analysts and 2 x Qlik View Developers (£215,000);
3. 4 x HR Support Assistants to undertake changes and amendments to Agresso (£100,000);
4. A review of home to school transport demand management (£45,000) and
5. A fixed term Transforming Adult Social Care Manager post (£60,000).

#### **4.3.3 Efficiency Reserve**

Approval is sought from this meeting for the use £762,000 from the Efficiency Reserve, as shown below, to fund one-off expenditure:

1. The undertaking of a post 16 education review (£96,000);
2. A project to accelerate the delivery of priority developments within Education for Academy conversions (£44,000);
3. A Business Change Manager and Data Analyst for 12 months to support the Children's Transformation service, in particular, leading in reducing the number of LAC (£160,000);
4. A Fostering Events and a Marketing Officer and associated marketing budget for a two year period to support the work of the Fostering Team and increasing the number of internal new foster carers (£124,000) and
5. A dedicated team within Disabilities and Mental Health Assessment and Care Management to undertake outstanding reviews, promote independence, improve the outcomes for individuals and secure efficiencies (£338,000).

#### **4.3.4 Regeneration Reserve**

Approval is sought from this meeting for the use £256,000 from the Regeneration Reserve, as shown below, to fund one-off expenditure:

1. Feasibility work on the East Park Gateway development (£80,000);
2. Feasibility work in conjunction with Wolverhampton University on the creation of a city centre arts park (£31,000) and

3. The appointment of architects to design schemes for the new housing company in advance of set up (£145,000).

## **5.0 General Fund Budget Monitoring – Risk Management**

- 5.1 The overall level of risk associated with the budget 2016/17 is assessed as Amber, it is important to note, however, that it is very early in the year and the Council has significant budget reductions to deliver and income to achieve. The six main areas of risk are summarised in the table at Appendix E.

## **6.0 Revenue Budget Monitoring – Schools’ Budgets**

- 6.1 Schools received budget settlements for 2016/17 on the 26 February 2016. For 2016/17 the overall schools’ budget as funded by the Dedicated Schools Grant (DSG) was again protected at ‘cash flat per pupil’, meaning that every local authority has received the same per pupil amount as it did in 2015/16. The budget setting round for 2016/17 was particularly challenging as there were increasing pressures on the DSG through additional needs from the special needs spectrum of education provision. In addition national changes in the basis for identifying pupils from deprived areas caused significant turbulence in schools settlements.
- 6.2 In meeting the minimum funding requirements set out in regulations and the increases in demand for out of city and post 16 special needs provision, additional resources of £475,000 were allocated over and above the 2016/17 DSG allocation of £208.8 million. This will be recovered from 2017/18 DSG funding.
- 6.3 The government has announced that from 2017/18 local authorities will be funded on the basis of a national funding formula. An initial consultation document on the principles of, and factors to be included in, a new national formula was issued in March 2016 and a second consultation on the values and weightings to be used with illustrations of impact on individual Authorities and its schools has been promised for later in the year. It is not yet possible to quantify the impact this will have on the Local Authority’s settlement for 2017/18.
- 6.4 At the time of writing three schools have yet to submit budget plans for 2016/17 but based on the submissions received to date estimated balances for the end of 2016/17 are projected by schools to be £5.5 million as shown by sector in the table below. This represents a planned reduction of £7.4 million on the balances held at the end of 2015/16 across the phases as follows:

**Table 6 – Projected Movement on Schools’ Balances 2016/17**

Sector	Balances as at 31 March 2016 £000	Use of Balances in 2016/17 £000	Balances as at 31 March 2017 £000
Secondary	(176)	3	(173)
Primary	(7,536)	3,896	(3,640)
Junior	(579)	299	(280)
Infant	(489)	183	(306)
Nursery	(1,427)	1,127	(300)
Special	(1,360)	603	(757)
Pupil Referral Units	(1,325)	1,294	(31)
<b>Total</b>	<b>(12,892)</b>	<b>7,405</b>	<b>(5,487)</b>

## 7.0 Debt Write Offs

- 7.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 7.2 **Sundry Debtors** - Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council’s best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.
- 7.3 Overall, 2,073 debt write offs totalling £713,845.80 have been incurred since the last budget monitoring report was submitted to the Panel. All but three valued at £34,091.28 in total, which require the approval of this Panel (see Appendix F), have been approved for write off by the Director of Finance in accordance with the Council’s Financial Procedure Rules.
- 7.4 **The Collection Fund** - The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.
- 7.4.1 **Council Tax** - Overall, 413 debt write offs totalling £135,981.75 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council’s Financial Procedure Rules.
- 7.4.2 **Non-Domestic Rates** - Overall, 30 debt write offs totalling £94,149.12 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council’s Financial Procedure Rules.

- 7.5 **Housing Benefits** - Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.
- 7.6 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 7.7 Overall 39 write offs totalling £5,993.82 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

## 8.0 Housing Revenue Budget Monitoring

- 8.1 The table below shows the latest forecast revenue outturn against budget for the Housing Revenue account (HRA). The forecast outturn position for the year is a surplus of £15.5 million, compared to a budgeted surplus of £14.9 million. The projected additional surplus of £594,000 will be used to redeem debt to comply with the Council's approved HRA Business Plan.

**Table 7 – Housing Revenue Account Projected Outturn 2016/17**

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(98,400)	(98,946)	(546)
Total expenditure	70,245	70,197	(48)
Net cost of HRA services	(28,155)	(28,749)	(594)
Interest payments etc.	13,273	13,273	-
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(14,882)	(15,476)	(594)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	14,882	15,476	594
<b>Balance for the year</b>	-	-	-

- 8.2 The main variance is £546,000 on income for garages. The initial 2016/17 budget was based on a prudent estimate of income due to work still to be completed around the transfer of privately rented garages to the General Fund. Following a review of garage numbers and the financial viability linked to the valuation this transfer will not now be

progressed. The income is forecast to be at similar levels to 2015/16 and will now accrue to the HRA.

## **9.0 Financial Implications**

9.1 The financial implications are discussed in the body of the report.  
[RT/07072016/O]

## **10.0 Legal Implications**

10.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.  
[TS/07072016/X]

## **11.1 Equality Implications**

11.1 This report provides details of the projected outturn for 2016/17. The necessary equalities analyses were carried out as part of the preparations for setting the 2016/17 budgets, and will similarly form part of the requisite pre-work for 2017/18.

## **11.0 Environmental Implications**

12.1 A range of services focused upon the Council's environmental policies is supported through revenue budgets reviewed in this report. Changes in levels of funding will be considered as such changes are proposed.

## **13.0 Background Papers**

Revenue Budget Outturn 2015/16, report to Cabinet, 20 July 2016.

Reserves, Provisions and Balances 2015/16, report to Cabinet, 20 July 2016.

Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 20 July 2016.

Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20, report to Full Council, 2 March 2016.



Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Strategic Director People</b>				
Strategic Director	290	291	1	
Safeguarding	2,175	2,218	43	
<b>Sub Total Strategic Director People</b>	<b>2,465</b>	<b>2,509</b>	<b>44</b>	
<b>Older People</b>				
Service Director	264	264	-	
Business support	31	31	-	
Carers Support	1,399	1,399	-	
ILS, Telecare & Adaptations	2,681	2,635	(46)	
Older People Assessment & Care Management	15,529	16,658	1,129	Forecast overspend relates to pressures across care purchasing budgets
Older People Provider Management	4,272	4,318	46	
Welfare Rights & Financial Assessment	1,555	1,555	-	
Housing	993	993	-	
Community Recreation	265	127	(138)	Savings on vacancies across the service
Library Service	1,355	1,366	11	
<b>Sub Total Older People</b>	<b>28,344</b>	<b>29,346</b>	<b>1,002</b>	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Disability &amp; Mental Health</b>				
Service Director	177	177	-	
Better Care Fund	-	-	-	
Children's Disabilities Commissioning	75	71	(4)	
Disabilities In-House Provision	5,098	5,468	370	Effect of slippage in closure of internal provision against full year savings targets
Emergency Duty Team	456	547	91	
Mental Health Assessment & Care Management	4,372	4,493	121	Overspend on care purchasing due to slippage on the implementation of savings proposals
Mental Health Commissioning	899	896	(3)	
Short Breaks	374	378	4	
Children With Disabilities	2,088	2,033	(55)	
Learning Disabilities Assessment & Care Management	17,923	18,070	147	Overspend on care purchasing due to slippage on the implementation of savings proposals
Physical Disabilities Assessment & Care Management	5,276	4,894	(382)	Early achievement of savings proposals
All Age Disability & Joint Commissioning Young Adults	2,383	2,301	(82)	
SEN	(81)	1,224	1,305	Overspend arising from Out of City placements across independent schools and EPP funded from Dedicated Schools Grant
<b>Sub Total Disability &amp; Mental Health</b>	<b>39,040</b>	<b>40,552</b>	<b>1,512</b>	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Children &amp; Young People</b>				
Service Director	(134)	(143)	(9)	
Early Years	497	497	-	
Early Intervention	4,187	3,987	(200)	Staffing Vacancies one-off savings due to delays in recruiting to new posts as a result of the Children's Re-Design Restructure implementation.
Child Protection	6,469	6,279	(190)	Savings due to Contact contract.
Children Commissioning	1,966	1,966	-	
Specialist Support	2,654	2,654	-	
Looked-After Children	29,252	27,685	(1,567)	Pooled Budget underspend £148,000. Offset by reduction in income from SEN £38,000 and the CCG £58,000 in relation to pooled budget reduction in costs, in addition to £1.6 million placement savings linked to the Children's Transformation work
Psychology	747	747	-	
Youth Offenders Team	1,254	1,254	-	
<b>Sub Total Children &amp; Young People</b>	<b>46,892</b>	<b>44,926</b>	<b>(1,966)</b>	

Revenue Budget Monitoring - People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Public Health &amp; Wellbeing</b>	-	-		
Public Health - Service Director	-	-	-	
Public Health - Support Costs	-	-	-	
Public Health - Healthier Places	-	-	-	
Sport & Leisure Trust	-	-	-	
Public Health - Commissioning	-	-	-	
Public Health - Contracts	-	-	-	
Public Health - Health Protection & NHS Facing	-	-	-	
Public Health - Intelligence & Evidence	-	-	-	
Public Health - Sports Development	-	-	-	
Public Health - Transformation	-	-	-	
Business Continuity & Emergency Planning	-	-	-	
Community Safety	-	-	-	
<b>Sub Total Public Health &amp; Wellbeing</b>	-	-	-	
<b>Total People Directorate</b>	<b>116,741</b>	<b>117,333</b>	<b>592</b>	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Managing Director</b>	<b>632</b>	<b>632</b>	-	
<b>Corporate Services</b>				
Director of Finance	176	176	-	
Audit Services	1,936	1,936	-	
Corporate Financial Management	4,180	4,180	-	
Corporate Management	854	854	-	
Revenues and Benefits	2,845	2,845	-	
Housing Benefits Payments	(452)	(452)	-	
Strategic Finance	2,514	2,514	-	
The Hub	1,770	1,770	-	
Commercial Services	608	608	-	
Communications and Marketing	625	625	-	
Customer Services	1,581	1,581	-	
ICTS	4,460	4,417	(43)	
Organisational Development	3,069	2,882	(187)	An underspend is forecast as a result of vacant posts across the service, some of which will contribute to existing and new future budget reduction proposals.
Leisure	1,530	1,538	8	
<b>Sub Total - Corporate Services</b>	<b>25,696</b>	<b>25,474</b>	<b>(222)</b>	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Governance</b>				
Director of Governance	158	158	-	
Democratic Services	2,211	2,211	-	
HR Advice	1,446	1,446	-	
Legal Services	2,177	2,177	-	
Markets	(856)	(718)	138	Projected shortfall in income
Licensing	(448)	(448)	-	
Other Governance Services	450	450		
<b>Sub Total - Governance</b>	<b>5,138</b>	<b>5,276</b>	<b>138</b>	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Corporate Budgets</b>				
West Midlands Transport Authority Levy	11,380	11,380	-	
Environment Agency Levy	67	67	-	
Provision for Bad Debts	200	200	-	
Treasury Management Budgets	13,747	12,861	(886)	This underspend is mainly due to a reduced forecast borrowing need in year arising as a result of slippage in the capital programme and changes in interest rates.
Contribution from the Budget Contingency Reserve with regards to BSF Re-financing	(4,200)	(4,200)	-	
Birmingham Airport - Rent	(69)	(69)	-	
Central Provision for Auto-enrolment and Pay Award Costs	4,631	1,881	(2,750)	Projected underspend against the central provision for auto enrolment and pay award costs. Early indications suggest that this contingency will not be required in full in this financial year, however, budget provision will be needed in future years. The underspend against this budget will help to offset the cost of redundancy anticipated for this financial year.

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Corporate Budgets</b>				
Cross-cutting Savings Proposals	(2,136)	(2,136)	-	Cross cutting budget reductions held corporately to be distributed during the year in accordance with existing delegations in the Constitution.
Other Corporate /Transformation Budgets and Contingencies	2,305	2,312	7	
Net Redundancy Costs	-	3,000	3,000	Projected redundancy payments during 2016/17, the costs of which may vary significantly during the year, depending on the profile of employees who take redundancy.
<b>Sub Total Corporate Budgets</b>	<b>25,925</b>	<b>25,296</b>	<b>(629)</b>	
<b>Total Corporate</b>	<b>57,391</b>	<b>56,678</b>	<b>(713)</b>	



Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Strategic Director Place</b>	<b>479</b>	<b>479</b>	-	
<b>City Economy</b>				
Service Director - City Economy	136	136	-	
Adult Education	(151)	(151)	-	
City Development	549	549	-	
Enterprise	691	691	-	
Planning	833	833	-	
Skills	2,250	2,250	-	
Visitor Economy	1,619	1,619	-	
<b>Sub Total City Economy</b>	<b>5,927</b>	<b>5,927</b>	-	
<b>Corporate Landlord</b>				
Head of Corporate Landlord	283	283	-	
Asset Management	8,450	8,297	(153)	Savings on energy and NNDR
Capital programme	(195)	(172)	23	
Catering	(1,504)	(1,384)	120	Shortfall on income savings target
Cleaning	1,317	1,197	(120)	Additional income
Corporate Landlord Support	489	489	-	
Estates and Valuations	(1,463)	(1,549)	(86)	Additional income from former HRA shops
Facilities Management	698	698	-	
Maintenance Programme	1,918	1,918	-	
<b>Sub Total Corporate Landlord</b>	<b>9,993</b>	<b>9,777</b>	<b>(216)</b>	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Strategic Director Housing</b>				
Housing	1,788	1,795	7	
<b>Strategic Director Housing</b>	<b>1,788</b>	<b>1,795</b>	<b>7</b>	
<b>City Environment</b>				
Service Director - City Environment	124	124	-	
Bereavement Services	(2,108)	(2,108)	-	
Environmental Maintenance	6,784	6,784	-	
Fleet Services	(836)	(836)	-	
Highways Maintenance	2,101	2,101	-	
Landscape	(24)	(24)	-	
Operational Maintenance of Existing	727	727	-	
Parking Services	(2,023)	(2,823)	(800)	Additional income from bus lane enforcement
Public Protection	2,260	2,260	-	
Street Lighting	2,825	2,825	-	
Transportation	658	658	-	
Waste & Recycling Services	13,310	14,090	780	Delay in delivery of budget reduction proposals
<b>Sub Total City Environment</b>	<b>23,798</b>	<b>23,778</b>	<b>(20)</b>	
<b>Total Place</b>	<b>41,985</b>	<b>41,756</b>	<b>(229)</b>	

Revenue Budget Monitoring – Education

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
<b>Education</b>				
Director of Education	134	154	20	Additional savings to be identified
Schools	(3,644)	(3,644)	-	
Standards and Vulnerable Pupils	926	926	-	
School Planning & Resources	3,817	4,147	330	Overspend due to special schools home to school transport . Service currently under independent review expected to yield savings
<b>Total Education</b>	<b>1,233</b>	<b>1,583</b>	<b>350</b>	

**APPENDIX E**

**General Fund Budget Risks 2016/17**

<b>Risk</b>	<b>Description</b>	<b>Level of Risk</b>
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay.	Amber
Budget Management	Risks that might materialise as a result of loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.  The risk of successful appeals against business rates.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules and, in particular, from the Care Bill.	Red

**APPENDIX F**

**General Fund Sundry Debt Write offs to be approved by Cabinet (Resources) Panel**

<b>Account Ref.</b>	<b>Reason for Write-Off</b>	<b>Write off Amount £</b>
<b>Sundry Debtors</b>		
16022966	Deceased	7,345.28
16009146	Unable to Trace	8,340.00
16020615	Unable to Trace	18,406.00
	<b>Total</b>	<b>34,091.28</b>

**APPENDIX G**

**General Fund Budget Virements**

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
People	Childrens Centres and Early Years	Corporate	Customer Services	52	Transfer of posts between services.
Corporate	ICTS	Corporate	Strategic Finance	69	Transfer of posts between services.
Corporate	Organisational Development	Corporate	HR Advice	63	Transfer of posts between services.
			<b>Total</b>	<b>184</b>	

Housing Revenue Account Budget Monitoring

	2015/16 Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000
<b>Income</b>			
Gross rents – dwellings	(92,389)	(92,389)	-
Gross rents – non dwellings	(341)	(887)	(546)
Charges to tenants for services and facilities	(5,670)	(5,670)	-
<b>Total income</b>	<b>(98,400)</b>	<b>(98,946)</b>	<b>(546)</b>
<b>Expenditure</b>			
Repairs and maintenance	26,565	26,565	-
Supervision and management	18,824	18,776	(48)
Rents, rates and taxes	435	435	-
Increase in provision for bad debts	2,250	2,250	-
Depreciation of fixed assets	22,171	22,171	
<b>Total expenditure</b>	<b>70,245</b>	<b>70,197</b>	<b>(48)</b>
<b>Net cost of HRA services</b>	<b>(28,155)</b>	<b>(28,749)</b>	<b>(594)</b>
Interest payable	13,597	13,597	-
Interest and investment income	(37)	(37)	-
Adjustment for premiums and discounts	(287)	(287)	-
<b>(Surplus)/deficit before transfers to/from reserves and provision for</b>	<b>(14,882)</b>	<b>(15,476)</b>	<b>(594)</b>
<b>Allocation of (surplus)/deficit</b>			
Provision for redemption of debt	14,882	15,476	594
<b>Balance for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>

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