

Quarter 1 Financial Monitoring Report

1. Executive Summary

Revenue Budgets

- 1.1 The Council's net revenue budget for 2020/21 is £852.9m, after planning for savings of £27.1m.
- 1.2 At Quarter 1 the forecast revenue outturn is an overspend of **£79.9m. £74.7m** of the overspend relates to the **Covid-19** emergency after applying £70.3m of un-ringfenced Covid-19 related grant funding from the government. This position does not include risks or 2021/22 onwards financial implications. The financial impact of recovery and a potential new normal is not yet fully understood but will be built into the mid-year review of the 2021/22 Long Term Financial Plan, to go to Cabinet in the Autumn. While the Covid-19 financial impact is being presented in Directorates, the funding gap is being dealt with as a corporate issue. This can be seen in Chart 1 and Table 1.
- 1.3 The government announcement on 2 July a further support package for Local Authorities. Detail on how the support package will impact individual councils is expected imminently. Discussions are continuing with government and the position will be updated as soon as details are known.
- 1.4 The government has also announced several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.
- 1.5 There is a forecast balanced position in Schools at Quarter 1. It is expected that any year end underspend will be appropriated to the DSG Grant Reserve. Further detail is contained in Section 5.
- 1.6 There is a forecast balanced position in the Housing Revenue Account. Further detail is contained in Section 6.

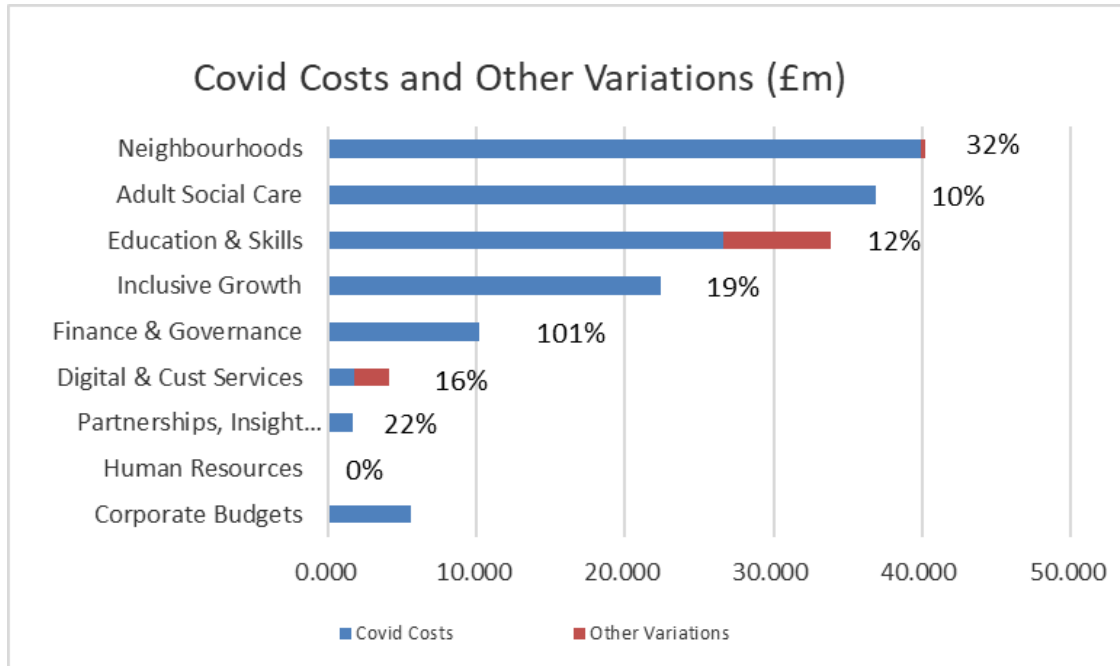
Capital Programme

- 1.7 2020/21 Capital spend is currently projected to be £750.6m, after projected slippage and rephasing of £125.4m. However, there are still a number of uncertainties as a result of Covid-19 which are yet to be quantified and are expected to impact on the capital spend for the year. The revenue implications of which will be reported in future reports. The full multi-year capital programme is projected at £3,309.8m.

Treasury Management

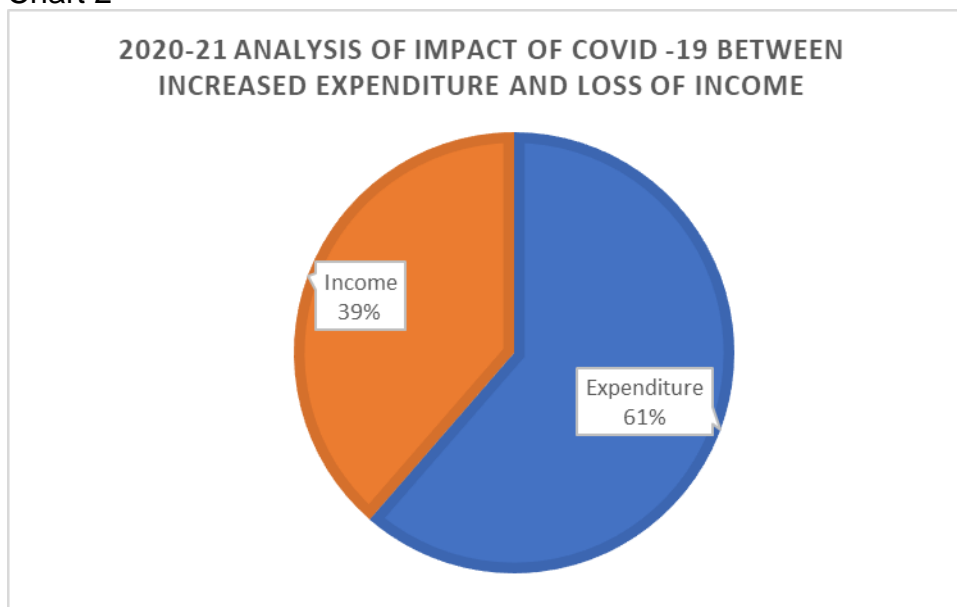
- 1.8 The Covid-19 pandemic has had a significant impact on Treasury Management decision making in the quarter. Further details are provided in Section 11 of this report.

Chart 1



Note: percentages are the total overspend as a percentage of the Directorate current budgets

Chart 2



**Note: This does not include Council Tax and Business Rates impacts, which affect the following financial year, as reported in Section 14*

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Table 1

Table 1:High Level Summary					
Directorate	Current Budget	Forecast Outturn	Total Over/(Under) Spend	Covid 19 Financial Impact Included	Over/(Under) spend net of Covid costs
	£m	£m	£m	£m	£m
Neighbourhoods	126.641	166.840	40.199	39.928	0.271
Adult Social Care	328.361	362.699	34.338	36.935	(2.597)
Education & Skills	274.961	308.854	33.893	26.650	7.243
Inclusive Growth	106.096	126.574	20.478	22.378	(1.900)
Finance & Governance	9.969	20.056	10.087	10.157	(0.070)
Digital & Cust Services	25.893	29.965	4.072	1.772	2.300
Partnerships, Insight and Prevention	7.340	8.964	1.624	1.624	0.000
Human Resources	6.581	6.581	0.000	0.000	0.000
Directorate Sub Total	885.841	1,030.532	144.691	139.444	5.247
Corporate Budgets	(32.909)	(27.348)	5.561	5.561	0.000
Covid Funding Expected	0.000	(70.310)	(70.310)	(70.310)	0.000
Corporate Subtotal	(32.909)	(97.658)	(64.749)	(64.749)	0.000
City Council General Fund	852.933	932.875	79.942	74.695	5.247

2 Directorate Variations (Excluding Covid-19)

2.1 The Directorates are forecasting a net overspend of £5.2m, due to Non Covid 19 related costs. The explanations below cover individual variations above £0.2m

2.2 Neighbourhoods Directorate has an overspend of £0.3m (0.2% of budget) as shown by the table below.

Neighbourhoods	Budget	Non Covid-19
	£m	£m
Street Scene	79.8	(1.2)
Housing General Fund	9.1	0.9
Neighbourhoods	19.6	(0.4)
Regulation & Enforcement	1.4	0.9
Business Support	16.7	0.0
Directorate	126.6	0.3

Street Scene has an underspend of £1.2m. (-1.5% of budget)

There is an underspend of £1.8m, as a result of savings on from one-off management actions to delay the launch of new initiatives 'love your street' and waste enforcement staff savings. Offset by continued operational challenges on waste management agency spend and fleet services and Non-delivery of savings £0.6m resulting partly from the initial lockdown measures, delay in a saving initiative from Bordesley Allotments which requires approval from the Secretary of State and there is also delay in the implementation of the Street Scene redesign resulting in non-delivery of work force and management savings.

Housing General Fund has an overspend of £0.9m (10% of budget)

There is non delivery of ongoing savings programme due to a delay in the implementation of the new operating model **£0.5m**, whereby it was anticipated that upstream prevention would reduce the need to use bed and breakfast. The new operating model will not be now be fully implemented until 2021/22 (consultation to commence in October 2020).

Private Sector Housing were to introduce a Selective Licensing scheme that would generate additional income, however due to regulation changes and legal advice the scheme has not been launched resulting in a pressure of **£0.5m**

Neighbourhoods has an underspend of £0.4m (-2% of budget)

One-off savings of (£0.4m) have been identified across a range of service areas to partially mitigate the pressures identified in the Directorate.

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Regulatory and Enforcement has an overspend of £0.9m (64% of budget)

Markets has an overspend of £0.7m mainly due to operational costs and income pressures resulting partly from the closure of the Wholesale Market and continued low occupancy of the Indoor Market

2.3 Adult Social Care underspend of £2.6m as shown by the table below (-0.8% of the budget).

Adult Social Care	Budget	Non Covid-19
	£m	£m
Director	17.8	0.0
Commissioning	28.0	0.7
Packages of Care	208.3	0.2
Community & Operational	74.2	(3.5)
Other	0.0	0.0
Directorate	328.3	(2.6)

Commissioning has an overspend of £0.7m (2% of the budget)

The overspend relates to the impact of slippage within the Neighbourhood Network Programme £1.1m, offset by mitigating savings of £0.4m identified across the Commissioning Service.

Community & Operational has an underspend of £3.5m (5% of the budget)

Planned reduction in the ongoing use of agency staff will result in a saving of £3.1m following the implementation of the Customer Journey Restructure in September 2020.

2.4 Education and Skills £7.2m overspend as shown by the table below (3% of the budget).

Education and Skills	Budget	Non Covid-19
	£m	£m
Education & Early Years	9.4	0.0
Inclusion & SEND	28.4	0.0
Children's Trust	192.2	7.1
Strategic Leadership	19.5	(0.1)
Skills & Employability	25.5	0.2
Directorate	275.0	7.2

Children's Trust, is forecasting an overspend of £7.1m (4% of the budget)

There continues to be a significant increase in the number of children in care requiring support by Birmingham Children's Trust, from 1,830 at the start of the Trust in April 2018 rising to an average of 1,955 by March 2020.

There are additional placement demands, including a general lack of sufficiency for residential placements. These demand pressures are currently forecast at an additional £11m of spend however there are mitigating actions of **£3.9m** reducing this to **£7.1m**.

There is a risk of additional demands, as there is likely to be a spike in referrals in September, when more pupils return to school.

2.5 Inclusive Growth underspend of £1.9m as shown by the table below (1.8% of the budget).

Inclusive Growth	Budget £m	Non Covid-19 £m
P&D - City Centre, EZ, BDI	(0.7)	(0.5)
Transport & Connectivity	48.1	(0.6)
P&D - Strategy & Planning	5.2	(0.8)
Birmingham Property Services	(1.7)	(0.2)
Housing Development	0.4	0.0
Highways & Infrastructure	45.9	0.0
Inclusive Growth Director	8.9	0.2
Other Funds - Holding Accounts	0.0	0.0
Directorate	106.1	(1.9)

Across P& D City Centre, Transport & Connectivity, and P& D- Strategy & Planning – there are underspends of £1.9m (-3% of the budget)

There are savings of £2.7m related to staffing vacancies. However as result of these unfilled vacancies, it has forecast a loss of £0.8m of Project Delivery income.

Birmingham Property Services has an underspend of £0.2m (12% of the budget).

£0.5m underspend from the cessation of 'Working For The Future' (WtTF). The WtTF programme was to rationalise 55 Council Administrative building down to 8, resulting in a revenue savings used to fund the borrowing linked to the construction of Woodcock Street (c£45m) and refurbishment of Lancaster Circus (c£27m).

£0.3m overspend due to Council Administrative Buildings (CAB) saving mitigation decrease resulting from revised timelines for asset disposals and associated delay in receipt of revenue benefits arising

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2.6 **Finance & Governance underspend of £0.1m as shown by the table below (1% of the budget).**

Finance & Governance	Budget	Non Covid-19
	£m	£m
Development and Commercial	(3.8)	0.5
Service Finance	4.3	(0.5)
City Solicitor	7.8	(0.1)
Birmingham Audit	1.7	0.0
Directorate	10	(0.1)

Development & Commercial has an overspend of £0.5m (13% of the budget), which is made up of: £0.2m from a loss of income in Birmingham City Labs and Civic Catering, and there is a £0.2m income pressure for Civic Cleaning inherited following transfer from Acivico. The service continues to work towards achieving a balanced position

Service Finance has an underspend of £0.5m (-12% of the budget)

A £0.8m underspend on funding earmarked to support the transition of services in Service Finance and Development and Commercial Divisions. Employee underspends of £0.6m within business as usual offset by a £0.8m overspend on interim staff and project implementation cost to deliver the finance improvement agenda.

2.7 **Digital & Customer Services overspend of £2.3m (9% of the budget) as shown by the table below.**

Digital & Customer Services	Budget	Non Covid-19
	£m	£m
IT & Digital Services	7.9	2.5
Revenues & Benefits	2.5	0.0
Business Improvements	10.1	(0.2)
Customer Services	5.1	0.0
Director of DC&S	0.2	0.0
Directorate	25.8	2.3

IT & Digital Services has an overspend of £2.5m (32% of the budget).

The overspend largely relates to agency staff costs of £3.1m partly offset by £0.6m of additional one-off income from prior year projects.

The service acknowledges that spend on Agency staff is significantly high and there is an ongoing exercise to rationalise the number and use of agency staff.

2.8 Human Resources is forecasting to balance to the budget

3. Covid-19 Major Incident Financial Impact

- 3.1. The Council has received £70.3m of un-ringfenced Covid-19 related grant funding from the government. The government has also announced several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.
- 3.2. The current assumption for the financial impact of the Covid-19 major incident is based on a 6-month forecast for the duration of the incidents along with some residual costs. The financial impact of recovery and a potential new normal is not yet fully understood but will be built into the mid-year review of the 2021/22 Long Term Financial Plan, to go to Cabinet in the Autumn.
- 3.3. The forecast additional spend/loss of income to the Council on Covid-19 related general fund activities, after utilising the un-ringfenced government grant, for 2020/21 is **£74.7m**. There are further financial risks which have been quantified and assessed for likelihood, which are reported through emergency cells on a weekly basis. Details on Directorate Covid-19 financial impacts are included in Annex 1 and the schedule of further financial risks is included in Annex 2.
- 3.4. The government announced on 2 July a further support package for Local Authorities. The package included £500m of extra un-ringfenced funding nationally for Councils, a co-payment mechanism for irrecoverable Sales, fees and charges with the government covering 75% of losses beyond 5% of planned income and a phased repayment of collection fund deficits over three years. Details on how the co-payment mechanism will operate and the actual allocations of funding to councils are expected imminently. The position will be updated as soon as details are known.
- 3.5. Decision logs were published on 30 June and have been updated.
- 3.6. The Council is engaged in ongoing discussions with the government around further funding support and additional freedoms and flexibilities that the government could provide to support the rectification of the budget gap caused by Covid-19 in both 2020/21 and 2021/22. Once these discussions on both further funding and freedoms and flexibilities have concluded, the financial situation will be reassessed and decisions on any further actions to be taken will be made at that point by Cabinet.

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4. Overview of the Saving Programme

- 4.1 The approved savings programme for 2020/21 is £27.1m, comprising the approved savings plan of £22.1m plus £5.0m of savings that were only delivered on a one-off basis in 2019/20. Savings of £13.7m are on track, £10.0m at risk and £3.4m are classed as undeliverable or non-delivered, as shown in Charts 3, 4 and 5.

Chart 3

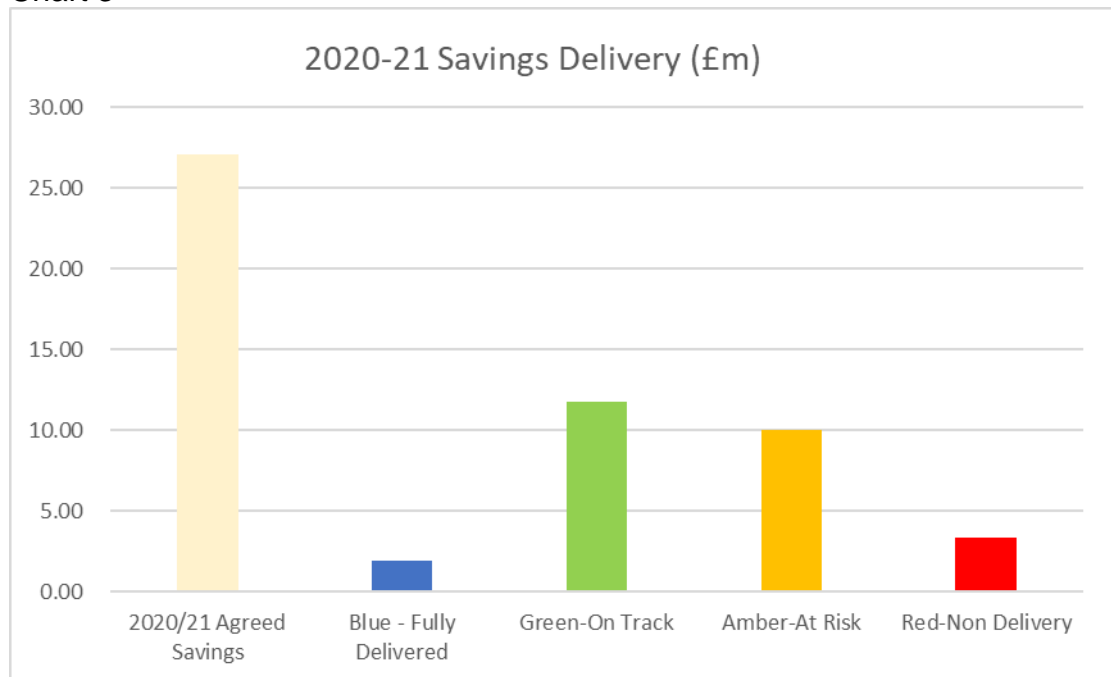


Chart 4

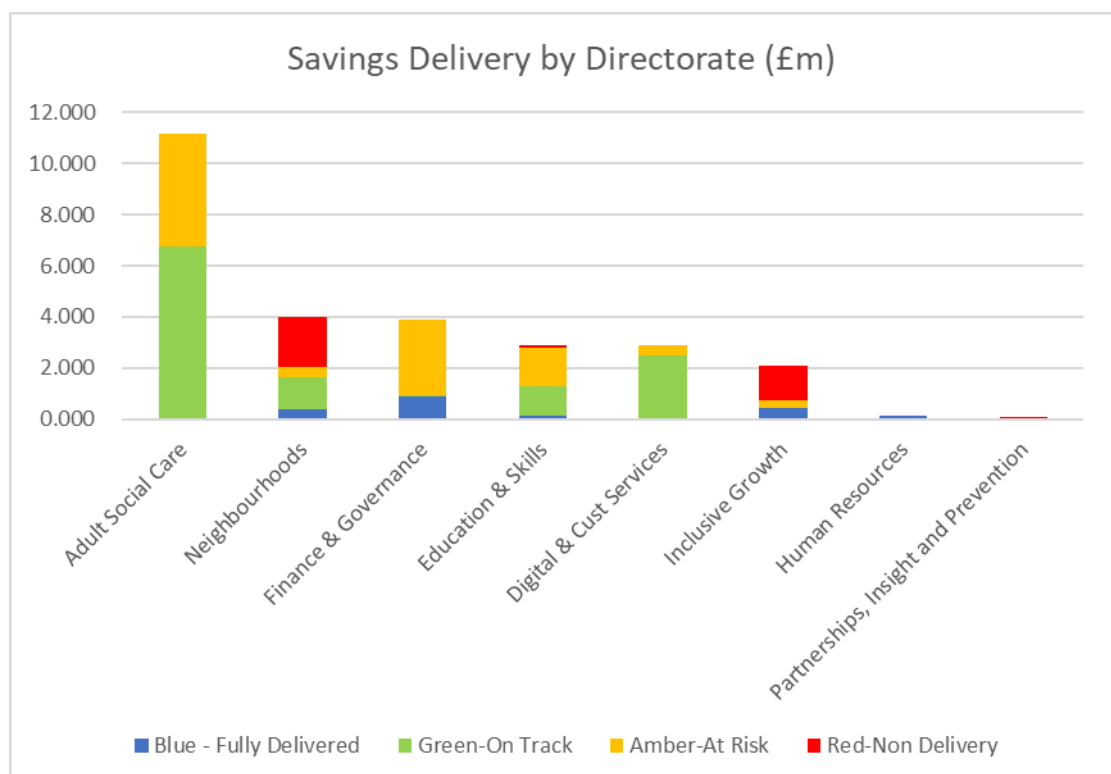
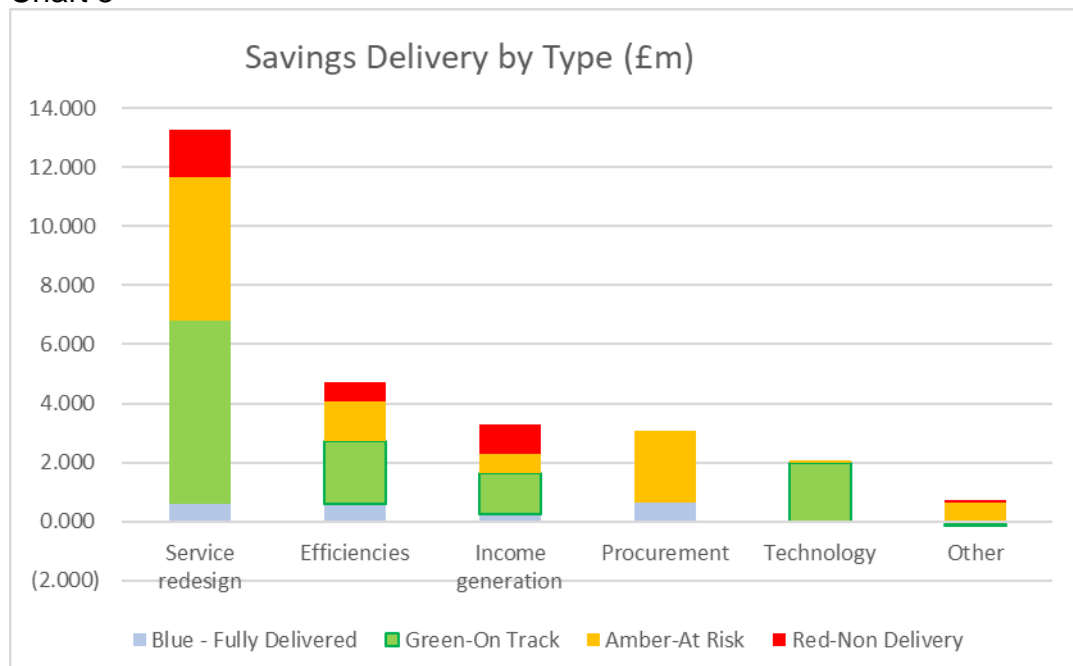


Chart 5



- **Adult Social Care has £4.4m** savings that are at risk due to Covid-19, particularly regarding Packages of Care. These are currently included within the Adult risk value of £13.4m.
 - **Neighbourhoods has £0.4m** savings that are at risk and **£1.9m** savings that are unlikely to be achieved, mainly due to delays caused by Covid-19.
 - **Procurement savings** while sitting in Finance & Governance cut across all service areas. The target is **£3.0m** of which **£0.6m** has been delivered so far. While a delivery plan exists, this is now considered a risk as Covid-19 has caused services to reappraise their planned procurements.
 - **Education & Skills has £1.5m** savings at risk, largely related to the Early Years new working model and the Adult Education Service. It also has **£0.1m** of savings that are unlikely to be achieved.
 - **Digital & Customer Services has £0.4m** savings at risk mainly due to delays and potential income losses related to Covid-19
 - **Inclusive Growth has £0.3m** savings at risk and **£1.4m** that are unlikely to be achieved, mainly due to delays and risks to income caused by Covid-19
 - Annex 3 provides a breakdown of all savings in 2020/21.
- 4.2 Where a saving has been identified as red, Directorates are expected to identify recovery plans to address this and where there is a policy implication bring it to Cabinet for approval.

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5. **Risks not in the forecast (all Covid-19 risks covered by Annex 2 so only non Covid-19 risks are shown below)**

5.1 Adult Social Care

Packages of Care – At this stage health are currently meeting the costs arising from the majority of hospital discharges and there is also a significant reduction in residential and nursing placements due to the number of deaths. However, there are still significant costs to be quantified in relation to support to the care market in respect of actual costs incurred and it is anticipated that there is currently a significant level of hidden demand which will impact when lockdown is eased.

Packages of Care forecasts are therefore likely to be volatile during 2020/21 until we reach the stage where clear forecasts of activity and costs are possible.

Community & Operational – all social work team budgets have now been revised to reflect the implementation of Customer Journey savings across the constituency teams. The delivery of in year savings is linked to determining clear exit strategies for agency staff and this will remain a key area for future months monitoring.

5.2 Education & Skills

Inclusion & SEND – Travel Assist - Although the budget has been rebased to reflect increased costs in 2019/20, the potential for underachievement of the £1.4m savings target remains. Initial calculations are suggesting an overspend of around £0.5m. However, as the new Dynamic Purchasing System (DPS) contracts went live late in 2019/20 and the service provision has and will continue to be affected by the closure of schools and changes required due to social distancing due to Covid, it is currently very difficult to accurately forecast a variation.

Skills & Employability – Birmingham Adult Education Service - There is concern around the service's ability to meet its income target which was partially reduced for 2020/21 but remains at £0.4m. In 2019/20 the service was unable to meet the target and was £0.7m overspent.

5.3 ERP

A programme reset is being carried out following an assurance review of the programme. There is slippage in the programme due to underlying assumptions in the business case being flawed and requiring solutions to be activated.

6. Dedicated Schools Grant (DSG)

6.1 Summary

The total Dedicated Schools Grant (DSG) funding for Birmingham in 2020/21 of £1,240.0m, comes through four blocks of funding. The Education & Skills Funding Agency (ESFA) currently recoups £575.0m of the DSG allocation to directly passport to academies and free schools.

The Council is responsible for the remaining budget of £665.0m, in conjunction with the local Schools' Forum. In addition, schools and academies receive direct funding allocations from the Department for Education (DfE) relating to Pupil Premium, Education Funding Agency (EFA) Post 16 Funding, and Universal Infant Free School Meals, Teachers Pay Grant and Teachers Pension Grant which totals £162.8m of which £79.5m relates to academies. The budget shifts during the course of the year as schools convert to academy status and Department for Education updates funding for updated pupil counts (particularly in early years).

At the end of month 3 the high-level forecast for the Dedicated Schools Grant (DSG) is as follows:

	Budget £m	Forecast Outturn £m	Variance £m
Schools Delegated	393.117	393.117	0.000
Early Years	91.145	91.145	0.000
High Needs	162.978	162.978	0.000
Central Schools Services	17.723	17.723	0.000
Sub Total – City Council	664.963	664.963	0.000
Academies & Other recoupment	574.999	574.999	0.000
Total	1,239.962	1,239.962	0.000

6.2 Key Service Highlights

DSG is a highly prescribed and ring-fenced grant and is the primary source of funding that is delegated or allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The Directorate have not reported any variations on the DSG at Period 3. This is primarily because the majority of the budget is delegated to schools and early years providers and variations tend only to appear during the start of the new academic year (in September). A more substantial update will be provided at period 6 when the new academic year placement of pupils will be known, and the financial costs evaluated.

The Education and Skills Directorate together with Birmingham and Solihull Clinical Commissioning Group published a 'written statement of action' in July

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2019, in response to the DfE, to make improvements to the special educational needs and disability (SEND) service. At this stage it is anticipated that any financial impact on the Local Authority will be met from the Dedicated Schools Grant.

Demand led pressures in the High Needs Block have in the past led to overspends. An additional £26 million was received in 2020/21 High Needs Block DSG and Birmingham Schools Forum in the January 2020 meeting agreed to repay back £5 million of the outstanding £14 million High Needs Block deficit in 2020/21. It is assumed that this additional £26 million will be built into the base of future High Needs Block DSG. If this holds true, Schools Forum anticipates that the remaining £9 million of High Needs Block deficit will be repaid at a rate of £5 million in 2021/22 and the remaining deficit in 2022/23.

The financial risk to the Council arising from any negative variance is low, as it is a condition of the grant from the Department for Education that any overspends are carried forward and plans submitted for bringing the DSG account back into balance. Nonetheless, potential risks and mitigations are detailed below.

6.3 Key Risks (not reflected in the financial forecast)

As noted above, the key risk is around the efficacy of proposals to use additional High Needs Block funding to address previous and predicted overspends, but also provide capacity for significant investment for the future. While increases are welcome, it is important that money is used strategically rather than reacting solely to existing pressures and demands. Proposals involve organising High Needs funding and resources around geographical areas aligned closely with existing secondary school networks and primary consortia. The Authority wants to build on and strengthen school partnership working and local capacity, providing a greater level of financial flexibility locally, to better match funding to local need.

There is a growing concern around schools with financial deficits. The number of schools in deficit has only grown by a small amount (from 38 to 40), but the total deficit amount has risen substantially from £7.2m to £9.0m; the Local Authority is working with Governing Bodies on deficit recovery plans to address this. Where maintained schools convert to Academy status with a sponsor the licenced deficit will fall to the Council. We have not quantified this risk.

6.4 Future Years Impact.

Future years impacts will be influenced most substantively by the Government's review of school funding and, in particular, ongoing guarantees of increased high needs funding. The current High Needs proposals should ensure that the deficit on the High Needs block is paid off by the end of 2022/23.

6.5 Savings Tracker:

There is no specific savings tracker for the Dedicated Schools Grant, but as highlighted above, the plan to repay the High Needs block cumulative deficit is on track.

7. Housing Revenue Account (HRA)

	Budget £m	Forecast Outturn £m	Variance £m
Rent Income	(253.8)	(253.8)	0.0
Service Charges	(14.4)	(14.4)	0.0
Other Income	(11.7)	(11.9)	(0.2)
Total Income	(279.9)	(280.1)	(0.2)
Repairs	65.0	64.2	(0.8)
Estate Services	19.8	18.9	(0.9)
General Management	68.3	67.3	(1.0)
Bad Debt	5.6	10.7	5.1
Capital Financing	66.4	64.2	(2.2)
Capital Programme Funding	54.8	54.8	0.0
Total Expenditure	279.9	280.1	0.2

7.1 Income Variances

There are currently no forecast variances on rent and service charge income. There is a forecast improved position on interest on investment of (£0.2m) in line with performance in 2019/20.

7.2 Expenditure Variances

A net overspend on expenditure of £0.2m is forecast.

The main overspend is on the bad debt provision which is forecast to overspend by £5.3m due to the severe economic effects of Covid-19 on HRA tenants.

The net underspend on Repairs (£0.8m) is largely due to the reduced number of voids (£1.7m) and lower than budgeted performance on the main contracts (£0.4m). This is offset by increased legal costs on disrepair litigation due to the level of ongoing cases, £0.8m, and increased activity on Multi-Storey surveys and repairs, £0.5m. There are other minor net variances of £0.4m.

The underspend on Estate Services and General Management of (£1.9m) relates to vacancies in staffing due to turnover and increased lead times to recruit.

The underspend on capital financing of (£2.2m) is due to savings of (£1.7m) resulting from a lower interest rate than budgeted, in line with the rate charged in 2019/20; and a reduction in the debt repayment of (£0.5m) in order to achieve a net nil budget position for 2020/21.

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7.3 Key Service Highlights

The HRA is a ring-fenced account which means that asset management and tenancy management costs relating to the Birmingham's council housing can only be funded from income earned from HRA assets, primarily income from council housing rent and service charges. The HRA is not allowed to subsidise General Fund expenditure, and likewise, the General Fund cannot subsidise HRA expenditure.

The HRA is a self-financing account which is required to have long term sustainability. HRA tenants are able to acquire their properties through Right to Buy, which has resulted in an ongoing net reduction in properties, with over 3,100 sold in the last 5 years. Sustainability of the HRA will be achieved through the HRA new build programme, budgeted at over 1,400 properties in the next 5 years.

At 1st April there were 60,106 HRA properties. Budgeted average rent on these properties is £82.33 per week.

During the year there are budgeted to be 134 demolitions and 620 Right to Buy sales. The current forecast of new build completions is 117. On average the budgeted number of voids at any point in time is 659, 1.1% of stock.

7.4 Key Risks for 2020/21

The key risk on the HRA is the level of current rent arrears which has increased due to Covid-19. The current forecast is an overspend of £5.3m, but this could increase if the economic impacts worsen. Additional costs on other areas of expenditure resulting from Covid-19 include personal protective equipment. Due to the HRA ring-fence, budget overspends will need to be met from underspends elsewhere on the HRA. If savings are not identified on operational budgets there might be a further reduction on the debt repayment in 2020/21, currently forecast at £13.1m.

7.5 Long Term Risks

The long term risks on the HRA are principally with the level of capital investment required on HRA properties, mainly its high-rise blocks. Capital Investment continues to be prioritised to support Fire Prevention Works on communal properties as a result of the Hackitt report, as well as ongoing structural improvements.

8. Reserves

- 8.1 A minor revision to the Council's Reserves Policy is proposed to be updated for 2020/21. The updated Policy is attached as Annex 5 with the proposed amendments highlighted.
- 8.2 The Council operates a policy of not using reserves unless they have been set aside for specific purposes; they will not be used to mitigate the requirement to make savings or meet on-going budget pressures, except in exceptional circumstances. The main use of reserves relates to grant reserves where funding has been received prior to the requirement to spend the resource. The Council also has earmarked reserves where it has made a decision to set money aside to fund specific costs when they occur in later years.
- 8.3 The Council anticipated the net contribution of £18.4m to reserves in setting the 2020/21 budget. This is summarised in Table 5 together with the current forecast outturn balance. At Period 3, no changes to the original budgeted net contribution to reserves of £18.4m have been requested.

Table 5: Proposed Reserves Balance				
Reserve	Balance 31/03/20*	Original Budgeted (use)/ contribution	Changes proposed at Period 3	Proposed Outturn Balance 31/03/21
	£m	£m	£m	£m
General Reserves	133.228	(18.566)	0.000	114.662
Other Corporate	153.745	(1.834)	0.000	151.911
Earmarked	44.745	28.638	0.000	73.383
Grant	271.945	10.165	0.000	282.110
Schools	40.537	0.000	0.000	40.537
Non Schools DSG	5.580	0.000	0.000	5.580
Total	649.780	18.403	0.000	668.183

- The Opening Reserves Balances is subject to confirmation when the Accounts have been finalised.

- 8.4 Given the significant financial pressures facing the Council due to the Covid-19 emergency it may become necessary to utilise reserves in 2020/21 to support the budget, but only as a last resort. Consideration of in-year requests to use reserves will be considered on an exception basis.

9. Policy Contingency Budget

- 9.1 The Council Financial Plan and Budget 2019-2023 approved by Council on 25th February 2020 reflected £35.3m for Specific Policy contingency budget in

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2020/21 and £5.5m for General Policy Contingency budget. A breakdown of the specific contingency items is set out below:

	£m
Modernisation Fund - Social Care	18.000
Modernisation Fund - Other	3.865
Inflation Contingency	5.446
Commonwealth Games Project Team Costs	4.000
Apprenticeship Levy	1.093
Potential Additional Interim Staff	0.750
Highways Maintenance	0.500
National Living Wage	0.365
Autoenrolment in Pension Fund	0.300
Short-term Improvement in the Council House	0.300
HR Additional Temporary Resources	0.300
Loss of Income from Car Park Closures	0.252
Corporate Funding for Owning & Driving Performance	
(ODP)Culture Change Programme	0.129
General Contingency	5.474
Total	40.774

- 9.2 Given the significant financial pressures facing the Council due to the Covid-19 emergency and the need to drive delivery there may be a need to re-prioritise the use of the policy contingency budget.

10. Capital

- 10.1 2020/21 Capital spend is currently projected to be £750.6m, after projected slippage and rephasing of £125.4m. However, there are still a number of uncertainties as a result of Covid-19. As lockdown restrictions ease the implications will become clearer and the position will be better understood by Quarter 2. At present one significant scheme, relating to the Brasshouse development by the Council's wholly owned company, InReach has been aborted pending decisions about more favourable options for delivery. This was budgeted to spend £43m over the 4-year programme by way of a loan to InReach. The full multi-year capital programme is projected at £3,309.8m.

Movements between the original budget for 2020/21 and the revised forecast outturn at Quarter 1 are summarised by Directorate in the table *below* (the table below does not reflect any decisions that are to be taken at Cabinet on 20 July 2020):

Capital Monitoring Quarter 1 2020-21					
	(a)	(b)	(c)	(d)	(e)
	2020/21	Slippage /	New	Budget	2020/21
	Original	Acceleration	Schemes	Re-phasing,	Forecast
	Approved	from / to	&	Slippage &	Outturn
	Budget	2019/20	Resources	Acceleration	Quarter 1
					e=a+b+c+d
	£m	£m	£m	£m	£m
Adult Social Care	9.822	(2.338)	5.267	0.000	12.751
Education & Skills	65.426	(7.728)	9.505	0.498	67.701
Neighbourhoods					
Neighbourhood Other	43.959	1.388	2.750	(4.246)	43.850
Housing Revenue Account	125.816	7.857	0.000	(19.226)	114.447
Total Neighbourhoods Directorate	169.775	9.245	2.750	(23.472)	158.297
Inclusive Growth					
Planning & Development	36.271	10.957	0.000	(4.851)	42.377
Transportation	96.793	5.296	0.000	(43.612)	58.477
Highways	3.469	(0.468)	0.320	0.142	3.463
Housing Development	6.188	0.085	(5.055)	0.000	1.218
Property Services	46.155	0.296	17.372	(52.458)	11.365
Total Inclusive Growth Directorate	188.876	16.166	12.637	(100.779)	116.900
Finance & Governance	34.501	4.362	0.000	0.000	38.863
Digital & Customer Services	9.748	2.182	0.000	(1.650)	10.280
Commonwealth Games	231.692	58.534	55.340	0.000	345.566
Assistant Chief Executive	0.250	0.000	0.000	0.000	0.250
	710.090	80.423	85.499	(125.403)	750.608

- 10.2 A large part of the Capital programme in 2020/21 has been impacted by Covid-19. At the end of March 2020 most construction work was paused whilst safe working practices were introduced on the Major Projects (for example, Commonwealth Games (CWG) Paradise, Birmingham Municipal Housing Trust (BMHT), Transport schemes). Work on several sites has now restarted but whilst adhering to social distancing guidelines. The impact of this on delivery timescale and costs is being quantified as the situation evolves. A second wave of Covid-19 could cause further disruption however it is hoped that the measures now put in place to achieve social distancing will prevent a second period full closure although there may be a further impact on imports and material costs.
- 10.3 The revised Forecast Outturn for Quarter 1 2020/21 of £750.6m is comprised of the original budget approved by Council in February 2020, plus slippage brought forward from 2019/20 of £80.4m, new budget allocations since February 2020 Council of £85.5m and forecast slippage / re-phasing of £125.4m.

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Covid-19 Related Rephasing & Slippage

- 10.4 The details for the rephasing and slippage as a result of Covid-19 are as follows:

Neighbourhoods Directorate:

- 10.5 Neighbourhoods – Other: Waste Management Services – The forecast slippage of £4.246m is mainly due to the Perry Barr Depot budget which has been re-phased by £3.73m taking into consideration the reduction in movement of people and services on site, along with supply chain issues causing delays to the start of the demolition and build programme.
- 10.6 HRA: The forecast slippage of £19.226m is mainly due to the Housing Redevelopment programme: £18.754m slippage into the next financial year has been identified at Quarter 1, of which (£15.313m) relates to New Build and (£3.441m) Clearance Programmes. This is mainly due to the impact of Covid19 which stopped work on sites prior to the end of the last financial year.

Additional concerns caused by delay from Covid19 include potential loss of grant (this is being taken up with funding bodies currently), expected rents/capital receipts being delayed based on the extended delivery timescales, potential voids loss if lettings cannot be carried out on completed properties (this risk is reducing and limited over time). There is also the risk of cost increases on new tenders from assessments prior to Covid19.

Inclusive Growth:

- 10.7 Property Strategy - As a result of Covid-19's impact on the Property market it is considered that the optimal investments are unavailable at present. As a result, £52.5m is being forecast to slip into 2021/22 leaving £11.4m for 2020/21. There is the possibility if the right investments become available this financial year (Avison Young have been appointed as Investment Advisor to seek out appropriate avenues to invest), the council may increase the level of investment during 2020/21.
- 10.8 Transportation – Total slippage of £43.6m (£41.1m Covid-19 related) mainly due to:

Air Quality & Climate Control – slippage of £30.342m. Work ceased due to Covid19 but safety works have now been carried out on site and works are expected to resume in June. The government has agreed the Clean Air Zone (CAZ) can be postponed until early 2021. Despite this delay there is a focus to complete as much of the work as soon as possible. The CAZ mitigations budget has been reprofiled as a result of the later expected start of the CAZ with most of the expenditure expected in the next financial year.

- 10.9 The Hydrogen Bus procurement has been deferred due to the request for a delay by the Council's selected Bus Operator, who is unable to commit to the Bus Operator Agreement due to the unknown timescale and long-term impact of Covid-19 on passenger transport. The Council agreed to the requested delay of 6 months to September 2020. The slippage from the current year has been rephased into 2021/22 due to the delayed CAZ. A number of schemes stopped due to Covid-19 and have or are about to restart such as Iron Lane, Wharfdale Bridge, Journey Reliability Phase 2 and Selly Oak New Rd Phase B. There will be delays to these projects although some should be completed within the financial year. There are likely to be cost increases and these are expected to be absorbed within current budgets and contingencies however the position overall will be closely monitored. Commencement of Snow Hill Public Realm was expected in April 2020 but has been delayed due to Covid19. There is a potential cost increase that may require additional funding.
- 10.10 A number of schemes are in the design and development phase (e.g. Dudley Road & City Centre Public Realm) are not reporting a delay. However, there is the potential that these schemes may experience supply chain issues as well as increased costs due to Covid-19. Also, there could be the need for design changes to reduce carriageway and increase footway in light of new Government guidance. A £7.01m forecast slippage relates to the Birmingham City Centre Public Realm scheme. The scheme is currently in the development phase and no works have been started. Opportunities to accelerate certain works have now been delayed until January 2021 but these do not detract from the overall timescale for delivery. The cost and delay of material from overseas suppliers is a key concern and anticipated construction cost increases are foreseen based on social distancing measures.

ICT & Digital:

- 10.11 Slippage of (£1.650m) has been identified at Period 3. The Application Platform Modernisation Programme has been affected by Covid-19 more significantly due to the delays in the hardware supply chain and knock on effect of this to the readiness of the two new Data Centres. While the impact of this is currently forecast to be contained within contingency (based on high level profiling conducted), there is a risk that as wider commercials and procurements are completed the Covid-19 impact is greater than the allocated programme contingency.

Non- Covid-19 Rephasing & Slippage

- 10.12 Planning & Development – £9.0m slippage and decrease due to

A £4.97m decrease in the 20/21 budget (and £43m all year's budget) is due to the InReach Brasshouse development being aborted pending decisions about more favourable options for delivery.

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There is a further Slippage of £3.986m mainly due to projects within the Enterprise Zone - £1.8m slippage on the Curzon Street Station project due to a delay in receipt of approval from the Department for Transport to proceed following an increase in costs which will be contained within the HS2 Enabling Works budget. Approval has now been confirmed and the scheme will start on site in late summer 2020. A further £1.0m slippage relates to Eastside Locks due to delays in consideration of an application for additional funding by Birmingham City University to the GBSLEP following Covid19 impacts.

10.13 Transportation

Tame Valley – slippage of £2.768m mainly due to delays in completion of the Procurement Award contract which may be further impacted by Covid19 regarding the availability of resources and material within the supply chain. These risks will be closely monitored and managed as part of the scheme procurement and delivery. The award of the £72m funding for this scheme from DfT is subject to the completion of a DfT Major Scheme Business Case and are closely involved and supportive of the scheme, however there remains a risk that the provisional funding allocation from the DfT may no longer be available.

Risks and Issues:

Commonwealth Games

- 10.14 CWG village - The 20/21 budget was increased by £120.9m to reflect the revised Full Business Case approved by Cabinet in March 2020 and due to slippage from 19/20. Covid-19 has impacted on the works at the Village and a detailed review is taking place to consider the costs and delivery timelines including potential mitigation plans. The scope and forecast spend is likely to change as a result of this review and will be reported as and when quantified.

- 10.15 The overall Alexander Stadium project remains in line with the overall approved budget, with variations limited to slippage and acceleration of individual elements of the programme between years.

Education & Skills

- 10.16 Basic Needs – Additional School Places - All sites for Basic Need Projects have been operational throughout this period. There have been issues with certain sub-contractors that closed for an initial period but they have been able to re-sequence the works so that activities have continued. Whilst there has been an impact, at the present time this has been minimal for the Basic Needs projects. The main risk to the project delivery has been with securing certainty over utility works timing. The council has lobbied for priority for Education projects. Consequently it is anticipated that projects due for completion for 2020 will be

completed in line with programmes. The full impact on any costs associated with Covid-19 against projects is not yet known but will be included in a future report.

11. Treasury Management

- 11.1 Receipt of government grants in the first quarter, both specifically for Covid-19 and regular grants that have been paid in advance due to Covid, as well as the Capital slippage identified above, have presently resulted in a positive impact on the Council's Cashflow.
- 11.2 Gross loan debt is currently £3,375m, which is lower than that expected at this stage in the original budget.
- 11.3 This has meant the Council's short term and new long term loans are currently lower than anticipated; at present only £35m of long terms loans have been taken against an expected £415m for the whole year. In addition the positive cash flows mean treasury short term investments are currently higher than expected, standing at £126m against a planned level of £40m.
- 11.4 The reduction in interest rates since setting the budget, as well as the above positive cashflows, means interest costs are currently lower than expected. Average short term borrowing this quarter has been achieved at 1.08% compared to the 1.5% assumed in the budget.
- 11.5 However the forecast adverse impact of Covid-19 in terms of increased costs and reduced income is expected to increase the Council's gross loan debt needs and could reach the original planned level of £3,832m by year end. Ongoing discussions with Government over freedoms and flexibilities may impact the treasury and debt position. Any changes will be reported.

12. Level of Debt and Provision

- 12.1 The outturn for 2019/20 showed short-term net debt at £401m, higher than the £331m in the previous year. The net debt is made up of £577m owed to the Council less £176m set aside as a bad debt provision to cover the risk of non-collection. An additional £13m was included in the £176m bad debt provision to cover the increased risk of non-collection brought about by Covid-19.
- 12.2 Quarter1 has seen the reduction in collection rate across the Council. As at 30th June, Council Tax was down 0.5%, Business Rates down 4.0% and the collection of sundry debt due at 31st March 2020 (from current up to 180 days overdue) was at 57%. This is due to the impact of Covid-19 on citizens and businesses and decisions to support elements of each group. Where

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appropriate the Council has been sending reminders out for overdue payments as many still have the capacity to pay. External enforcement through debt collection and/or courts has not been possible during Quarter 1 but that situation is starting to change.

- 12.3 Finance are implementing deep dive reviews on debt to ensure we are effectively managing the overdue debt we have, minimising any future overdue debt and, wherever possible, avoiding debt all together by ensuring payment at point of order.
- 12.4 Details of write-offs are provided in Annex 3.

13. Interests in Companies

- 13.1 A review of the material group company interests of the council has taken place in to understand the impact of Covid-19 on their business plans and current performance. This review was first undertaken over the initial weeks of lockdown and has been refreshed as further information has become available both nationally, within the industry categories and within each organisation. This review will continue to be updated bi-monthly or when updates are presented by company interests and reported to the Cabinet Committee for Group Company Governance. Where it is indicated that there is a risk of a financial impact to the council then that will be reported within the regular revenue and capital monitoring reports to Cabinet.

14. Collection Fund

- 14.1 The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. However, for the most part, the impact on the budget is as set out in the Financial Plan 2020 - 2024, with any surplus or deficit being required to be carried forward and taken into account as part of the 2021/22 budget setting process.

Council Tax

- 14.2 The overall net budget for Council Tax income including Parish and Town Council Precepts is £367.6m in 2020/21. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities.
- 14.3 There is a deficit forecast for the year of which the Council's share is £27.4m. This is made up of a cumulative deficit brought forwards from 2019/20 of £3.1m of which Council's share is £2.7m, (comprised of £3.9m final surplus position for 2019/20 compared with a £7.0m deficit anticipated when the budget was set

for 2020/21) plus an additional in year deficit relating to 2020/21 of £24.7m. This in year deficit is primarily due to a forecast deficit of £20.3m in Council Tax Support of which £11.3m is funded from Hardship Fund. In addition there is forecast of higher non collection rate as a result of Covid-19. The total net deficit for the year including brought forward deficit from 2019/20 is, therefore, forecast to be £16.1m. (forecast deficit of £27.4m less £11.3m funded from Hardship Fund)

The position for Council Tax is set out in the table below:

Council Tax Summary Table (BCC Share)

	Budget	Forecast	Outturn	Forecast Surplus/(Deficit)
	£m		£m	£m
Gross Debit	538.037		539.569	1.532
Non Collection	(10.979)		(17.585)	(6.606)
Net Budget	527.058		521.983	(5.074)
Council Tax Support	(91.037)		(111.346)	(20.309)
Other Reliefs and Discount	(66.495)		(66.529)	(0.034)
Total in year Debit	369.527		344.109	(25.418)
Prior Year Adjustment	(1.951)		(1.276)	0.675
Total In Year Surplus/(Deficit)	367.575		342.833	(24.742)
Total Deficit Brought Forward	0.000		(2.708)	(2.708)
Grand Total Surplus/(Deficit)	367.575		340.125	(27.450)
Hardship Fund	0.000		(11.338)	(11.338)
Grand Total Net Surplus/(Deficit)	367.575		351.463	(16.112)

Business Rates

- 14.4 Under the 100% Business Rates Pilot that came into effect on 1st April 2017 the Council continues to retain 99% of all Business Rates collected under the Business Rates Retention Scheme with 1% being paid over to the West Midlands Fire Authority. The overall budgeted level of Business Rates in 2020/21 is £445.7m (excluding the Enterprise Zone), of which the Council's retained share is £441.2m.
- 14.5 There is a deficit anticipated, in year, of which the Council's share is £214.5m. This is mainly due to additional Small Business Reliefs of £171.8m that the Council granted to small businesses in the leisure, retail and nursery sectors which were affected by Covid-19. The forecast gross rate yield is £18.5m lower than the budget relating to a lower growth in businesses. To be prudent the original growth which was forecast when the budget was set has not been factored in the forecast due to economic uncertainties. In addition, an increase in bad debt provision of £24.2m is forecast as a result of Covid-19.

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- 14.6 The total additional grants compare to budget anticipated to offset this deficit is £169.5m. However, this will be received into the General Fund in 2020/21 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £214.5m forecast deficit in the Collection Fund.
- 14.7 As a result of the above a total in year deficit of £45.0m is to be carried forward and taken into account in setting the budget for 2021/22 made up of £214.5m deficit relating to the Council's share offset by £169.5m compensatory grants.
- 14.8 In addition to the in-year position and as previously reported in the 2019/20 Outturn report, a cumulative deficit was brought forward from 2019/20 of £1.4m due to the final deficit position for 2019/20 being £16.8m compared with a £15.4m deficit forecast when setting the budget for 2020/21. Therefore, an overall deficit of £46.4m relating to the Council's share of Business Rates (£45.0m in year deficit plus £1.4m deficit brought forward) is forecast.

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

Business Rates Summary Table (BCC Share)

	Net Budget £m	Forecast Outturn £m	Forecast Surplus/(Deficit) £m
Gross Rate Yield	572.393	553.846	(18.547)
Total Reliefs	(102.516)	(274.319)	(171.803)
Gross rate yield after reliefs	469.877	279.527	(190.350)
Increase in Bad Debts Provision	(9.398)	(33.562)	(24.164)
Other	(19.275)	(19.275)	0.000
Total Net Rate Yield	441.204	226.690	(214.514)
Compensatory Section 31 Grant (BCC Share)	55.617	225.162	169.544
Grand Total In Year Surplus/(Deficit)			(44.970)
BR Deficit Brought Forward		(1.434)	(1.434)
Grand Total Surplus/(Deficit)			(46.405)

Overall

- 14.9 Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £62.5m to be carried forward and taken into account in setting the budget for 2020/21 (£16.1m deficit for Council Tax and a £46.4m deficit for Business Rates).

Annexes

List of Annexes

- 1. Directorate Costs of Covid-19**
- 2. Covid-19 Risks**
- 3. Savings Programme Tables**
- 4. Write off details**
- 5. Reserves Policy**
- 6. Treasury Management**
- 7. Capital Programme tables**
- 8. Investment Property Portfolio Dashboard**

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Annex 1 Directorate Covid-19 Costs

- 1.1 Directorates are facing an overspend of £139.4m, due to the Covid-19 pandemic.
- 1.2 **Neighbourhoods Directorate has an overspend of £39.9m, as shown by the table below.**

Neighbourhoods	Covid-19 £m
Street Scene	12.4
Housing General Fund	7.9
Neighbourhoods	9.4
Regulation & Enforcement	10.2
Business Support	0.0
Directorate	39.9

Street Scene has an overspend of £12.4m

£5.5m loss of income relating to trade waste and fleet customers.

£3.0m staffing costs as a result of delay in launching Street Scene Redesign.

£1.9m cost of safety measure to protect the staff and public from Covid-19, this include safety signage at recycling centres and daily sanitisation in the cabs of vehicles, additional cleaning at the Queslett Landfill site as well as additional hand sanitisers and PPE for staff.

£1.4m loss of income from hiring of parks pitches, car parking income, catering concessions, as a result of the initial lockdown measure which saw Parks closed.

£0.6m additional cost due to delay in the implementation of the new operating model for Waste Management Services.

Housing General Fund has an overspend of £7.9m

£3.5m additional cost covering accommodation & support of rough sleepers, food packages and additional staffing through agency. It is anticipated that the exit strategy cost for those individuals identified as rough sleepers as part of Covid-19 response will continue for the full financial year.

£3.4m is a result of potential increase in number of homeless people and domestic violence cases combined with the additional cost of providing accommodation due to the implementation of social distancing, which has led to the reduced capacity at our hostel, Bushmere. Also, there is a limited scope to move people on from temporary accommodation due to the lockdown, which has increased the forecast cost.

£1.0m additional cost due to delay in the implementation of the new operating model. Consultation will now commence in October.

Neighbourhoods has an overspend of £9.4m

Sports and Wellbeing, £8.0m, consisting of a loss of income from the closure of leisure and wellbeing facilities £2.2m, and supplier relief claims from external Leisure contractors £5.7m all driven from Covid-19 emergency measures. The remaining balance, £0.1m relates to non-delivery of savings.

Other impacts due to Covid-19 emergency measures across Culture Development and Community Services include a loss of income upon the closure of Community facilities, £0.5m, and Film Birmingham £0.1m.

It is currently projected that Birmingham Museums Trust will potentially require financial support £0.8m, however the final amount could be as high as £2.5m depending upon the timing and nature of any re-opening, which has not been included in the current forecast.

Regulatory and Enforcement has an overspend of £10.2m

£6.9m overspend is due to additional costs forecast for Regional Mortuary and the Support for local Funeral Directors storage capacity and the projected loss of income from non-sale of memorials and the cost of ground maintenance & cleaning charges.

Markets overspend, £1.0m, due to the market closure and a proposed potential phased re-opening cost following Covid-19. Traders have requested a rent/service charge free period which would cause a significantly larger pressure than forecast, something the Council has refused due to the availability of grants and rate rebates from the Government.

The City Centre Operations Team have been unable to hire out public spaces in the city centre due to Covid-19 restrictions, as well as a pause on café street furniture licences being imposed, £0.3m.

The Registration Service, £1.1m, has seen significant reduction in income opportunities following Covid19 restrictions on weddings and other celebratory events and increase in the workload. Additional staffing cost as part time staff, working more hours to ensure all of death are registered and additional measures taken to make the Register Office Covid-19 secure.

Loss of income from Pest control £0.5m, £0.2m loss of income from issuing environmental health fixed penalty notices (FPN) and £0.2m lost income from new licencing applications.

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1.3 Adult Social Care overspend of £36.9m as shown by the table below.

Adult Social Care	Covid-19 £m
Director	1.8
Commissioning	0.0
Packages of Care	16.7
Community & Operational	7.2
Other	11.2
Directorate	36.9

Director has an overspend of £1.8m – The overspend has been caused by the pressures arising from anticipated increased Community Equipment spend in relation to the Covid-19 pandemic, offset by reduced IT costs and increased interest receivable on deferred client income.

Packages of Care has an overspend of £16.7m – The overspend £16.7m is due to pressures arising from anticipated increased number and cost of care packages, loss of income and support provided to the Care Market.

Community & Operational has an overspend of £7.2m – The overspend £7.0m relates to the cost of additional agency social workers.

There are other minor £0.2m underspends across the team.

Other has an overspend of £11.2m - The overspend is caused by providing to the support to the Care Market with additional costs, increased spend on PPE and Food for vulnerable people.

1.4 Education and Skills overspend of £26.7m as shown by the table below.

Education and Skills	Covid-19 £m
Education & Early Years	0.2
Inclusion & SEND	1.2
Children's Trust	11.0
Strategic Leadership	12.8
Skills & Employability	1.5
Directorate	26.7

Education & Early Years has an overspend of £0.2m.
£0.2m income from Education Safeguarding and nursery premises rental loss

Inclusion & SEND has an overspend of £1.2m due to loss of income from: Travel Assist £0.1m, Education Psychology service £0.9m and Higher Needs

£0.2m, income for provision of the sensory support service at schools and other local authorities due to a reduction in the number of referrals.

Children's Trust has an overspend of £11.0m due to cost increase for residential placement cost £6.4m, £1.9m for care leavers and £2.7m other social care cost.

Strategic Leadership has an overspend of £12.8m, which is relates to increased demand for child support services. Therefore, it is forecasting an overspend for following services:

Financial sustainability of early years and childcare providers £8.0m
Birmingham Children's Partnership grants and support £3.0m
School meal voucher scheme during the Easter holiday period £1.4m
Delay in construction has resulted in additional security and boarding cost £0.2m on School capital projects.
Other Covid-19 related costs amount to £0.2m.

Skills & Employability has an overspend of £1.5m

Income lost from for Libraries and Unique Venues Birmingham profit share amount to £0.8m.

The Youth Service is anticipating a loss of £0.3m in income and Birmingham Adult Education Service (BAES) is forecasting a £0.4m loss of income.

1.5 Inclusive Growth £22.4m overspends as shown by the table below.

Inclusive Growth	Covid-19
	£m
P&D - City Centre, EZ, BDI	0.5
Transport & Connectivity	0.3
P&D - Strategy & Planning	0.0
Birmingham Property Services	6.8
Housing Development	0.0
Highways & Infrastructure	14.5
Inclusive Growth Director	0.3
Other Funds - Holding Accounts	0.0
Directorate	22.4

P& D - City Centre has an overspend of £0.5m due to loss in fees from Planning application fees

Transport & Connectivity has an overspend of £0.3m due to income loss from Local Land Charges.

Birmingham Property Services has an overspend of £6.8m
which is forecasting that it will lose the following income as result:

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£4.3m lost commercial rent
£0.5m non achievement of commercial rent growth strategy
£0.6m decrease in income from service charges

The pandemic will also impact on the services ability to deliver the saving projected for the financial year:

£0.3m non-delivery of savings from implementation of Hub facility.
£1.1m potential loan repayments default due to impact of Covid-19 on borrowing entity's resources.

Highways & Infrastructure has an overspend of £14.5m, Majority of the overspend has been caused by loss of income from parking enforcement:

£11.1m of **On / Off street** parking income to be lost during the year, £3.3m income civil parking enforcements.

Additional £0.1m cost has been forecast to cover the cost of temporary highways works to facilitate safer pedestrian movement to reduce risk of Covid-19 spread.

Inclusive Growth Director has an overspend of £0.3m due to increased cost for additional health and safety costs to procure/deploy hand sanitiser units in Council buildings to reduce the risk of spreading of Covid-19.

1.6 **Finance & Governance £10.2m overspends as shown by the table below.**

Finance & Governance	Covid-19
	£m
Development and Commercial	10.2
Service Finance	0.0
City Solicitor	0.0
Birmingham Audit	0.0
Directorate	10.2

Development & Commercial has an overspend of £10.2m. which has been broken down below:

6.8m City Serve - loss of school's income and increased costs in emergency provision.

£2.4m Outdoor Advertising - loss of commercial advertising income from outdoor digital advertising, lampposts, roundabouts and City Dressing.

£0.7m Civic Catering - loss of functions income, closure of Pause cafes and unavoidable costs.

£0.2m Birmingham City Labs - loss of income.

1.7 Digital & Customer Services, £1.8m overspend as shown by the table below.

		Covid-19
Digital & Customer Services		
		£m
IT & Digital Services		0.0
Revenues & Benefits		0.0
Business Improvements		0.0
Customer Services		0.0
Director of DC&S		1.8
Directorate		1.8

Director of DC &S has an overspend of £1.8m

Currently all the overspend relating to Covid-19 have been accounted for under the Director of DC &S, these have been analysed by service:

£0.9m relates to **IT & Digital service**, cost for additional IT Equipment and to facilitate remote working.

£0.8m relates to **Benefits Services**, £0.5m cost of providing Local Welfare provision and £0.3m additional costs due to 6.8 FTE staff that have been kept on without budget in 20/21 to support extra Covid-19 workload.

£0.1m relates to **Customer Services**, Contact Centre additional licences, Business Support Dolman Street and call handing for shielded citizens to full provision of support.

1.8 Partnerships, Insight and Prevention (PIP) £1.6m overspend as shown by the table below.

		Covid-19
PIP		
		£m
Communication & Marketing		0.0
Public Health and Equalities		0.0
Assistant Chief Exec		1.6
Community Safety Strategy		0.0
Directorate		1.6

Assistant Chief Exec has an overspend of £1.6m.

The overspend has been forecast due to increase in cost of providing food supply to Shielded vulnerable people £1.4m, £0.2m relate to additional cost

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due to Public Health (PH) activities and the cost of providing CCTV at the Sutton Hall Cemetery for the temporary body storage facility.

1.9 Corporate overspend £5.6m

There is a £5.6m pressure on corporate budgets due to an expected shortfall in investment income and increased borrowing costs.

Annex 2: Covid-19 Risks

Cell	Risk	Assumptions	Mitigations	Likelihood %	Medium Term Potential Impact	Weighted Medium Term Potential Impact	RAG Rating	MHCLG Category
					£m	£m		
					353.301	97.642		
GENERAL FUND								
Tactical	Any Belwin funding over and above £38.7m may not be successful	Current funding gap above grant received with an assumption that 20% may not be eligible spend for Belwin criteria						
Tactical	Cash is not readily available to support decision making or may not be able to obtain short term affordable borrowing	Assumed additional cost of borrowing requirement of £500k (£10m at worse case 5%) but likelihood we would have to do that of 30%		30%	0.500	0.150	A	Finance & corporate - other
Tactical	The provision of support to businesses, the voluntary sector and individuals gives rise to unforeseen tax implications, either through the Council directly or its subsidiaries in the delivery of services for the Council.	The Council may overclaim VAT on expenditure, undercharge VAT on income or risk its 5% partial exemption limit c£8m – assumed 5% likelihood/impact	The Council contracts with external advisors to provide support on tax issues to ensure compliance	5%	8.000	0.400	R	Finance & corporate - other
Tactical	Loss of Business Rates					44.970	R	Business Rates cash receipt losses
Tactical	Loss of Council Tax					13.404	R	Council Tax
Tactical	Reduction in S31 grant					5.562	R	Other income losses
Business Continuity	Due to Emergency COVID19 - delay in introduction of Staffing Re-design and deliver savings in Neighbourhoods	Re-design proposals for Street Scene c£1.0m and Housing Options c£2.0m - deliver of savings. Assumed 5% impact on savings due to slippage		25%	4.244	1.061	R	Housing - other excluding HRA
Business Continuity	A range of measures being considered for agency staff including that Local Authority may be required to pay agency workers upto 80% salary capped at £2.5k per month along the same principles as Furlough			Not yet quantified				
Business Continuity	Due to current COVID activities - normal services due to be delivered against Public Health Funding is at risk - Neighbourhoods -Leisure and Community services	Assume Qtr1 for total sum budgeted £3.2m	Public Health agree that COVID activity can be classed as applicable for PH grant	25%	0.000		R	Public Health
Business & Economic Recovery	Additional costs, including borrowing, incurred for re-commenced capital activity if schemes such as construction and IT are stopped or incur delay	Assumed £1m additional spending with a 50% likelihood.		50%	1.000	0.500	R	Finance & corporate - other
Business & Economic Recovery	Contributions from business can no longer be provided as a result of economic shock e.g. BID levy collection	78% of the BID cashflow is paid out by BCC before it is recovered from businesses as accountable body - there is a high risk that this income due will not be recovered	None identified	78%	3.800	2.964	A	Other income losses

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Business & Economic Recovery	Borrowing requirement in place of £93.5m capital receipts (virtually all disposals) over the next 12 months as a result of economic downturn causing slippage, reduced sales volumes and prices	Assumed 6 month slippage: Borrowing half this for a year would cost us nearly £1m a year at 1.84%. Reduced receipt assumed at 20% would cost us £0.4m	Pursue disposals and negotiate best price possible or delay sales until market stabilises. Reduce capital spend to reduce funding requirements but this will have an impact on service delivery and costs	100%	1.400	1.400	R	Finance & corporate - other
Business & Economic Recovery	Inclusive Growth: Transportation & Major Projects: Where capital programmes are ceased this will result in employee related costs not being capitalised and will result in the costs needing to be funded from the revenue position	Transportation Projects income budget of £4.569m. Failure to generate income would result in a pressure of approximately £0.4m per month, therefore assumes £1.1m based on 1st 1/4 (3 months). Work ongoing to establish accurate level of loss as some project officers may still be in a position to carry out works and recharge some time.		50%	1.100	0.550	R	Highways and Transport
Business & Economic Recovery	Hydrogen Bus project on hold as a result of COVID-19. The successful bus operator will not commit to the expenditure in the current climate. Whilst the intent from all parties is that this will be re-considered later in the year there is a risk that the impact of COVID-19 on the business model would result in project cessation.	To date only £1m of grant has been expended via a grant to a third party hydrogen production company. There is a risk that this may be clawed back by European funders if the project does not progress. It should be noted that there is a COGA in place to mitigate the risk on the Council but this does still remain a risk should the company not be in a position to repay.		100%	1.000	1.000	R	Other income losses
Business & Economic Recovery	Private Rented Sector - Payment of Licences by landlords will be impacted despite mortgage holidays	Assumption on % of mandatory licences	availability of staff to chase outstanding debt from those landlords that are able to pay	50%	1.000	0.500	R	Housing - other excluding HRA
Business & Economic Recovery	Financial Claim made from Birmingham Museum Trust - Financial challenge due to lockdown	Financial statement from Org received, Sales income lost and Staff currently furloughed	Likely to be cashflow rather than grant - further risk of business recovery	60%	2.000	1.200	R	Cultural & related - other
Business & Economic Recovery	Financial claim due to be made from Performance Birmingham - financial challenge due to lockdown - manage / run town hall and ICC/Symphony Hall	Financial Statement due	Likely to be cashflow rather than grant - further risk of business recovery	0%	0.000		R	
Business & Economic Recovery	Financial Sustainability for Leisure Service Providers - Financial challenge due to lockdown	Financial assessments underway - claims are currently on basis that staff are furloughed and other central govt relief has been accessed - covers SERCO and People for Place. This risk is not to be mistaken for loss of income already recorded as costs		100%	0.000		R	Cultural & related - sports, leisure and community facilities
Business & Economic Recovery	Bus Lane Enforcement	Loss of income due to reduced traffic flows	Traffic flows continue to increase as lock-down is lifted which may lead to a corresponding increase in bus lane infringements	100%	3.420	3.420	A	SFC - Highways and Transport
Health & Welfare	Operational activity now costs more e.g. resources redirected towards critical services and agency staff backfill required - additional staff costs approximately £1m per month after August	Assumed additional staff costs to August as will need to resolve reviews etc in the period immediately after Covid 19	Assumed to August	50%	4.000	2.000	G	Adult Social Care - workforce pressures
Health & Welfare	Covid 19 requires ongoing change to proposed EICT model, extending the period of support required from Newton and reducing assumed benefits and delivery of 2020/21 savings targets. Each month that the Packages of Care savings are not achieved costs approximately £1m.	Currently assumed that packages of care savings will still be achieved.		30%	12.000	3.600	R	Adult Social Care - additional demand

Health & Welfare	Potential that the end of "lock down" for the more vulnerable groups may take far longer than the general population requiring ongoing care packages, food and other hardship support. Total food costs are approx £50k per month.	Current costs for food supply etc are only to end June.		80%	0.225	0.180	G	Adult Social Care - other
Health & Welfare	Demand levels increase above operational planning levels e.g. patients discharged early from hospital into social care creating supply issues driving up costs. Currently assumed short term costs met by CCG but longer term impact mitigated by deaths.	Currently 400+ discharges taking place for those in hospital with no ongoing care needs - these are being funded by Health Covid 19 funding.	Range of measures being developed to support the Social Care Market built into cost tracker. This is likely to be mitigated by deaths in BCC/Self Funded placements which would reduce overall demand, particularly for residential and nursing placements.	25%	20.000	5.000	G	Adult Social Care - additional demand
Health & Welfare	Ongoing cost to Council of short term care decisions. Health are funding all discharges at the moment		Discharge to Assess pathways being applied - in the majority of cases this will mean ongoing care is correct	50%	5.000	2.500	G	Adult Social Care - additional demand
Health & Welfare	Homelessness - demand level increase in Temporary Accommodation over and above what has been approved to date	Use 100 units for B&B average cost less income for 6 months	Mitigation will be through prevention and moving on ability	60%	1.037	0.622	R	Housing - homelessness services
Health & Welfare	Savings non-delivery for Adult Social Care	MYR1 16+ / AD001 18+ / MIA7 16+ / HW317 / AD007 18+ / CC002 18+ / AD104 18+ Adult Packages of Care		25%	0.443	0.111	R	Adult Social Care - additional demand
Health & Welfare	Savings non-delivery for Neighbourhoods	CC104 19+ Commercialisation Assumed slippage of on Savings delivery planned in 2021/22	Mitigation will be through pace of recovery and implementation of plans	25%	2.832	0.708	R	Other - unachieved savings/delayed projects
Environment	Due to the response to Covid 19 lockdown, the essential works to the ERF were undertaken as planned, these works are scheduled during the year however there a risk on increased landfill than planned within the budget	Assume 5% cost increase on Disposal costs		20%	1.300	0.260	A	Environment & regulatory - waste management
Environment	A range of financial risks in Staffing within Street Scene (Neighbourhoods) may result in additional costs eg Agency costs required to backfil for staff who are self isolating etc	No assumptions calculated at the moment		Not yet quantified				
HRA								
Business & Economic Recovery	Housing Revenue Account - ability for this ring fenced budget to be able to absorb all aspects of COVID within its ringfenced funding.	Assumption currently is that HRA will be able to absorb all costs from COVID	Full Assessment of additional cost implications - need to be checked ? Mitigation will be funding from the Council based on supplier relief principles	2%	279.000	5.580	R	HRA Other

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Annex 3 Savings Programme

Savings at Period 3			2020/21				
Directorate	Savings Reference	Savings Description	Budgeted Saving (£m)	Blue	Green	Amber	Red
Adult Social	HW4 17+ / AD002 18	Effective and efficient workforce	(1.518)	0.000	(0.759)	(0.759)	0.000
Adult Social	MYR1 16+ / AD001 17	Adult Packages of Care	(9.366)	0.000	(5.766)	(3.600)	0.000
Adult Social	AD005 18+	Corporate Director	(0.070)	0.000	(0.070)	0.000	0.000
Adult Social	CC104 19+	Commercialisation	(0.218)	0.000	(0.145)	(0.073)	0.000
		Total Savings in Financial Plan	(11.172)	0.000	(6.740)	(4.432)	0.000
		Total Savings Adult Social Care	(11.172)	0.000	(6.740)	(4.432)	0.000
Digital	CC1 17+ CC23 16+ /	Implementation of ICT & D strategy to reduce spend on core IT in	(0.810)	0.000	(0.810)	0.000	0.000
Digital	SS008 18+	Customer Services Team	(0.088)	0.000	(0.088)	0.000	0.000
Digital	WOC1	Allocation of Workforce Savings	(0.183)	0.000	(0.183)	0.000	0.000
Digital	DCS001 20+	Brum Account - Phase 3	(0.135)	0.000	(0.135)	0.000	0.000
Digital	DCS006 20+	Brum Account Payments	(0.024)	0.000	(0.024)	0.000	0.000
Digital	DCS008 20+	Consolidation of support services into Customer Services and Bu	(0.060)	0.000	(0.060)	0.000	0.000
Digital	DCS009 20+	Cease handling planning queries at the corporate contact centre	(0.060)	0.000	(0.060)	0.000	0.000
Digital	DCS010 20+	Implementation of SMS and Customer Payment Journey for the f	(0.015)	0.000	(0.015)	0.000	0.000
Digital	DCS011 20+	Application Platform Modernisation	(0.505)	0.000	(0.505)	0.000	0.000
Digital	DCS012 20+	Wide Area Network Review and Redesign	0.000	0.000	0.000	0.000	0.000
Digital	DCS013 20+	Corporate voice and mobile telephony rationalisation.	(0.033)	0.000	(0.033)	0.000	0.000
Digital	DCS014 20+	Utilisation of corporate Microsoft Enterprise Agreement	(0.400)	0.000	(0.400)	0.000	0.000
Digital	DCS015 20+	ITDS Organisation Structure Review	(0.200)	0.000	0.000	(0.200)	0.000
Digital	DCS016 20+	Contract Supplier Review and Rationalisation	(0.150)	0.000	(0.150)	0.000	0.000
Digital	DCS020 20+	Renewal of bulk printing contract including Revenues and Benef	0.000	0.000	0.000	0.000	0.000
Digital	ADD SAP 20+	Additional SAP savings	0.000	0.000	0.000	0.000	0.000
Digital	DEBT COLL 20+	Debt Collection Costs	(0.208)	0.000	0.000	(0.208)	0.000
Digital	CC104 19+	Commercialisation	(0.013)	0.000	(0.013)	0.000	0.000
		Total Savings in Financial Plan	(2.884)	0.000	(2.476)	(0.408)	0.000
		Total Savings Digital	(2.884)	0.000	(2.476)	(0.408)	0.000
Ed&Skills	P22 16+	Early Years	(0.981)	0.000	0.000	(0.981)	0.000
Ed&Skills	PL016D 18+	Youth Service	0.000	0.000	0.000	0.000	0.000
Ed&Skills	PFS	Corporate funding of pension fund strain	0.002	0.000	0.002	0.000	0.000
Ed&Skills	CC104 19+	Commercialisation	(0.040)	0.000	(0.040)	0.000	0.000
Ed&Skills	PL126 19+	Review of managerial arrangements across the Directorate	(0.031)	0.000	0.000	(0.031)	0.000
Ed&Skills	PL130 19+	Reduce the number of books purchased for the Library Service	(0.004)	0.000	(0.004)	0.000	0.000
Ed&Skills	ESS008 20+	Generation of income from legal process training to provided to	(0.020)	0.000	0.000	0.000	(0.020)
Ed&Skills	ESS010 20+	Education Infrastructure	(0.137)	(0.137)	0.000	0.000	0.000
Ed&Skills	ESS011 20+	Service redesign (General Fund only)	(0.052)	0.000	0.000	0.000	(0.052)
Ed&Skills	ESS013 20+	School & Governor Support - fully traded service	(0.050)	0.000	(0.050)	0.000	0.000
Ed&Skills	ESS014 20+	Development of a traded service to sit alongside (and compleme	(0.019)	0.000	0.000	(0.019)	0.000
Ed&Skills	ESS015 20+	SENDIASS Income	(0.020)	0.000	0.000	(0.020)	0.000
Ed&Skills	ESS019 20+	Birmingham Careers Service - Employee reduction	(0.050)	0.000	(0.050)	0.000	0.000
Ed&Skills	ESS026 20+	Savings in the Children Trust budget from initiatives on the supp	0.000	0.000	0.000	0.000	0.000
		Total Savings in Financial Plan	(1.402)	(0.137)	(0.142)	(1.051)	(0.072)
		savings delivered on a one-off basis in 2019/20					
Ed&Skills	CC002 18+	CC002 18+ Efficiency Target	(0.563)	0.000	(0.563)	0.000	0.000
Ed&Skills	WOC1	WOC1 Allocation of workforce savings	(0.283)	0.000	(0.283)	0.000	0.000
Ed&Skills	CY109 19+	CY109 19+ Management Review and Structure	(0.164)	0.000	(0.164)	0.000	0.000
Ed&Skills	EC104 19+	EC104 19+ Employment and Skills Cross Directorate Rationalisat	(0.036)	0.000	0.000	(0.036)	0.000
Ed&Skills	CC104 19+	CC104 19+ Commercialisation	(0.429)	0.000	0.000	(0.429)	0.000
		One-off savings	(1.475)	0.000	(1.010)	(0.465)	0.000
		Total Savings Ed&Skills	(2.877)	(0.137)	(1.152)	(1.516)	(0.072)

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Directorate	Savings Reference	Savings Description	Budgeted Saving (£m)	Blue	Green	Amber	Red
F&G	CC23 16+	Reduction in costs relating to the SAP investment plan	(0.050)	(0.050)	0.000	0.000	0.000
F&G	FG001 18+ / FG002	City Finance	(0.090)	(0.030)	(0.060)	0.000	0.000
F&G	WOC1	Allocation of Workforce Savings	(0.185)	(0.185)	0.000	0.000	0.000
F&G	PFS	Corporate funding of pension fund strain	0.063	0.063	0.000	0.000	0.000
F&G	CC104 19+	Commercialisation	(0.137)	0.000	(0.017)	(0.120)	0.000
F&G	FG101A 19+	Delivery of further efficiency savings following the implementation	(0.100)	0.000	0.000	(0.100)	0.000
F&G	FG102 19+	Reduced external legal spend	(0.100)	0.000	0.000	(0.100)	0.000
F&G	FGS003 20+	Procurement Savings Opportunity Assessment	(3.000)	(0.582)	0.000	(2.418)	0.000
F&G	ESS022 20+	Schools Financial Services Budget Savings	(0.049)	(0.049)	0.000	0.000	0.000
		Total Savings in Financial Plan	(3.648)	(0.833)	(0.077)	(2.738)	0.000
		savings delivered on a one-off basis in 2019/20					
F&G	FG102 19+ CF	Reduced external legal spend	(0.200)	0.000	0.000	(0.200)	0.000
F&G	SS002 17+ CF	Corporate Procurement Services	(0.030)	(0.030)	0.000	0.000	0.000
		One-off savings	(0.230)	(0.030)	0.000	(0.200)	0.000
		Total Savings F&G	(3.878)	(0.863)	(0.077)	(2.938)	0.000
HR	WOC1	Allocation of Workforce Savings	(0.074)	(0.074)	0.000	0.000	0.000
HR	HR105 19+	Apprenticeship Levy – one provider of all training and administration	(0.023)	(0.023)	0.000	0.000	0.000
HR	HR107 19+	Post implementation of ERP system	0.000	0.000	0.000	0.000	0.000
HR	HRS001 20+	Deletion of part-time vacancy. Amalgamation of two management	(0.035)	(0.035)	0.000	0.000	0.000
		Total Savings in Financial Plan	(0.132)	(0.132)	0.000	0.000	0.000
		Total Savings HR	(0.132)	(0.132)	0.000	0.000	0.000
Inc Growth	JS4A	Reduce West Midlands Combined Authority Transport Levy	0.001	0.001	0.000	0.000	0.000
Inc Growth	SN9A NEW	Civil parking Enforcement	(0.010)	(0.003)	0.000	(0.007)	0.000
Inc Growth	WOC1	Allocation of Workforce Savings	(0.195)	(0.195)	0.000	0.000	0.000
Inc Growth	CC104	Commercialisation	(0.090)	(0.090)	0.000	0.000	0.000
Inc Growth	EC016 18+/EC103A 19+ & 20+	Property Strategy/Commercial Income Growth	(0.472)	0.000	0.000	0.000	(0.472)
Inc Growth	EC103B	Operational Hub Programme	(0.322)	0.000	0.000	0.000	(0.322)
		Total Savings in Financial Plan	(1.088)	(0.287)	0.000	(0.007)	(0.794)
		savings delivered on a one-off basis in 2019/20					
Inc Growth	SN35 16+ CF	Expansion of City Centre on-street parking, concessions and restrictions	(0.463)	(0.154)	0.000	0.000	(0.309)
Inc Growth	CC26 16+CF	Council administrative buildings reduction	(0.536)	0.000	0.000	(0.286)	(0.250)
Inc Growth	MYR4/HN11/SN40 CF	Inreach	(0.007)	0.000	0.000	0.000	(0.007)
		One-off savings	(1.006)	(0.154)	0.000	(0.286)	(0.566)
		Total Savings Inc Growth	(2.094)	(0.441)	0.000	(0.293)	(1.360)

Directorate	Savings Reference	Savings Description	Budgeted Saving (£m)	Blue	Green	Amber	Red
Neighbourhoods	SN21 16+	Removal of universal superloos	0.000	0.000	0.000	0.000	0.000
Neighbourhoods	PL016E	Neighbourhoods and Communities - Community	0.000	0.000	0.000	0.000	0.000
Neighbourhoods	WOC1a	Allocation of Workforce Savings - Street Scene	(0.292)	0.000	0.000	0.000	(0.292)
Neighbourhoods	WOC1b	Allocation of Workforce Savings - Housing General Fund	(0.084)	0.000	0.000	0.000	(0.084)
Neighbourhoods	WOC1c	Allocation of Workforce Savings - Neighbourhoods	(0.065)	(0.065)	0.000	0.000	0.000
Neighbourhoods	WOC1d	Allocation of Workforce Savings - Reg & Enforcement	(0.124)	0.000	(0.118)	0.000	(0.006)
Neighbourhoods	PFS	Corporate funding of pension fund strain	0.032	0.032	0.000	0.000	0.000
Neighbourhoods	PL104 19+	Transfer management of community centres to third parties	(0.030)	(0.030)	0.000	0.000	0.000
Neighbourhoods	PL118 19+	Reduction in grant to the Active Wellbeing Society	(0.108)	0.000	0.000	0.000	(0.108)
Neighbourhoods	PL123 19+	Housing, Private Rented Sector and Voids redesign	(0.400)	0.000	0.000	0.000	(0.400)
Neighbourhoods	PL126a 19+	Review of managerial arrangements Street Scene	(0.158)	0.000	0.000	0.000	(0.158)
Neighbourhoods	PL126b 19+	Review of managerial arrangements Housing General Fund	(0.117)	0.000	0.000	0.000	(0.117)
Neighbourhoods	PL126c 19+	Review of managerial arrangements Neighbourhoods	(0.025)	(0.025)	0.000	0.000	0.000
Neighbourhoods	PL126d 19+	Review of managerial arrangements Reg & Enforcement	(0.169)	0.000	(0.169)	0.000	0.000
Neighbourhoods	PL128 19+	Garden and bulky waste fees and charges review	(0.150)	0.000	(0.150)	0.000	0.000
Neighbourhoods	NE01 20+	Revenue savings from Waste Management Replacement Strategy capital project	0.000	0.000	0.000	0.000	0.000
Neighbourhoods	CC105 19+	Consolidation Programme – Transport workstream	0.000	0.000	0.000	0.000	0.000
		Total Savings in Financial Plan	(1.690)	(0.088)	(0.437)	0.000	(1.165)
		savings delivered on a one-off basis in 2019/20					
Neighbourhoods	PL003 18+	Parks and Nature Conservation	(0.200)	0.000	0.000	(0.200)	0.000
Neighbourhoods	PL126a 19+CF	PL126 19+ Review of Place Managerial Arrangements Street Scene	(0.158)	0.000	0.000	0.000	(0.158)
Neighbourhoods	PL126b 19+CF	PL126 19+ Review of Place Managerial Arrangements Housing General Fund	(0.117)	0.000	0.000	0.000	(0.117)
Neighbourhoods	PL126c 19+CF	PL126 19+ Review of Place Managerial Arrangements Neighbourhoods	(0.056)	(0.056)	0.000	0.000	0.000
Neighbourhoods	PL126d 19+CF	PL126 19+ Review of Place Managerial Arrangements Reg & Enforcement	(0.169)	(0.169)	0.000	0.000	0.000
Neighbourhoods	PL129 19+CF	PL 129 - Parks income proposals	(0.180)	0.000	0.000	0.000	(0.180)
Neighbourhoods	SN45 16+ CF	Disposal of unwanted/under utilised parks land (8 acres per year)	(0.200)	0.000	0.000	(0.200)	0.000
Neighbourhoods	PL124 19+	Strategic Housing Function	(0.300)	0.000	0.000	0.000	(0.300)
Neighbourhoods	SN26 16+	Discontinue Non Framework Contract at Health and Wellbeing Centres	(0.047)	(0.047)	0.000	0.000	0.000
Neighbourhoods	PL112 19+	Redesign of Birmingham BID Support	(0.055)	0.000	(0.055)	0.000	0.000
Neighbourhoods	PL127 19+	Bereavement Services Fees and Charges Review	(0.594)	0.000	(0.594)	0.000	0.000
Neighbourhoods	SN24 16+ CF	Provide above ground mausoleums and vaults	(0.209)	0.000	(0.209)	0.000	0.000
		One-off savings	(2.285)	(0.272)	(0.858)	(0.400)	(0.755)
		Total Savings Neighbourhoods	(3.975)	(0.360)	(1.295)	(0.400)	(1.920)
PIP	WOC1	Allocation of Workforce Savings	(0.039)	(0.028)	0.000	0.000	(0.011)
PIP	CC104 19+	Commercialisation	(0.003)	0.000	0.000	0.000	(0.003)
PIP	PL113 19+	Phased reduction of salaried staffing at the Hall of Memory to be replaced with appropriate voluntary staffing	(0.008)	(0.008)	0.000	0.000	0.000
		Total Savings in Financial Plan	(0.050)	(0.036)	0.000	0.000	(0.014)
		savings delivered on a one-off basis in 2019/20					
PIP	CC002 18+	CC002 18+ Efficiency Target	(0.016)	0.000	(0.016)	0.000	0.000
		One-off savings	(0.016)	0.000	(0.016)	0.000	0.000
		Total Savings PIP	(0.066)	(0.036)	(0.016)	0.000	(0.014)
		Grand Total savings	(27.078)	(1.969)	(11.756)	(9.987)	(3.366)

Annex 4: Write offs**a. Irrecoverable Housing Benefit**

In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or return to the city.

The cost to the council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. It is, therefore, the appropriate account to be charged. There is no effect on the revenue account.

Cabinet are requested to approve the writing off of one separate Housing Benefit debt to the Council which is greater than £25,000 totalling £0.035m. Section c details the nature of the debt, action taken to seek its recovery and the reasons for the recommendation for write off.

In 2020/21, from 1st April up to 30th June 2020, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table below details the gross value of amounts written off, which members are asked to note.

Age analysis	Over 6 years	3 to 6 years	Under 3 years	Total
	£m	£m	£m	£m
Benefit Overpayments	0.015	0.044	0.100	0.160
Total	0.015	0.044	0.100	0.160

Section d to this report gives a more detailed age analysis of overpayments and income written off.

b. Irrecoverable Council Tax & Business Rates

All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).

If an account case is subject to this, then consideration is given to write the debt off subject to the requirement to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.

In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.

In 2020/21, from 1st April 2020 to 30th June 2020, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. The table below details the total approved gross value of these amounts written off, £1.19m for Council Tax and £0.936m for Business Rates, which Members are asked to note.

Age analysis	Up To 2011/12	2012/13- 2014/15	2015/16- 2018/19	Total
	£m	£m	£m	£m
Council Tax	0.315	0.739	0.139	1.194
Business Rates	0.099	0.098	0.739	0.936
TOTAL	0.414	0.837	0.878	2.13

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

c. Schedule of over £25K Housing Benefit Debts recommended for write off

Supporting Information	Total Debt Outstanding (£)
Liability Period(s)/Account Ref Number(s): 24 May 2004 to 3 July 2011 – Claim reference number 03309679	£34,821.16

Appendix A

d. Summary 01.4.20 – 30.6.20

Age Analysis of Overpayments and Debts Written-off Under delegated authority by Revenues and Benefits Division

Detail	Pre 2010	2010/11	2011/12	2012/13	20013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£2,805.53	£2.65	£475.28	£1,414.51	£252.39	£10,246.78	£8,129.34	£9,874.84	£26,331.26	£28,036.86	£64,736.55	£7,624.88	£159,930.47	790
TOTAL	£2,805.53	£2.65	£475.28	£1,414.51	£252.39	£10,246.78	£8,129.34	£9,874.84	£26,331.26	£28,036.86	£64,736.55	£7,624.48	£159,930.47	790

Debt Size	Small		Medium		Large
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000
759	£98,754.68	30	£55,860.73	1	£5,315.06

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

Detail	1997-2006/7	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Council tax written off under delegated authority	£49,838.55	£19,510.51	£23,824.26	£49,842.27	£83,465.85	£89,186.70	£150,916.63	£523,783.44	£64,438.64	£44,256.19	£37,022.17	£30,047.17	£27,968.95	£1,194,101.33
Business rates written off under delegated authority	£34,995.51	£28,142.01	£13,277.99	£7,617.40	£7,680.69	£8,031.58	£7,512.42	£24,161.57	£65,619.88	£136,838.37	£185,536.67	£255,354.93	£161,797.97	£936,566.69
TOTAL	£84,834.06	£47,652.52	£37,102.25	£57,459.67	£91,146.54	£97,218.28	£158,429.05	£547,945.01	£130,058.52	£181,094.56	£222,558.84	£285,402.10	£189,766.92	£2,130,668.02

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

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council Tax written off under delegated authority	£941,869.38	4,493	£252,231.95	193			£1,194,101.33	4,686
Business Rates written off under delegated authority	£78,738.68	146	£459,244.09	184	£398,584.22	49	£936,566.69	379
TOTAL	£1,020,608.06	4,639	£711,476.04	377	£398,584.22	49	£2,130,668.02	5,065

Annex 5: Reserves Policy

1. Background

- 1.1. The purpose of this policy is to set out how the Council will determine and review its overall level of reserves and how it uses them.
- 1.2. The Council is required to maintain adequate financial reserves for meeting unknown and potential estimated future expenditure when calculating the Council Tax requirement.
- 1.3. All planned use of reserves must be for a specific purpose in order to ensure there is a sustainable budget. They should not be budgeted to be used to mitigate the need for ongoing savings other than in exceptional circumstances. Reserves will only be released upon relevant approval from the Section 151 Officer or Cabinet. See Table C.2 below for details.
- 1.4. The Council has usable reserves and unusable reserves on its Balance Sheet. The unusable reserves are as a result of accounting adjustments and are not therefore available to spend. This policy will concentrate on usable reserves.

2. General Policy

- 2.1. Usable reserves can be split into the following categories:

- General Reserves and Balances
- Earmarked Reserves
- Revenue Grant Related Reserves
- Ring-fenced Reserves
- Capital Reserves

- 2.2. The Council maintains usable reserves primarily for the following reasons:

- The need to put aside sums in case of unexpected exceptional future expenditure
- To smooth out the impact of payments on the revenue account
- To cover timing differences such as grant money received in any given year where expenditure takes place in a later year
- To provide pump prime funding for projects to deliver changes in working practices using Invest to Save Reserves. Any approved use must include an agreed repayment plan

- 2.3. Reserves can only be used on a one-off basis which means that their application does not offer a permanent solution to the requirement to deliver significant reductions in the future level of Council expenditure.

- 2.4. Reserves should not be used to avoid the necessity to make or the failure to deliver ongoing savings other than in exceptional circumstances.

3. Managing the Level of Reserves

- 3.1. The Council must maintain sufficient general reserves and working balances to cover the key financial risks and contingencies.

- 3.2.** An assessment will be carried out annually as part of the budget setting process to consider the risks the Council is exposed to and the level of general reserves that are appropriate.
- 3.3.** As part of the budget setting process the Section 151 Officer will consider and assess the level of general reserves. Consideration will be given to the strategic, operational and financial risks facing the Council.
- 3.4.** Major factors to be considered when evaluating the level of reserves, including but not limited to the following:

Budget Assumptions	Issues to Consider
Inflation and Interest rates volatility	The overall financial standing of the Council
Estimates of the level and timing of Capital Receipts	The trend of the Council's financial management and the robustness of the Long Term Financial Plan
The financial risks inherent in any significant new funding partnerships, major contractual arrangements or major capital programme	The Council's end of year closedown procedures relating to budget under/overspend.
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the Council's arrangements to cover major unforeseen risks.

4. Usable Reserves

4.1. General Reserves and Balances

4.1.1. These are funds that do not have restrictions as to their use. The Council can use them for any purpose within the General Fund. The purpose of general reserves is to manage the impact of exceptional emergencies and unforeseen events. Without such reserves the potential financial impact of these unforeseen events could cause a financial deficit in the General Fund, which would be severely disruptive to the effective operation of the authority. General Reserves held include:

4.1.2. General Fund Balance and Carry Forward Balances

- These reflect the accumulated surpluses of income over expenditure from previous years and any resources set aside as general contingency against adverse future events

4.1.3. Financial Resilience Reserve (FRR)

- This is a reserve created in 2017/18 from the backdated application of a consistent Minimum Revenue Provision (MRP) policy of 2007/08
- The change in policy has created additional revenue costs. The Council plans to release some of this reserve in line with the [Financial Plan 2020 - 2024](#) to phase in the ability to meet the additional costs as shown in Table C.1 below. The balance of this reserve is to provide contingency fund in case the Council faces financial difficulties in the future

Table C.1 Planned use of FRR to meet additional revenue costs

2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
£5.9m	£5.0m	£4.0m	£3.0m	£2.0m	£1.0m	Nil

4.1.4. Invest to Save Reserve

- To make funding available to assist in making changes to the way services are provided and ultimately reduce costs in the long term
- This reserve is held centrally and operated on an Invest to Save basis with the agreement that the usage of this fund will be repaid in the future through a planned repayment profile linked to specific savings proposals

4.2. Earmarked Reserves

4.2.1. Earmarked Reserves enable the Council to set aside sums to meet specific future liabilities. These include:

4.2.2. Capital Fund

- This is a revenue reserve which has arisen from revenue contributions set aside to fund budgeted capital expenditure, Equal Pay settlements and associated costs in line with the Council's Capital Financing and Equal Pay funding claims

4.2.3. Insurance Reserve

- The Council self-insures against all bar the most catastrophic business risks other than where insurance cover is a legal requirement. A budget is held to cover insurance losses in-year and the Insurance Reserve exists to act as a buffer should losses exceed budgeted expectations in any given financial year. The fund increases in those years where losses incurred do not exceed the budget

4.2.4. Highways PFI Reserve

- This reserve has been earmarked to support the Highways PFI Business Model

4.2.5. Other Earmarked Reserves

- There are some reserves which cover a wide range of services that have been set aside to support future years' service delivery. These include, for example, resources earmarked for Special Educational Needs reform, a local innovations fund, highways initiatives, subvention for major events, replacement IT systems and repairs and maintenance for specific service chargeable buildings. These reserves are monitored at Directorate level and can only be used for a particular purpose
- During the annual review if it is determined earmarking is no longer necessary the reserves will be allocated to general reserves

4.2.6. The request to use these funds or contribute to reserves must be approved by Cabinet and the allocation of Earmarked Reserves will be made when services can demonstrate that the funding is required for that particular purpose.

4.3. Revenue Grant Related Reserves

4.3.1. These reserves relate to the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded.

4.3.2. These are managed by the Directorates. The reserves will only be released following the Directorate requests being approved by the Section 151 Officer to use funding in line with grant conditions

4.3.3. The Council holds various Section 106 reserves which were contributed by private companies to improve the local community. The fund must be used for the specific scheme and within the agreed timescale. If funds are not used they need to be returned back to the contributors.

4.3.4. In addition, the Council also received Highways PFI grant in advance of required payments. These funds are taken to reserves to be utilised in years when annual maintenance expenditure exceeds the annual government grant income, in line with the PFI model.

4.3.5. Ringfenced Reserves

- Reserves that are required to be used for specific activities undertaken by the Council with little or no flexibility. These are mainly for schools or for the Housing Revenue Account and cannot be used to support general Council activity. These include:

4.3.6. Schools reserves

- The reserves are the net cumulative balances held by Council maintained schools. Under national school funding regulations, the schools are entitled to retain these balances for unexpected commitments and/or for planned school curriculum/infrastructure improvements and investment

4.3.7. Housing Revenue Account (HRA)

- The HRA is a statutory account, ring-fenced from the rest of Council funds, so that rents charged to tenants in respect of dwellings cannot be subsidised from the General Fund. Similarly, rents collected from HRA tenants cannot be used to subsidise the General Fund. The balances on the HRA reflect the accumulated surpluses of income over expenditure

4.3.8. HRA Major Repairs Reserve

- The Council is required by The Accounts and Audit Regulations 2015 to maintain the Major Repairs Reserve. The reserve controls an element of the capital resources required to be used on HRA assets or for capital financing purposes

4.4. Capital Reserves:

4.4.1. These are reserves that have been set aside to finance capital schemes and cannot be used to support revenue expenditure without the consent of the Secretary of State. These reserves comprise:

- Capital Receipts Reserve reflects the income received from the disposal of capital assets prior to being used to fund future capital expenditure or for the redemption of debt. Capital receipts cannot be used to fund revenue expenditure except where allowed by statute. The Council will allocate resources from the Capital Receipts Reserve in line with its priorities
- Capital Grants Unapplied reflects the unused element of capital grants or capital contributions awarded to the Council, for which the conditions of the grant support are expected to be met or for which there are no conditions. The reserve will be used to meet future years' capital expenditure in a way which best fits with the Council's priorities

4.5. Borrowing

4.5.1. The Council will also face temporary large costs for which ongoing savings are not required, for example, pension fund strain costs. In these instances it is prudent to borrow temporarily from reserves and identify smaller ongoing savings from which to repay the

reserves. However, this will only be agreed if there is a clear plan for how repayment can be made.

4.5.2. Temporary borrowing can be made from general reserves, earmarked reserves, schools reserves and grant related reserves.

4.5.3. Borrowing is approved by the Council as part of the budget. However amendments can be approved by Cabinet in year.

5. Reserves Approval

5.1. Table C.2 below shows the level of approval required to use or contribute to usable reserves

Table C.2 Level of approval required for requested use of or contribution to reserves

Type of Reserves	Level of Approval Required
General Reserves and Balances	Cabinet*
Earmarked Reserves	Cabinet*
Revenue and Capital Grant Related Reserves	Section 151 Officer
Other Earmarked Reserve-Ring Fenced	Section 151 Officer
Capital Receipts Reserves**	Cabinet*

* Unless previously approved by Full Council as part of approval of the budget

** Approval required for contribution from reserves only

5.2. There may be end of the year adjustments to reserves required by Audit.

6. Governance and Review

- 6.1.** The Council recognises the need to hold and maintain adequate reserves that meet the needs of the organisation. However, there is an opportunity cost as a result of the Council allocating resources away from other potential uses. It is therefore, critical for the Section 151 Officer to regularly review the purpose and level of reserves.
- 6.2.** All anticipated use of reserves should be understood and recognised as part of the budget setting process and agreed when Council approves the budget.
- 6.3.** Any identified use of, or contribution to, reserves after the budget has been set should be approved by Cabinet or the Section 151 Officer in the case of grant reserves, prior to the budget being changed. Uses should be for specific purposes for which reserves have been set aside and not to address savings non-delivery or budget pressures. Contributions to reserves should be for specific costs expected to be incurred in the future.
- 6.4.** The reserves position is reported monthly as part of the revenue monitoring process. The planned usage of reserves is also included as part of the budget setting process. In addition the level and use of reserves is reported and reviewed during the closedown process.
- 6.5.** The reserves policy will be reviewed annually as part of the budget setting process.

TREASURY MANAGEMENT MONITORING DASHBOARD: JUNE 2020

	value	comparator	difference
1 gross loan debt	£m	£m	£m
at month end	3,375		
year end Forecast (vs Plan)	3,598	3,832	-234
year end Forecast (vs Pru Limit for loan debt*)	3,598	4,085	-487
<i>*monitoring of the full set of prudential indicators is reported quarterly to Cabinet</i>			
<i>Forecast year end debt is well below the year end plan and prudential limit. This is partly because of Covid grants received in advance and increased capital programme slippage due to Covid. There is considerable uncertainty about the impact of Covid on cashflows over the coming months.</i>			
2 short term borrowing			
at month end (vs Guideline)	424	560	-136
interest rate year to date on outstanding deals (vs assumption)	1.08%	1.50%	-0.42%
<i>Short term borrowing needs have been delayed by the receipt of Covid grants although this may change over the coming months.</i>			
3 Treasury investments			
at month end (vs Guideline)	126	40	86
interest rate year to date on outstanding deals (vs assumption)	0.26%	1.01%	-0.75%
<i>Investments are significantly higher than the Strategy's guideline of £40m, due to the favourable cashflows noted in 1 above.</i>			
4 Long term loans taken			
year to date (vs plan for year)	35	415	-380
ave. interest rate obtained (vs assumption)	1.66%	4.20%	-2.54%
<i>Very little long term borrowing has been taken in the year to date, due to favourable cashflows deferring the need for long term borrowing. £35m of planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.</i>			
5 Assurance			
were Credit criteria complied with?	yes		
were investment defaults avoided?	yes		
was the TM Code complied with?	yes		
were prudential limits complied with?	yes		
<i>These are key performance indicators for treasury management which in normal circumstances should all be yes. Investment quality is kept under continual review with support from the Council's treasury advisers.</i>			

Annex 6.2

Treasury Management: portfolio overview

This appendix summarises the council's loan debt and treasury management investments

	this quarter £m 30/06/2020	last quarter £m 31/03/2020
PWLB	2,454	2,491
Bonds	373	373
LOBOs	71	71
Other long term	52	17
Salix	1	1
Short term	424	292
Gross loan debt	3,375	3,245
less treasury investments	- 126	- 247
Net loan debt	3,249	2,998
Budgeted year end net debt	3,792	3,532
Prudential limit (gross loan debt)	4,085	3,867

Although PWLB loans decreased in Q1 due to the repayment of a £37m loan upon maturity, Other long term loans increased as a result of 2 year maturity loans taken from local authorities to support the funding of the advance payment of pensions contributions in April.

Treasury investments by source

	£m
UK Government	0
Money Market Funds	122
Banks and Building Societies	4
	126

Treasury investments by credit quality

	£m
AAA	0
AAAmmf	122
AA	4
A	0
	126

In line with the Strategy, the Council holds its treasury investments in liquid funds of high credit quality. The COVID grants received in advanced have been retained in liquid funds due to uncertainty over the timing of needs.

Investments as Accountable Body

These are investments made as Accountable Body on behalf of on behalf of others, and are not the Council's own money.

	Growing Places Fund £m	AMSCI £m	Regional Growth Fund £m	Local Growth Fund £m	LGF3 £m	LOGRO £m	NMCL £m	Total £m
UK Government	9	15	5	0	0	10	0	39
Birmingham City Council ¹	0	0	0	10	0	0	0	10
Money Market Funds	2	24	8	0	8	35	1	78
	11	39	13	10	8	45	1	127

¹ These funds have been lent to the Council by agreement at a commercial rate

Treasury management: summary of delegated decisions in the quarter

This appendix summarises decisions taken under treasury management delegations to the Corporate Director of Finance and Governance during the quarter

1. Short term (less than 1 year)	borrowing	investments
	£m	£m
opening balance	292	-247
new loans/investments	404	-2759
loans/investments repaid	-272	2879
closing balance	424	-127

These loans and investments are for short periods from one day up to 365 days. There is therefore a rapid turnover of new loans. The value of transactions for investments have been especially high in the first quarter as the Treasury team invested COVID grant cash with the UK Government due to lending limits for other investment sources, and for very short periods due to uncertainty over timing of need.

2. Long term borrowing:

date	lender	£m	rate	maturity
20/04/2020	Cornwall Council	20	1.70%	20/04/2022
24/04/2020	Lancashire Fire Authority	5	1.45%	25/04/2022
24/04/2020	LB of Barking & Dagenham	10	1.70%	22/04/2022

Planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.

3. Long term loans prematurely repaid:

date	lender	£m	rate	maturity
------	--------	----	------	----------

No long term loans were prematurely repaid. In line with treasury management practices, the Council will only repay long term loans prematurely if this provides a financial benefit to the Council.

4. Long term treasury investments made:

date	borrower	£m	rate	maturity
------	----------	----	------	----------

No long term investments were made. The Council is a substantial net borrower and usually has cash to invest for relatively short periods.

WHOLE COUNCIL

WHOLE COUNCIL		20/21 Indicators £m	20/21 Forecast £m	21/22 Indicators £m	21/22 Forecast £m	22/23 Indicators £m	22/23 Forecast £m
Capital Finance							
1	Capital Expenditure - Capital Programme	710.1	750.6	481.9	568.7	327.0	393.7
2	Capital Expenditure - other long term liabilities	38.2	38.3	37.8	37.9	33.1	33.2
3	Capital expenditure	748.3	788.9	519.7	606.6	360.1	426.9
4	Capital Financing Requirement (CFR)	4,839.3	4,747.5	4,941.7	4,869.8	5,135.1	4,828.9
Planned Debt							
5	Peak loan debt in year	3,849.9	3,598.0	3,932.9	3,520.6	3,852.3	3,426.5
6	+ Other long term liabilities (peak in year)	415.5	416.8	396.7	397.3	373.4	373.7
7	= Peak debt in year	4,265.4	4,014.8	4,329.6	3,917.9	4,225.7	3,800.2
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no
Prudential limit for debt							
9	Gross loan debt	4,084.5	3,598.0	4,203.3	3,520.6	4,026.6	3,426.5
10	+ other long term liabilities	415.5	416.8	396.7	397.3	373.4	373.7
11	= Total debt	4,500.0	4,014.8	4,600.0	3,917.9	4,400.0	3,800.2

- 1 There is a net increase in forecast capital expenditure due mainly to slippage from previous years.
- 4 The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.
- 5-7 These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.
- 8 It would be a cause for concern if the City Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances. The Prudential Code calls this Borrowing and the Capital Financing Requirement.
- 11 The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.

DEBT AND PRUDENTIAL INDICATORS

Annex 6.4b

HOUSING REVENUE ACCOUNT

	20/21 Indicators £m	20/21 Forecast £m	21/22 Indicators £m	21/22 Forecast £m	22/23 Indicators £m	22/23 Forecast £m
Capital Finance						
1 Capital expenditure	125.8	114.4	129.4	149.3	145.1	143.7
HRA Debt						
2 Capital Financing Requirement (CFR)	1,097.1	1,080.4	1,090.6	1,073.8	1,105.7	1,089.0
Affordability						
3 HRA financing costs	97.2	96.9	98.7	98.4	100.5	100.0
4 HRA revenues	279.9	280.0	286.2	285.7	293.3	292.8
5 HRA financing costs as % of revenues	34.7%	34.6%	34.5%	34.4%	34.3%	34.2%
6 HRA debt : revenues	3.9	3.9	3.8	3.8	3.8	3.7
7 Forecast Housing debt per dwelling	£18,423	£18,015	£18,446	£18,098	£18,785	£18,460

Notes

- 3 Financing costs include interest, and depreciation rather than Minimum Revenue Provision (MRP), in the HRA.
- 6 This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27, which is two years later than previously forecast.
- 7 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time.

DEBT AND PRUDENTIAL INDICATORS

Annex 6.4c

GENERAL FUND		20/21	20/21	21/22	21/22	22/23	22/23
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure (including other long term liabilities)	622.5	674.4	390.4	457.3	215.0	283.2
2	Capital Financing Requirement (CFR)	3,742.2	3,667.1	3,851.1	3,796.0	4,029.3	3,739.9
General Fund debt							
3	Peak loan debt in year	2,752.8	2,517.6	2,842.3	2,446.8	2,746.6	2,337.5
4	+ Other long term liabilities (peak in year)	415.5	416.8	396.8	397.3	373.5	373.7
5	= Peak General Fund debt in year	3,168.3	2,934.4	3,239.1	2,844.1	3,120.1	2,711.2
General Fund Affordability							
6	Total General Fund financing costs	255.6	253.1	260.0	254.9	250.2	244.0
7	General Fund net revenues	852.9	852.9	872.4	872.4	890.7	890.7
8	General Fund financing costs (% of net revenues)	30.0%	29.7%	29.8%	29.2%	28.1%	27.4%
9	General Fund financing costs (% of gross revenues)	23.0%	22.7%	22.6%	22.7%	21.2%	21.5%

Note

- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities.
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases.
- 8 This indicator includes the revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 This is a local indicator measuring finance costs against relevant gross income including revenues from sales, fees, charges and rents, which are available to support borrowing costs.

PRUDENTIAL INDICATORS

Appendix C4d

TREASURY MANAGEMENT

	20/21 Indicators	20/21 Forecast	21/22 Indicators	21/22 Forecast	22/23 Indicators	22/23 Forecast
1 General Fund impact of an unbudgeted 1% rise in interest rates	£3.8m	£3.5m	£4.1m	£3.2m	£4.2m	£1.1m
2 Variable rate exposures vs upper limit 30%	19%	18%	22%	16%	23%	14%
Maturity structure of borrowing (lower limit and upper limit)	Limit	Forecast Year End	Limit	Forecast Year End	Limit	Forecast Year End
3 under 12 months	0% to 30%	15%	0% to 30%	15%	0% to 30%	10%
4 12 months to within 24 months	0% to 30%	2%	0% to 30%	1%	0% to 30%	2%
5 24 months to within 5 years	0% to 30%	4%	0% to 30%	6%	0% to 30%	8%
6 5 years to within 10 years	0% to 30%	17%	0% to 30%	17%	0% to 30%	16%
7 10 years to within 20 years	5% to 40%	21%	5% to 40%	22%	5% to 40%	24%
8 20 years to within 40 years	10% to 60%	36%	10% to 60%	37%	10% to 60%	37%
9 40 years and above	0% to 40%	5%	0% to 40%	3%	0% to 40%	3%
Investments longer than 364 days upper limit on amounts maturing in:	Limit	Forecast	Limit	Forecast	Limit	Forecast
10 1-2 years	400	0	400	0	400	0
11 2-3 years	100	0	100	0	100	0
12 3-5 years	100	0	100	0	100	0
13 later	0	0	0	0	0	0

Note

- 1 Based on year end debt borrowing less investments, with less than one year to maturity.
- 2-9 These indicators assume that LOBO loan options are exercised at the earliest possibility, and are calculated as a % of net loan debt.
- 2 The limit on variable rate exposures is a local indicator.

Overview

Annex No	Description
7a	Overview
7b	Capital Monitoring Summary
7c	Capital Budget Movements
7d	Capital Budget Movements Commentary
7e	Capital Forecast Variations
7f	Capital Forecast Variations Commentary
7g	Prudential Borrowing - Additions or Reductions Quarter 1
7h	Capital Expenditure 10-year+ Plan

This report takes each Directorate in turn, in the format;

- a) capital budget changes
- b) forecast variations from budget
- c) commentary on major risks/issues

The capital budget is a resource and expenditure planning to proceed. Individual approvals are sought through Business Case reports under the Gateway process.

Capital Monitoring Summary

Annex 7b

Expenditure

	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total Plan £m
Month 1 Approved Budget	710.091	481.904	1,866.118	0.000	3,058.113
Slippage/(Acceleration) from 2019/20 Outturn	80.422	0.000	0.000	0.000	80.422
Budget Changes - New Resources / (Reductions) & Rephasing	59.027	21.055	(1,502.144)	1,593.248	171.186
Budget Month 2	849.540	502.959	363.974	1,593.248	3,309.721
Forecast Slippage Month 2	(98.933)	65.785	29.681	3.554	0.087
Forecast Overspend / (Underspend) Month 3	0.000	0.000	0.000	0.000	0.000
Forecast Outturn at Month 3	750.607	568.744	393.655	1,596.802	3,309.808

Resources

Use of Specific Resources:

Grants & Contributions	224.421	182.371	57.118	69.894	533.804
Earmarked Capital Receipts - RTB & Revenue Reform	65.403	61.847	65.048	169.464	361.762
Revenue Contributions - Departmental	25.004	29.527	11.885	21.569	87.985
Revenue Contributions - HRA	54.747	62.623	68.521	563.331	749.222

Use of Corporate or General Resources:

Corporate Resources	23.353	1.756	0.434	0.000	25.543
Prudential Borrowing	357.679	230.620	190.649	772.544	1,551.492

Forecast Use of Resources

750.607	568.744	393.655	1,596.802	3,309.808
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		Budget Movements					
		Current Year			All Years		
Ref.		Original Budget £m	Current Budget £m	Change £m	Original Budget £m	Current Budget £m	Change £m
ADULT SOCIAL CARE DIRECTORATE							
Adult Care & Health							
		0.477	0.364	(0.113)	0.477	0.364	(0.113)
		0.938	0.981	0.043	0.938	0.981	0.043
		0.000	0.000	0.000	0.000	0.000	0.000
AS1	●	8.407	11.406	2.999	8.407	16.906	8.499
Total Adult Social Care Directorate		9.822	12.751	2.929	9.822	18.251	8.429
EDUCATION AND SKILLS DIRECTORATE							
Education & Early Years							
	ES1 ●	4.118	3.861	(0.257)	4.118	5.475	1.357
	ES2 ●	7.500	17.811	10.311	11.050	30.811	19.761
	ES3 ●	52.633	45.238	(7.395)	74.948	66.352	(8.596)
		0.000	0.013	0.013	0.000	0.013	0.013
		0.000	0.136	0.136	0.000	0.136	0.136
		1.109	0.576	(0.533)	1.109	1.776	0.667
		0.000	0.000	0.000	0.000	0.000	0.000
Total Education & Early Years		65.360	67.635	2.275	91.225	104.563	13.338
Skills & Employability							
		0.000	(0.128)	(0.128)	0.841	0.713	(0.128)
		0.067	0.194	0.127	4.104	4.231	0.127
Total Skills & Employability		0.067	0.066	(0.001)	4.945	4.944	(0.001)
Total Education and Skills Directorate		65.426	67.701	2.274	96.170	109.507	13.337
NEIGHBOURHOODS DIRECTORATE							
Street Scene							
	N1 ●	30.199	26.474	(3.725)	80.082	80.204	0.123
		10.863	11.335	0.472	13.691	14.412	0.721
Total Street Scene		41.062	37.809	(3.253)	93.773	94.616	0.843
Housing Services							
		0.000	0.064	0.064	2.320	2.384	0.064
		0.831	0.979	0.148	1.641	1.789	0.148
Housing Revenue Account							
	N2 ●	68.829	73.562	4.733	552.075	620.352	68.277
	N3 ●	47.198	30.662	(16.536)	436.615	473.320	36.705
	N4 ●	9.789	10.695	0.906	82.365	92.079	9.714
Total Housing Revenue Account		125.816	114.919	(10.897)	1,071.055	1,185.751	114.696
Total Housing Services		126.647	115.962	(10.685)	1,075.016	1,189.924	114.908
Neighbourhoods							
		0.982	1.106	0.124	3.482	3.606	0.124
		0.000	0.000	0.000	0.000	0.000	0.000
		0.850	0.611	(0.239)	4.000	3.861	(0.139)
Total Neighbourhoods		1.832	1.717	(0.115)	7.482	7.467	(0.015)
Regulation & Enforcement							
		0.000	0.249	0.249	0.000	0.249	0.249
		0.000	0.300	0.300	0.759	1.059	0.300
		0.000	0.000	0.000	0.000	0.000	0.000
	N5 ●	0.235	2.734	2.499	0.235	2.734	2.499
		0.000	0.000	0.000	0.000	0.000	0.000
Total Regulation & Enforcement		0.235	3.282	3.048	0.994	4.041	3.048
Total Neighbourhoods Directorate		169.775	158.769	(11.006)	1,177.264	1,296.048	118.783
INCLUSIVE GROWTH DIRECTORATE							
Planning & Development							
Major Projects							
	IG1 ●	24.172	28.123	3.951	39.006	42.957	3.951
		1.000	0.000	(1.000)	2.500	2.500	0.000
		0.480	0.293	(0.188)	139.157	139.450	0.293
		0.000	0.031	0.031	150.000	150.031	0.031
		2.249	2.442	0.194	8.844	9.037	0.194
		0.000	0.000	0.000	20.000	20.000	0.000
		0.000	0.000	0.000	20.000	20.000	0.000
		0.277	1.210	0.934	57.518	58.506	0.988
		1.700	0.000	(1.700)	101.400	101.500	0.100
		0.000	0.000	0.000	104.800	104.800	0.000
		0.000	0.000	0.000	183.300	183.300	0.000
		0.000	0.000	0.000	0.000	0.000	0.000
	IG2 ●	1.322	1.160	(0.163)	18.205	22.667	4.462
		0.503	0.472	(0.031)	0.503	0.472	(0.031)

			Budget Movements					
			Current Year		All Years			
Ref.			Original Budget £m	Current Budget £m	Change £m	Original Budget £m	Current Budget £m	Change £m
Unlocking Housing Sites	IG3	●	0.000	3.459	3.459	0.000	3.459	3.459
Life Sciences			0.973	0.973	0.000	0.973	0.973	0.000
Other (Major Projects)			0.000	0.000	0.000	0.000	0.000	0.000
Total Major Projects			32.676	38.163	5.487	846.206	859.652	13.446
ERDF			2.595	2.973	0.378	4.552	4.930	0.378
Public Realm			IG4	●	0.000	1.091	1.091	0.000
Infrastructure/Site Enabling Programme			0.000	0.014	0.014	0.234	0.249	0.014
Grants/Loans Programme			1.000	1.000	0.000	1.000	1.000	0.000
Total Planning & Development			36.271	43.242	6.971	851.993	866.922	14.929
Housing Development			IG5	●	6.188	1.218	(4.970)	50.990
In Reach			0.000	0.000	0.000	0.000	0.000	0.000
CWG-Sale To In Reach			6.188	1.218	(4.970)	50.990	7.900	(43.090)
Total Housing Development			6.188	1.218	(4.970)	50.990	7.900	(43.090)
Transport Connectivity								
Major Schemes								
Ashted Circus			0.000	0.199	0.199	0.000	0.199	0.199
Metro Extension			0.100	0.094	(0.006)	4.574	4.568	(0.006)
Iron Lane			5.030	4.990	(0.040)	6.017	5.977	(0.040)
Minworth Unlocking			0.000	0.000	0.000	0.000	0.000	0.000
Battery Way Extension			0.143	0.322	0.179	0.143	0.322	0.179
Longbridge Connectivity			0.000	0.303	0.303	0.000	0.303	0.303
A457 Dudley Road			6.055	5.839	(0.216)	28.148	27.932	(0.216)
Journey Reliability			0.456	0.705	0.249	0.456	0.705	0.249
Tame Valley Phase 2 & 3			4.211	4.544	0.333	86.760	87.093	0.333
Selly Oak New Road Phase 1B			3.312	3.278	(0.034)	3.312	3.278	(0.034)
Wharfedale Bridge			2.675	2.683	0.008	2.675	2.683	0.008
Snow Hill Station			6.131	5.884	(0.247)	7.058	6.810	(0.247)
Other (Major Schemes)			3.139	3.385	0.245	3.889	4.135	0.245
Total Major Schemes			31.253	32.225	0.973	143.032	144.004	0.973
Inclusive & Sustainable Growth	IG6	●	12.160	13.596	1.436	29.527	30.964	1.436
Walking & Cycling			3.966	4.483	0.517	7.057	7.574	0.517
Local Measure			0.000	0.000	0.000	0.000	0.000	0.000
Infrastructure Dev			0.675	1.150	0.475	1.310	1.785	0.475
Transportation & Highways Funding Strategy			0.986	0.000	(0.986)	16.124	15.138	(0.986)
Air Quality & Climate	IG7	●	47.754	52.154	4.400	49.065	53.464	4.400
Section 278/S106			0.000	0.007	0.007	0.000	0.007	0.007
Total Transport Connectivity			96.793	103.614	6.821	246.115	252.936	6.821
Highways Infrastructure								
Safer Routes to Schools			0.400	0.339	(0.061)	1.900	1.839	(0.061)
Network Integrity and Efficiency			1.324	1.523	0.199	3.824	3.935	0.111
S106 & S278 Schemes			0.010	0.019	0.009	0.010	0.019	0.009
Road Safety			1.121	0.991	(0.130)	3.746	3.616	(0.130)
District Schemes			0.614	0.591	(0.024)	0.614	0.591	(0.024)
Total Highways Infrastructure			3.469	3.463	(0.006)	10.094	10.000	(0.094)
Property Services								
Attwood Green Parks			0.000	0.059	0.059	0.000	0.059	0.059
AttwoodGreen-Holloway Head Playing Field			0.000	0.015	0.015	0.000	0.015	0.015
Attwood Green-Woodview Community Centre			0.000	0.090	0.090	0.000	0.090	0.090
Council House Major Works			0.000	0.000	0.000	0.000	0.000	0.000
Bham Crisis Centre-Nursery Extenson			0.000	0.001	0.001	0.000	0.001	0.001
Lee Bank Business Centre			0.000	0.000	0.000	0.000	0.000	0.000
Highbury Hall Essential Works			0.655	0.701	0.046	2.373	2.419	0.046
Property Strategy	IG8	●	45.500	62.958	17.458	47.000	64.458	17.458
Total Property Services			46.155	63.823	17.667	49.373	67.041	17.667
Total Inclusive Growth Directorate			188.876	215.360	26.484	1,208.565	1,204.799	(3.766)
DIGITAL & CUSTOMER SERVICES DIRECTORATE								
ICT & Digital	DCS1	●	9.748	10.280	0.532	14.579	16.761	2.182
Total Digital & Customer Services Directorate			9.748	10.280	0.532	14.579	16.761	2.182
FINANCE & GOVERNANCE DIRECTORATE								
Development & Commercial								
Gateway/Grand Central Residual Costs			5.250	5.233	(0.017)	18.364	18.347	(0.017)
Capital Loans & Equity			0.750	0.491	(0.259)	2.742	2.483	(0.259)
Total Development & Commercial			6.000	5.724	(0.276)	21.106	20.830	(0.276)

		Budget Movements					
		Current Year			All Years		
Ref.		Original Budget £m	Current Budget £m	Change £m	Original Budget £m	Current Budget £m	Change £m
Corporately Held Funds							
	Revenue Reform Projects	5.063	5.234	0.171	5.063	5.234	0.171
	Corporate Capital Contingency	22.888	27.413	4.525	86.763	91.288	4.525
	Total Corporately Held Funds	27.951	32.647	4.696	91.826	96.522	4.696
	SAP Investments	0.550	0.492	(0.058)	3.791	3.733	(0.058)
	Total Finance & Governance Directorate	34.501	38.863	4.362	116.722	121.084	4.362
ASSISTANT CHIEF EXECUTIVE DIRECTORATE							
	Public Health	0.250	0.250	0.000	0.250	0.250	0.000
	Total Assistant Chief Executive Directorate	0.250	0.250	0.000	0.250	0.250	0.000
COMMONWEALTH GAMES 2022							
	CWG Village	159.098	279.987	120.889	301.661	410.701	109.040
	CWG Alexander Stadium	37.134	37.134	0.000	66.430	65.832	(0.598)
	CWG Organising Cttee	35.460	28.445	(7.015)	66.649	66.488	(0.161)
	Total Commonwealth Games 2022	231.692	345.566	113.874	434.740	543.021	108.281
	Total Capital Programme	710.091	849.540	139.449	3,058.113	3,309.721	251.608

**Capital Monitoring Quarter 1 2020/21 - Budget Movements
Commentary**

Annex 7d

ADULT SOCIAL CARE DIRECTORATE				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
AS1	Independent Living	DSG grant for 2020/21 built into the budget.	2.999	8.499

EDUCATION AND SKILLS DIRECTORATE				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
ES1	Devolved Capital Allocation to Schools	Devolved Capital allocation for 2020/21 (£1.614m) less £0.257m accelerated into 19/20.	(0.257)	1.357
ES2	School Condition Allocations	2020/21 increase is due to new funding from EFA 20/21 plus slippage 19/20. All Years increase due to the increase in 20/21 as explained above, plus £9m EFA funding for 21/22 and corporate funding of £.450 for the SCA Capital bid.	10.311	19.761
ES3	Basic Need - Additional School Places	2020/21 funding rephased as per 20/21 Programme Report approved by Cabinet April 2020. Future years budgets have been reduced by £1.2m to reflect the EFA announcement that the funding for Basic Need for 20/21 is 'Nil'.	(7.395)	(8.596)

NEIGHBOURHOODS DIRECTORATE				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
N2	Housing Improvement Programme	£63.544m added for 2029/30 to reflect the ten year HRA Business Plan. £4.733m is due to slippage from 2019/20 budget due to the delay in sprinkler installations. The contractors are adhering to government guidance and have considered this when providing assurance that they can meet our profile demands. We continue to develop safe working practices with our customers and contractors to facilitate working in the home. Within the overall programme a number of schemes have been de prioritised to enable the prioritisation of structural programmes that will contribute to our approach to HRRB fire risk management. We will continue to work with our contractors and finance with stringent monitoring allowing us to adapt or re prioritise if necessary throughout the financial year.	4.733	68.277

Capital Monitoring Quarter 1 2020/21 - Budget Movements
Annex 7d
Commentary

N3	Redevelopment	£34.487m added to 2029/30 to reflect the ten year HRA Business Plan. £2.218m is due to slippage from 2019/20. (£18.754m) is further slippage identified at Period 2. Of this (£15.313m) relates to New Build and (£3.441m) Clearance Programmes. This is mainly due to the impact of Covid19 which stopped work on sites prior to the end of the last financial year. Additional concerns caused by delay from Covid19 include: 1.Potential loss of grant – this is being taken up with funding bodies currently 2.Expected rents/ capital receipts being delayed based on the extended delivery timescales. 3.Potential voids loss if lettings cannot be carried out on completed properties (reducing and limited). 4.A second rise in Covid19 cases with further partial lockdowns later in the year, and consequent further delays and costs to programme 5.Cost increases on new tenders from assessments prior to Covid19.	(16.536)	36.705
N4	Other Programmes	£8.808m added for 2029/30 to reflect the ten year HRA Business Plan. £0.906m is due to slippage from 2019/20.	0.906	9.714
N1	Waste Management Services	Slippage of (£3.725) is due to the re-phasing of Perry Barr Depot budget, taking into consideration the reduction in movement of people and services on site, along with supply chain issues causing delays to the start of the demolition and build programme.	(3.725)	0.123
N5	Mortuary/Coroners	Former Youth Court Works budget of £2.500m approved by cabinet in February 2020.	2.499	2.499

INCLUSIVE GROWTH DIRECTORATE				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase/(Decrease) £m
IG1	Enterprise Zone - Paradise Circus	The £3.951 increase in 20/21 budget relates to slippage from 2019/20 as explained in the Outturn report.	3.951	3.951
IG2	EZ Capitalised Interest	The £4.462 increase in all years budget is due to £0.489 slippage from 2019/20 and re-phasing of EZ projects as per the latest EZ GBSLEP model.	(0.163)	4.462
IG3	Unlocking Housing Sites	The £3.459 increase in 20/21 budget relates to slippage from 2019/20 as explained in the Outturn report.	3.459	3.459
IG4	Public Realm	The £1.091 increase in 20/21 budget relates to slippage from 2019/20 as explained in the Outturn report.	1.091	1.091
IG5	In Reach	The (£43.090) decrease in all years budget is due to the Brasshouse being too high risk to progress due to delays, planning requirements and uncertainties in the current economic climate.	(4.970)	(43.090)
IG6	Inclusive & Sustainable Growth	The £1.436 increase in budget is due slippage from 2019/20 which is explained in outturn report and re-phasing of the programme as per the Cabinet approved Transportation & Highways Capital Programme report.	1.436	1.436
IG7	Air Quality & Climate	The £4.400 increase in budget is due slippage from 2019/20 which is explained in the outturn report.	4.400	4.400

Capital Monitoring Quarter 1 2020/21 - Budget Movements
Annex 7d
Commentary

IG8	Property Strategy	The increase in the Property Strategy primarily relates to an increase in borrowing headroom within the programme as a result of utilising £6.004m of capital receipts to repay debt. In addition capital receipts included in BPS disposals programme totalling £11.368m have been identified as additional funding for the programme.	17.458	17.458
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DIGITAL & CUSTOMER SERVICES DIRECTORATE

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
DCS1	ICT & Digital	All year increase of £2.182m is due to slippage from 2019/20. Further slippage of (£1.650m) has been identified at Period 2. The Application Platform Modernisation Programme has been affected by COVID-19 more significantly due to the delays in the hardware supply chain and knock on impacts of this to the readiness of the two new Data Centres. While the impact of this is currently forecast to be contained within contingency (based high level profiling conducted), there is a risk that as wider commercials and procurements are completed the COVID impact takes us beyond the allocated programme contingency.	0.532	2.182

FINANCE & GOVERNANCE DIRECTORATE

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
FG1	Corporate Capital Contingency	All year increase of £4.525m is due to slippage from 2019/20.	4.525	4.525

Ref.	Forecast Variations										
	Current Year						All Years				
	Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Previous Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Previous Variation £m	Change £m
ADULT SOCIAL CARE DIRECTORATE											
Adult Care & Health											
Property Schemes	0.364	(0.028)	0.364	0.000	0.000	0.000	0.364	0.364	0.000	0.000	0.000
Adults IT	0.981	0.000	0.981	0.000	0.000	0.000	0.981	0.981	0.000	0.000	0.000
Improvements To Social Care Delivery	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Independent Living	11.406	(0.224)	11.406	0.000	0.000	0.000	16.906	16.906	0.000	0.000	0.000
Total Adult Social Care Directorate	12.751	(0.252)	12.751	0.000	0.000	0.000	18.251	18.251	0.000	0.000	0.000
EDUCATION AND SKILLS DIRECTORATE											
Education & Early Years											
Devolved Capital Allocation to Schools	3.861	0.201	3.861	0.000	0.000	0.000	5.475	5.475	0.000	0.000	0.000
School Condition Allocations	17.811	0.796	17.811	0.000	0.000	0.000	30.811	30.811	0.000	0.000	0.000
Basic Need - Additional School Places	45.238	11.953	45.238	0.000	0.000	0.000	66.352	66.352	0.000	0.000	0.000
Other Minor Schemes - Schools	0.013	0.000	0.013	0.000	0.000	0.000	0.013	0.013	0.000	0.000	0.000
EarlyYrs&Childcare	0.136	(0.021)	0.136	0.000	0.000	0.000	0.136	0.136	0.000	0.000	0.000
IT Investment	0.576	0.000	0.576	0.000	0.000	0.000	1.776	1.776	0.000	0.000	0.000
S106 Woodlinton Road	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Education & Early Years	67.635	12.929	67.635	0.000	0.000	0.000	104.563	104.563	0.000	0.000	0.000
Skills & Employability											
Adult Ed & Youth	(0.128)	0.000	(0.128)	0.000	0.000	0.000	0.713	0.713	0.000	0.000	0.000
Birmingham Libraries	0.194	0.045	0.194	0.000	0.000	0.000	4.231	4.231	0.000	0.000	0.000
Total Skills & Employability	0.066	0.045	0.066	0.000	0.000	0.000	4.944	4.944	0.000	0.000	0.000
Total Education and Skills Directorate	67.701	12.974	67.701	0.000	0.000	0.000	109.507	109.507	0.000	0.000	0.000
NEIGHBOURHOODS DIRECTORATE											
Street Scene											
Waste Management Services	26.474	(0.115)	26.474	0.000	0.000	0.000	80.204	80.204	0.000	0.000	0.000
Parks & Nature Conservation	11.335	0.392	11.335	0.000	0.000	0.000	14.412	14.412	0.000	0.000	0.000
Total Street Scene	37.809	0.277	37.809	0.000	0.000	0.000	94.616	94.616	0.000	0.000	0.000
Housing Services											
Housing Options Service	0.064	0.006	0.064	0.000	0.000	0.000	2.384	2.384	0.000	0.000	0.000
Private Sector Housing	0.979	0.000	0.979	0.000	0.000	0.000	1.789	1.789	0.000	0.000	0.000
Housing Revenue Account											
Housing Improvement Programme	73.562	7.187	73.562	0.000	0.000	0.000	620.352	620.352	0.000	0.000	0.000
Redevelopment	30.662	0.506	30.662	0.000	0.000	0.000	473.320	473.320	0.000	0.000	0.000
Other Programmes	10.695	(0.429)	10.223	(0.472)	0.000	(0.472)	92.079	92.079	0.000	0.000	0.000
Total Housing Revenue Account	114.919	7.264	114.447	(0.472)	0.000	(0.472)	1,185.751	1,185.751	0.000	0.000	0.000
Total Housing Services	115.962	7.270	115.490	(0.472)	0.000	(0.472)	1,189.924	1,189.924	0.000	0.000	0.000
Neighbourhoods											
Community, Sport & Events	1.106	0.140	1.106	0.000	0.000	0.000	3.606	3.606	0.000	0.000	0.000
Neighbourhoods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cultural Development	0.611	0.001	0.611	0.000	0.000	0.000	3.861	3.861	0.000	0.000	0.000
Total Neighbourhoods	1.717	0.140	1.717	0.000	0.000	0.000	7.467	7.467	0.000	0.000	0.000
Regulation & Enforcement											
Bereavement	0.249	0.000	0.249	0.000	0.000	0.000	0.249	0.249	0.000	0.000	0.000
Markets Services	0.300	(0.004)	0.300	0.000	0.000	0.000	1.059	1.059	0.000	0.000	0.000
Environmental Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mortuary/Coroners	2.734	1.454	2.734	0.000	0.000	0.000	2.734	2.734	0.000	0.000	0.000

		Forecast Variations										
		Current Year					All Years					
Ref.		Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Previous Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Previous Variation £m	Change £m
	Illegal Money Lending	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Regulation & Enforcement	3.282	1.450	3.282	0.000	0.000	0.000	4.041	4.041	0.000	0.000	0.000
	Total Neighbourhoods Directorate	158.769	9.137	158.297	(0.472)	0.000	(0.472)	1,296.048	1,296.048	0.000	0.000	0.000
	INCLUSIVE GROWTH DIRECTORATE											
	Planning & Development											
	Major Projects											
	Enterprise Zone - Paradise Circus	28.123	(1.592)	28.123	(0.000)	0.000	(0.000)	42.957	42.957	0.000	0.000	0.000
	Enterprise Zone - Eastside Locks	0.000	0.000	0.000	0.000	0.000	0.000	2.500	2.500	0.000	0.000	0.000
	Enterprise Zone - Connecting Economic Opportunities	0.293	0.000	0.293	0.001	0.000	0.001	139.450	139.450	0.000	0.000	0.000
	Enterprise Zone - Smithfield	0.031	0.000	0.031	(0.000)	0.000	(0.000)	150.031	150.031	0.000	0.000	0.000
	Enterprise Zone - Southside Public Realm	2.442	0.026	2.442	(0.000)	0.000	(0.000)	9.037	9.037	0.000	0.000	0.000
	Enterprise Zone - LEP Investment Fund	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000	0.000
	Enterprise Zone - HS2-Interchange Site	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000	0.000
	EZ Phase II - HS2 Station Environment	1.210	0.000	1.210	(0.000)	0.000	(0.000)	58.506	58.506	0.000	0.000	0.000
	EZ Phase II - HS2 Site Enabling	0.000	0.000	0.000	0.000	0.000	0.000	101.500	101.500	0.000	0.000	0.000
	EZ Phase II - Local Transport Improvements	0.000	0.000	0.000	0.000	0.000	0.000	104.800	104.800	0.000	0.000	0.000
	EZ Phase II - Metro Extension to E Bham/Solihull	0.000	0.000	0.000	0.000	0.000	0.000	183.300	183.300	0.000	0.000	0.000
	EZ Phase II - Social Infrastructure	0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	EZ Capitalised Interest	1.160	0.000	1.160	0.000	0.000	0.000	22.667	22.667	0.000	0.000	0.000
	Jewellery Quarter Cemetary	0.472	0.290	0.472	0.000	0.000	0.000	0.472	0.472	0.000	0.000	0.000
	Unlocking Housing Sites	3.459	0.340	3.459	0.000	0.000	0.000	3.459	3.459	0.000	0.000	0.000
	Life Sciences	0.973	0.000	0.108	(0.865)	0.000	(0.865)	0.973	0.973	0.000	0.000	0.000
	Other (Minor Projects)	0.000	0.066	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Major Projects	38.163	(0.870)	37.298	(0.865)	0.000	(0.865)	859.652	859.652	0.000	0.000	0.000
	ERDF	2.973	0.281	2.973	0.000	0.000	0.000	4.930	4.930	0.000	0.000	0.000
	Public Realm	1.091	0.031	1.091	0.000	0.000	0.000	1.091	1.091	0.000	0.000	0.000
	Infrastructure/Site Enabling Programme	0.014	0.000	0.014	0.000	0.000	0.000	0.249	0.249	0.000	0.000	0.000
	Grants/Loans Programme	1.000	0.000	1.000	0.000	0.000	0.000	1.000	1.000	0.000	0.000	0.000
	Total Planning & Development	43.242	(0.558)	42.377	(0.865)	0.000	(0.865)	866.922	866.922	0.000	0.000	0.000
	Housing Development											
	In Reach	1.218	0.000	1.218	(0.000)	0.000	(0.000)	7.900	7.900	0.000	0.000	0.000
	CWG-Sale To In Reach	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Housing Development	1.218	0.000	1.218	(0.000)	0.000	(0.000)	7.900	7.900	0.000	0.000	0.000
	Transport Connectivity											
	Major Schemes											
	Ashted Circus	0.199	0.005	0.199	0.000	0.000	0.000	0.199	0.199	0.000	0.000	0.000
	Metro Extension	0.094	0.024	0.094	0.000	0.000	0.000	4.568	4.568	0.000	0.000	0.000
	Iron Lane	4.990	0.665	4.990	0.000	0.000	0.000	5.977	5.977	0.000	0.000	0.000
	Minworth Unlocking	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Battery Way Extension	0.322	0.065	0.322	0.000	0.000	0.000	0.322	0.322	0.000	0.000	0.000
	Longbridge Connectivity	0.303	0.015	0.303	0.000	0.000	0.000	0.303	0.303	0.000	0.000	0.000
	A457 Dudley Road	5.839	0.288	5.839	0.000	0.000	0.000	27.932	27.932	0.000	0.000	0.000
	Journey Reliability	0.705	0.011	0.705	0.000	0.000	0.000	0.705	0.705	0.000	0.000	0.000
	Tame Valley Phase 2 & 3	4.544	0.042	1.776	(2.768)	0.000	(2.768)	87.093	87.093	0.000	0.000	0.000
IG2	Selly Oak New Road Phase 1B	3.278	0.634	3.278	0.000	0.000	0.000	3.278	3.278	0.000	0.000	0.000

			Forecast Variations										
			Current Year				All Years						
Ref.			Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Previous Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Previous Variation £m	Change £m
Wharfdale Bridge	IG3	●	2.683	0.000	0.100	(2.583)	0.000	(2.583)	2.683	2.683	0.000	0.000	0.000
Snow Hill Station	IG4	●	5.884	0.268	3.500	(2.384)	0.000	(2.384)	6.810	6.810	0.000	0.000	0.000
Other (Major Schemes)			3.385	0.094	3.385	0.000	0.000	0.000	4.135	4.135	0.000	0.000	0.000
Total Major Schemes			32.225	2.111	24.490	(7.735)	0.000	(7.735)	144.004	144.004	0.000	0.000	0.000
Inclusive & Sustainable Growth	IG5	●	13.596	0.593	6.537	(7.059)	0.000	(7.059)	30.964	30.964	0.000	0.000	0.000
Walking & Cycling			4.483	0.989	4.483	0.000	0.000	0.000	7.574	7.574	0.000	0.000	0.000
Local Measure			0.000	(0.006)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Infrastructure Dev			1.150	0.082	1.150	0.000	0.000	0.000	1.785	1.785	0.000	0.000	0.000
Transportation & highways Funding Strat			0.000	0.000	0.000	0.000	0.000	0.000	15.138	15.138	0.000	0.000	0.000
Air Quality & Climate	IG6	●	52.154	0.938	21.811	(30.343)	0.000	(30.343)	53.464	53.464	0.000	0.000	0.000
Section 278/S106			0.007	0.053	0.007	0.000	0.000	0.000	0.007	0.007	0.000	0.000	0.000
Total Transport Connectivity			103.614	4.760	58.477	(45.137)	0.000	(45.137)	252.936	252.936	0.000	0.000	0.000
Highways Infrastructure													
Safer Routes to Schools			0.339	0.003	0.339	0.000	0.000	0.000	1.839	1.614	(0.225)	0.000	(0.225)
Network Integrity and Efficiency			1.523	0.128	1.523	0.000	0.000	0.000	3.935	4.023	0.088	0.000	0.088
S106 & S278 Schemes			0.019	0.000	0.019	0.000	0.000	0.000	0.019	0.019	(0.000)	0.000	(0.000)
Road Safety			0.991	0.038	0.991	0.000	0.000	0.000	3.616	3.841	0.225	0.000	0.225
District Schemes			0.591	0.001	0.591	0.000	0.000	0.000	0.591	0.591	0.000	0.000	0.000
Total Highways Infrastructure			3.463	0.170	3.463	0.000	0.000	0.000	10.000	10.088	0.088	0.000	0.088
Property Services													
Attwood Green Parks			0.059	0.000	0.059	0.000	0.000	0.000	0.059	0.059	0.000	0.000	0.000
AttwoodGreen-Holloway Head Playing Field			0.015	0.000	0.015	0.000	0.000	0.000	0.015	0.015	0.000	0.000	0.000
Attwood Green-Woodview Community Centre			0.090	0.000	0.090	0.000	0.000	0.000	0.090	0.090	0.000	0.000	0.000
Council House Major Works			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bham Crisis Centre-Nursery Extension			0.001	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.000	0.000	0.000
Lee Bank Business Centre			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highbury Hall Essential Works			0.701	0.141	0.701	0.000	0.000	0.000	2.419	2.419	0.000	0.000	0.000
Property Strategy	IG1	●	62.958	0.000	10.500	(52.458)	0.000	(52.458)	64.458	64.458	0.000	0.000	0.000
Total Property Services			63.823	0.142	11.365	(52.458)	0.000	(52.458)	67.041	67.041	0.000	0.000	0.000
Total Inclusive Growth Directorate			215.360	4.514	116.899	(98.461)	0.000	(98.461)	1,204.799	1,204.887	0.088	0.000	0.088
DIGITAL & CUSTOMER SERVICES DIRECTORATE													
ICT & Digital			10.280	3.228	10.280	0.000	0.000	0.000	16.761	16.761	0.000	0.000	0.000
Total Digital & Customer Services Directorate			10.280	3.228	10.280	0.000	0.000	0.000	16.761	16.761	0.000	0.000	0.000
FINANCE & GOVERNANCE DIRECTORATE													
Development & Commercial													
Gateway/Grand Central Residual Costs			5.233	(0.066)	5.233	0.000	0.000	0.000	18.347	18.347	0.000	0.000	0.000
Capital Loans & Equity			0.491	1.500	0.491	0.000	0.000	0.000	2.483	2.483	0.000	0.000	0.000
Total Development & Commercial			5.724	1.434	5.724	0.000	0.000	0.000	20.830	20.830	0.000	0.000	0.000
Corporately Held Funds													
Revenue Reform Projects			5.234	3.873	5.234	0.000	0.000	0.000	5.234	5.234	0.000	0.000	0.000
Corporate Capital Contingency			27.413	0.000	27.413	0.000	0.000	0.000	91.288	91.288	0.000	0.000	0.000
Total Corporately Held Funds			32.647	3.873	32.647	0.000	0.000	0.000	96.522	96.522	0.000	0.000	0.000
SAP Investments			0.492	0.000	0.492	0.000	0.000	0.000	3.733	3.733	0.000	0.000	0.000
Total Finance & Governance Directorate			38.863	5.307	38.863	0.000	0.000	0.000	121.084	121.084	0.000	0.000	0.000

Forecast Variations											
Ref.	Current Year						All Years				
	Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Previous Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Previous Variation £m	Change £m
ASSISTANT CHIEF EXECUTIVE DIRECTORATE											
Public Health	0.250	0.000	0.250	0.000	0.000	0.000	0.250	0.250	0.000	0.000	0.000
Total Assistant Chief Executive Directorate	0.250	0.000	0.250	0.000	0.000	0.000	0.250	0.250	0.000	0.000	0.000
COMMONWEALTH GAMES 2022											
CWG Village	279.987	21.598	279.987	0.000	0.000	0.000	410.701	410.701	0.000	0.000	0.000
CWG Alexander Stadium	37.134	1.568	37.134	0.000	0.000	0.000	65.832	65.832	0.000	0.000	0.000
CWG Organising Cttee	28.445	0.696	28.445	0.000	0.000	0.000	66.488	66.488	0.000	0.000	0.000
Total Commonwealth Games 2022	345.566	23.862	345.566	0.000	0.000	0.000	543.021	543.021	0.000	0.000	0.000
Total Capital Programme	849.540	58.770	750.607	(98.933)	0.000	(98.933)	3,309.721	3,309.808	0.088	0.000	0.088

INCLUSIVE GROWTH DIRECTORATE			
Project/Programme	Comments	Current Year (£m)	All Years (£m)
IG1 - Property Strategy	As a result of the current COVID-19 crisis the right investments are unavailable. Therefore, £52.5m has been forecast to be slipped into future years leaving £10.5m for 2020/21. There is every possibility if the right investments become available this financial year (and we have just appointed Avison Young as Investment Advisor to seek out appropriate avenues to invest), we may be looking at more during 2020/21 but at this early stage there are no current plans.	(52.458)	0.000
IG2 - Tame Valley Phase 2 & 3	The slippage of £2.768m mainly due to delays in completion of the Procurement Award contract which may be further impacted from Covid19 regarding the availability of resources and material within the supply chain. These risks will be closely monitored and managed as part of the scheme procurement and delivery, however there is a risk that the provisional funding allocation from the DfT may no longer be available.	(2.768)	0.000
IG3 - Wharfedale Bridge	This scheme is currently being delivered by Network Rail and has been put on hold. The slippage relates to a BCC contribution to Network Rail to widen the bridge, Network Rail are unsure if the road widening will go ahead.	(2.583)	0.000
IG4 - Snow Hill Station	The scheme was due to commence on site in April 2020 but has been delayed due to of COVID-19, the scheme now commenced on at the start of June 2020. The scheme was under pressure due to delays prior to COVID-19, the slippage relates to the adverse impact of COVID-19. Work is being carried out to identify if more funding may be required.	(2.384)	0.000
IG5 - Inclusive & Sustainable Growth	The slippage relates to the Birmingham City Centre Public Realm scheme, the scheme is currently in development phase no works have been halted. Opportunities to accelerate certain works have been delayed until January 2021 but these do not detract from the timescales as this was an accelerated opportunity. The cost and delay of material from overseas suppliers and is a key concern and anticipated construction cost increases are foreseen based on social distances measures.	(7.059)	0.000
IG6 - Air Quality & Climate	The slippage of £30.343m. Work ceased due to Covid19 but safety works have now been carried out on site and works are expected to resume in June. The government has agreed the CAZ can be postponed until early 2021. Despite this delay there is a focus to complete as much of the work as soon as possible. The extended time frame poses cost increases such as increased lease costs of depot and increased staff costs. Much of the slippage has been rephased into 2021/22 due to the delayed CAZ. •The procurement of the Hydrogen Bus has been delayed by the Council's selected Bus Manufacturer, who is unable to commit to the Bus Operator Agreement because of the impact of COVID-19. The Council agreed to the requested delay of 6 months to September 2020.	(30.343)	0.000

Prudential Borrowing - Additions or Reductions Quarter 1 (April to June) 2020

This Appendix reviews changes in the Council's proposed borrowing to finance capital expenditure to show whether the Council's underlying indebtedness increases or decreases. The Council needs to consider carefully the affordability and sustainability of any increase in debt.

Description	#	2020/21 £'000	2021/22 £'000	2022/23 £'000	Later Years £'000	Total £'000
Borrowing Needing Budget Support						
Neighbourhoods:						
Waste Management Services	A	(3,835)	(1,515)	(19,456)	24,819	13
TOTAL BORROWING NEEDING BUDGET SUPPORT		(3,835)	(1,515)	(19,456)	24,819	13
SELF SUPPORTED						
Education & Skills:						
Capital Maintenance Grant	A/N	1,251	450	0	0	1,701
Neighbourhoods:						
Parks & Nature	A	(46)	0	0	0	(46)
Sport	A	2	0	0	0	2
Housing Options	A	64	0	0	0	64
Cultural Development	A	(250)	0	(50)	150	(150)
Regulation & Enforcement	A/N	3,048	0	0	0	3,048
HRA	A	4,326	0	(23,131)	23,131	4,326
Inclusive Growth:						
Enterprise Zone Investment Plan Phases	A	3,120	(11,612)	(704,873)	724,443	11,078
Transportation	A	(44,000)	37,400	13,090	0	6,489
Housing Development	A	(1,970)	(6,335)	(31,785)	0	(40,090)
Digital & Customer Services:						
ICT Infrastructure	A	(591)	1,650	0	0	1,059
Finance & Governance						
Capital Loans & Equity	A	(259)	0	0	0	(259)
SAP Investments	A	(58)	0	0	0	(58)
Major Projects	A	(17)	0	0	0	(17)
Corporate Capital Contingency	A	4,525	0	0	0	4,525
Commonwealth Games						
Village	A	46,257	(22,271)	(38,904)	0	(14,918)
Alexander Stadium	A	(6,610)	1,636	0	0	(4,974)
Organising Committee	A	(11,232)	15,687	0	0	4,455
TOTAL SELF SUPPORTED BORROWING		(2,441)	16,605	(785,654)	747,724	(23,765)
TOTAL ADDITIONS / (REDUCTION) IN PRUDENTIAL BORROWING		(6,276)	15,090	(805,109)	772,543	(23,752)

Note: This includes some re-phasing between years.

A - Amendment to existing project spend or resources.

N - New projects or programmes added in the quarter.

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2020/21 QUARTER 1**Annex 7h**

This appendix shows capital plans over the ten year Long Term Financial Plan period, for those projects where longer term plans have been developed. Long term plans will be subject to ongoing review to ensure that any expenditure plans are within a prudent forecast of resources. Please note that many projects do not have such long term planning horizons, and the absence of forecasts does not mean that no spend is anticipated, just that it cannot yet be reasonably quantified.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30+	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<u>ADULT SOCIAL CARE DIRECTORATE</u>	12.751	5.500	-	-	-	-	-	-	-	-	18.251
<u>EDUCATION & SKILLS DIRECTORATE</u>	67.701	37.365	4.441	-	-	-	-	-	-	-	109.507
<u>NEIGHBOURHOODS DIRECTORATE</u>											
Other - General Fund	43.850	13.200	28.277	24.969	-	-	-	-	-	-	110.296
HRA	114.447	149.253	143.656	132.809	115.901	104.139	99.639	100.171	105.821	119.915	1,185.751
TOTAL CAPITAL - NEIGHBOURHOODS DIRECTORATE	158.297	162.453	171.933	157.778	115.901	104.139	99.639	100.171	105.821	119.915	1,296.047
<u>INCLUSIVE GROWTH DIRECTORATE</u>											
<u>Planning and Development</u>											
Paradise Circus Redevelopment	28.123	11.217	1.416	2.120	0.081	-	-	-	-	-	42.957
Eastside Locks	-	2.500	-	-	-	-	-	-	-	-	2.500
Southern Gateway Site (Smithfield)	-	3.985	10.678	19.597	25.785	11.598	21.342	15.395	10.464	31.156	150.000
Southside Public Realm	2.442	4.066	0.262	-	-	-	-	-	-	2.268	9.038
LEP Investment Fund	-	-	-	-	5.000	5.000	5.000	5.000	-	-	20.000
HS2 - Interchange Site	-	-	-	-	-	-	-	-	-	20.000	20.000
HS2 Station Environment	0.000	2.000	0.000	0.000	0.000	0.000	0.000	-	-	99.500	101.500
Site Enabling Works	0.000	0.200	-	-	-	-	-	-	-	-	0.200
Digbeth Public Realm	0.292	-	15.450	2.000	2.000	2.000	2.000	2.000	-	60.400	86.142
Curzon Connecting Economic Opportunities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	-	52.900	52.900
Metro Extension to East Birmingham/Solihull	0.000	0.000	0.000	0.000	0.000	0.000	48.100	46.200	44.500	44.500	183.300
Capitalised Interest	1.160	2.254	3.137	4.058	5.120	2.357	3.177	1.404	-	0.000	22.667
Other Planning Schemes	10.360	2.778	40.159	122.421	-	-	-	-	-	-	175.718
Total Planning & Development	42.377	29.000	71.102	150.196	37.986	20.955	79.619	69.999	54.964	310.724	866.922
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing Development	1.218	4.247	2.435	-	-	-	-	-	-	-	7.900
Total Transportation	58.477	83.064	46.374	29.438	22.559	13.022	-	-	-	-	252.934
Total Highways	3.463	1.325	1.325	1.325	1.325	1.325	-	-	-	-	10.088

Total Property Services	11.365	38.218	17.458	-	-	-	-	-	-	-	67.041
TOTAL CAPITAL - INCLUSIVE GROWTH DIRECTORATE	116.900	155.854	138.694	180.959	61.870	35.302	79.619	69.999	54.964	310.724	1,204.885
COMMONWEALTH GAMES 2022	345.566	165.046	32.409	-	-	-	-	-	-	-	543.021
FINANCE & GOVERNANCE DIRECTORATE	38.863	36.043	46.178	-	-	-	-	-	-	-	121.084
DIGITAL & CUSTOMER SERVICES DIRECTORATE	10.280	6.481	-	-	-	-	-	-	-	-	16.761
PARTNERSHIPS, INSIGHT & PREVENTION DIRECTORATE	0.250	-	-	-	-	-	-	-	-	-	0.250
TOTAL CAPITAL PROGRAMME	750.607	568.744	393.655	338.737	177.771	139.441	179.258	170.170	160.785	430.639	3,309.808
<u>Resources</u>											
<u>Use of Specific Resources</u>											
Grants & Contributions	224.421	182.371	57.118	32.320	26.587	9.987	0.250	0.250	0.250	0.250	533.804
Use of earmarked Capital Receipts	65.403	61.847	65.048	34.318	23.363	24.927	18.927	19.213	19.230	29.486	361.762
Revenue Contributions - Departmental	16.015	10.621	11.385	5.798	3.977	8.794				-	56.590
- HRA (incl reserves & S106)	63.736	81.529	69.021	76.368	77.495	74.778	80.462	80.708	86.341	90.179	780.617
Total Specific Resources	369.575	336.368	202.572	148.804	131.422	118.486	99.639	100.171	105.821	119.915	1,732.773
<u>Use of Corporate or General Resources</u>											
Corporate Resources	23.353	1.756	0.434	-	-	-	-	-	-	-	25.543
Unsupported Prudential Borrowing - Corporate	74.434	58.823	46.777	12.120	-	-	-	-	-	-	192.154
Unsupported Prudential Borrowing - Directorate	283.245	171.797	143.873	177.813	46.349	20.955	79.619	69.999	54.964	310.724	1,359.338
Total Corporate Resources	381.032	232.376	191.084	189.933	46.349	20.955	79.619	69.999	54.964	310.724	1,577.035
Forecast Use of Resources	750.607	568.744	393.655	338.737	177.771	139.441	179.258	170.170	160.785	430.639	3,309.808

INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 1 2020/21

1 Portfolio objectives

The Portfolio comprises property investments which are held primarily to earn a financial return and are not operational service properties. It is managed in accordance with an annual Investment Property Strategy approved by Cabinet, with the objective to grow the City Council's commercial rental income by 20% over a 5 year period.

2 Portfolio summary

	income budget	income forecast	variance
Direct property -			
Direct property -	-23.00	-23.00	0.00
Loans on property			
less portfolio prudential borrowing	4.40	4.50	0.10
less management costs	5.64	11.00	5.36
net total	-12.96	-7.50	5.46

3 Limit on borrowing for Investment property portfolio

	value £m	limit £m	variance £m
prudential borrowing from 1 April 2019 onwards	7.92	50.00	42.08
borrowing repaid from sale proceeds	-6.01	0.00	6.01
	1.91	50.00	48.09

4 Portfolio completions in the quarter (acquisitions and disposals)

	£m	£m	£m
Sales completed in quarters 1			
Sales	0.00		
Purchase	0.00		

Commentary:

Sale of Marshall Street £0.5m in quarter 1; however the receipt is ring-fenced to savings targets not Property Strategy.

5 Planned activity in the coming quarter

Proposed sales with anticipated completion:
Unit 4 Small Heath Business Park £0.919m in Quarter 3
Freehold reversions = £0.1 million
Lease regears = £0.174 million

6 Assurance

was the CIPFA Treasury Code complied with?	yes
was the Council's Service and Commercial investment Strategy complied with? (the Strategy implements the requirements of the Government Investment Guidance)	yes
was the Council's Investment Property Strategy complied with?	yes

commentary:

All properties fully evaluated disposed with in the appropriate manner.