

Cabinet (Resources) Panel

19 July 2016

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

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%
Net Budget Requirement	217,350	217,350	-	0.00%
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%
Total Resources	(217,350)	(217,350)	-	0.00%
Net Budget (Surplus) / Deficit	-	-	-	0.00%

- 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%
People Total	116,741	117,333	592	0.51%

- 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%
Corporate Total	57,391	56,678	(713)	-1.24%

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%
Place Total	41,985	41,756	(229)	-0.55%

- 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%
Education Total	1,233	1,583	350	28.39%

- 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)
Total	(12,892)	7,405	(5,487)

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
Balance for the year	-	-	-

- 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
Strategic Director People				
Strategic Director	290	291	1	
Safeguarding	2,175	2,218	43	
Sub Total Strategic Director People	2,465	2,509	44	
Older People				
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	
Sub Total Older People	28,344	29,346	1,002	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Disability & Mental Health				
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
Sub Total Disability & Mental Health	39,040	40,552	1,512	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Children & Young People				
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	-	
Sub Total Children & Young People	46,892	44,926	(1,966)	

Revenue Budget Monitoring - People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Public Health & Wellbeing	-	-		
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	-	-	-	
Sub Total Public Health & Wellbeing	-	-	-	
Total People Directorate	116,741	117,333	592	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Managing Director	632	632	-	
Corporate Services				
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	
Sub Total - Corporate Services	25,696	25,474	(222)	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Governance				
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		
Sub Total - Governance	5,138	5,276	138	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Corporate Budgets				
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
Corporate Budgets				
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.
Sub Total Corporate Budgets	25,925	25,296	(629)	
Total Corporate	57,391	56,678	(713)	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Strategic Director Place	479	479	-	
City Economy				
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	-	
Sub Total City Economy	5,927	5,927	-	
Corporate Landlord				
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	-	
Sub Total Corporate Landlord	9,993	9,777	(216)	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Strategic Director Housing				
Housing	1,788	1,795	7	
Strategic Director Housing	1,788	1,795	7	
City Environment				
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
Sub Total City Environment	23,798	23,778	(20)	
Total Place	41,985	41,756	(229)	

Revenue Budget Monitoring – Education

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000	Reason for Variation
Education				
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
Total Education	1,233	1,583	350	

APPENDIX E

General Fund Budget Risks 2016/17

Risk	Description	Level of Risk
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

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

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.
			Total	184	

Housing Revenue Account Budget Monitoring

	2015/16 Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000
Income			
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)	-
Total income	(98,400)	(98,946)	(546)
Expenditure			
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	
Total expenditure	70,245	70,197	(48)
Net cost of HRA services	(28,155)	(28,749)	(594)
Interest payable	13,597	13,597	-
Interest and investment income	(37)	(37)	-
Adjustment for premiums and discounts	(287)	(287)	-
(Surplus)/deficit before transfers to/from reserves and provision for	(14,882)	(15,476)	(594)
Allocation of (surplus)/deficit			
Provision for redemption of debt	14,882	15,476	594
Balance for the year	-	-	-