

BIRMINGHAM CITY COUNCIL

RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 12 NOVEMBER 2020 AT 10:00 HOURS
IN ON-LINE MEETING, MICROSOFT TEAMS

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chairman to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

3 - 8

4 ACTION NOTES - 15 OCTOBER 2020

To agree the action notes of the meeting held on 15 October 2020.

9 - 108

5 FINANCIAL MONITORING 2020/21 - QUARTER 2/MONTH 6

To consider:

(A) the Month 6 Corporate Exception Report;

(B) the Cabinet report (considered on 10 November) on the City Council financial monitoring Q2.

109 - 128

6 MEDIUM TERM FINANCIAL PLAN REFRESH

To consider the Cabinet report (considered on 10 November) on the City Council's Medium Term Financial Plan.

129 - 138

7 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To consider the Cabinet report (considered on 10 November) on planned procurement activity.

139 - 142

8 **WORK PROGRAMME**

For discussion.

9 **DATE AND TIME OF NEXT MEETING**

The next meeting is scheduled to take place on Thursday, 10 December 2020 at 1400 hours.

10 **REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

11 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

12 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

'In an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

13 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

Exempt Paragraph 3

PRIVATE AGENDA

14 **PLANNED PROCUREMENT ACTIVITIES REPORT APPENDIX**

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

BIRMINGHAM CITY COUNCIL**RESOURCES O&S COMMITTEE – PUBLIC MEETING****1400 hours on Thursday 15 October 2020 (On-line Meeting)**

Present:

Councillor Sir Albert Bore (Chair)

Councillors: Muhammed Afzal, David Barrie, Meirion Jenkins and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

Simon Ansell, Finance Business Partner – Inclusive Growth Directorate

Rebecca Hellard, Interim Chief Finance Officer

Guy Olivant, Major Developments Lead

Sara Pitt, Assistant Director, Service Finance

Aniekan Umoren, Interim Assistant Director, Housing Development

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny

1. NOTICE OF RECORDING/WEBCAST

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2. APOLOGIES

Apologies were received from Councillor Lisa Trickett.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES – 10 SEPTEMBER 2020

(See document 1)

The following updates were given:

- Neighbourhoods Directorate CIPFA “deep dive” – Work is still ongoing and a date will be confirmed for the results to come to this committee; it is envisaged that this will be December;
- A letter has been sent to Cllr O’Shea, passing on the committee’s views with regard to the income shortfall in Street Scene;
- ERP system re-set phase – a report will be going to Cabinet in December and the Cabinet Member and officers will work with O&S around that timeframe.

RESOLVED:-

The action notes of 10 September 2020 were agreed.

5. FINANCIAL MONITORING 2020/21 – MONTH 5

(See document 2)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, Rebecca Hellard, Interim Chief Finance Officer, and Sara Pitt, AD, Service Finance, attended for this item.

The Chair stated that members agreed the new style of report is much better.

Cllr Chatfield introduced the report and made the following points:

- There is a slight improvement to net overspend, currently £2.1m compared to £2.4m in Month 4;
- This figure is disregarding Covid, the impact of which is substantial but there has been significant funding from Government;
- The financial challenge for next year remains extremely significant, with a £19.5m gap at the time of this report and as we enter into the budget process there is a great deal of work to be done to close the gap;
- A lot of what is being reported for next year is still based on risk;
- It was noted that what this committee is doing in terms of bringing in directorates to address specific issues, eg InReach at today’s meeting, is good;
- Significant progress has been made in terms of addressing in-year issues and can be optimistic more progress will be made in closing the gaps this year, however next year poses challenges.

In the course of the discussion, and in response to Members’ questions, the following were among the main points raised:

- **Covid-related costs** – two figures get reported every week, one is financial commitments and the other is financial risks (where every risk is financially quantified and a probability factor applied). The risk register is updated weekly, together with any new funding;
- **Education & Skills Directorate** – it was noted that the overspend in the main relates to the Birmingham Children’s Trust (BCT), notwithstanding the additional money put in for 2020/21, and it was questioned whether any further money would be put in this year.
Members were told that a strong relationship had been built between our own finance service and the BCT and they are working with them on the service metrics, with broader commissioning conversations going on. It is

believed that the forecast overspend will reduce and if they do require further funding, it is not expected that it would be of the same size;

- **IT&D overspend on agency staff** – Measures are being taken to address the high levels of dependency on agency staff within the service due to the current situation, setting up remote working, etc, and it was confirmed that where this was identifiable as being Covid-related, it will have been included in the Covid overspend;
- **Commercial Properties shortfall of £3.5m** – this is due to rental streams being down and is being monitored very closely through the business and economic recovery cell;
- **New Oracle system** – concern was expressed that these things can go wrong and that it was important to stay on top of it.

The Chair thanked the Cabinet Member and Interim Chief Finance Officer for attending and for the way in which the reports are now written, making it easier to see what is happening.

RESOLVED:-

- The report was noted.

6. INREACH

(See document 3)

Aniekan Umoren, Interim AD, Housing Development, Guy Olivant, Major Developments Lead, and Simon Ansell, Finance Business Partner, attended for this item.

The Interim AD, Housing Development introduced the report, which provided the background to the setting up of the company and a focus on the position with the Brasshouse development.

She also told Members that Guy Olivant was in attendance in his capacity as a Director of InReach and Simon Ansell was also present to answer any questions around the figures provided.

In the course of the discussion, and in response to Members' questions, the following were amongst the main points raised:

- The Chair informed the committee that one of the reasons for setting up the company in 2014 was because it was proving difficult to get Private Rented Sector (PRS) development in the city, with developers not being convinced that it would work, and the Embankment site was seen as a good opportunity to show the development sector that PRS was good. The added benefit was the revenue that could be provided;
- He went on to say that the report clearly sets out the reasons why InReach has pulled out of the Brasshouse development – reasons which members had not previously known – and it is now clear that the competition issue could have been difficult to manage;
- In response to a question about the timeframe for bringing Brasshouse back to the market, Members were told that it is understood that Birmingham Property Service, as part of an ongoing review of the council's surplus land

holdings, will be looking to bring it to the market at the right time in order to get the best value;

- In terms of commercial risk, there is no parent company guarantee in place, therefore no liabilities falling on the council;
- The basis of the funding of InReach is substantially a loan from the council at a commercial interest rate, as required by legislation, and that loan is secured on the value of the Embankment development, which gives the council strong protection of that lending. As at the last financial year end, the value of Embankment was in excess of £20m, which compares to an underlying loan of around £12.9m;
- There is a management agent for Embankment, for which there is a cost to InReach, and this is funded from rental income. Members were told that despite Covid, there have been no problems with non-payment of rents;
- In terms of the decision-making in relation to Brasshouse, the view was that there was a need to look at the company's own capacity and ability to deal with the risks of a substantial development, which would have quadrupled the size of InReach. There is ambition to continue to contribute to meeting the need for more good quality housing in Birmingham but this has to be done in such a way that it doesn't break the company by trying to do too much too fast;
- The Chair thanked officers for the report, which had been well presented and made it easy to understand why decisions had been taken and the current situation.

7. PLANNED PROCUREMENT ACTIVITY REPORT

(See document 4)

The Chair confirmed that the new process had now been adopted, with the report being sent out to members in advance so they can flag any procurement items which need to be referred to the Cabinet Member ahead of the Cabinet meeting. It was noted that there had been no indication from members of any issues with this month's report.

The Cabinet Member advised that the third item on the list had been withdrawn prior to Cabinet.

RESOLVED:-

The report was noted.

8. WORK PROGRAMME

(See document 5)

The work programme was discussed and it was agreed that the following items would be timetabled:

- Neighbourhoods Directorate – CIPFA “deep dive” (timing to be advised);
- Athletes Village Revised Full Business Case (due to go to Cabinet in December);

- ERP (due to go to Cabinet in December);
- CityServe (due to go to Cabinet in January).

It was noted that the 2021/22 budget consultation had not gone to the October Cabinet meeting and Members were told that this was due to work being done around the Medium Term Financial Plan (MTFP).

The updated MTFP will go to Cabinet in November, alongside the Quarter 2 financial monitoring report, and both of those items are programmed for the November meeting of this committee.

The budget consultation is around resourcing priorities and in the past has focussed on consulting on various savings proposals, however next year there will be a budget gap in excess of £100m so this time there will be a different approach which doesn't warrant line by line budget consultation.

With regard to engagement with O&S committees if service changes are proposed, the Cabinet Member said that it was too early to pre-judge what programmes would look like but could see no reason why they would not be willing to engage with O&S in that process.

RESOLVED:-

The report was noted.

9. DATE OF NEXT MEETING

Noted.

10. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None.

11. OTHER URGENT BUSINESS

None

12. AUTHORITY TO CHAIRMAN AND OFFICERS

RESOLVED:

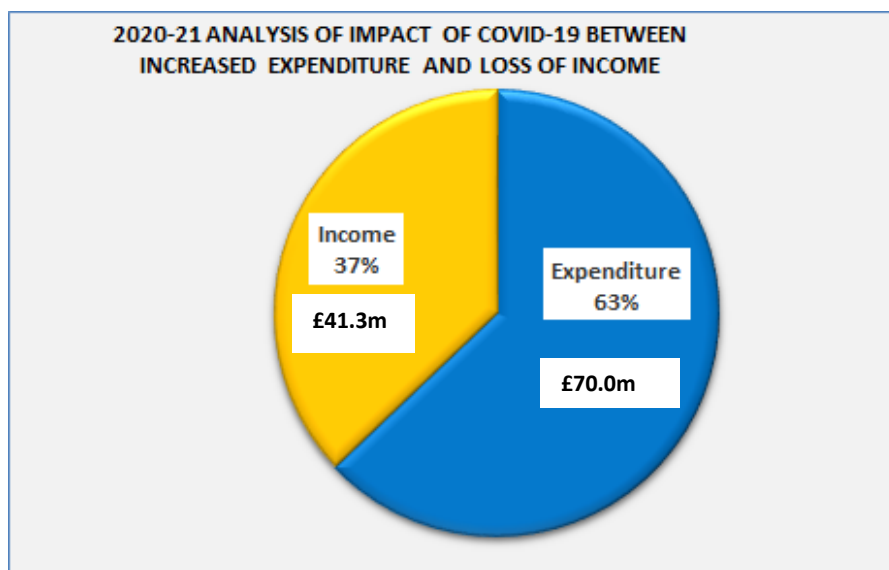
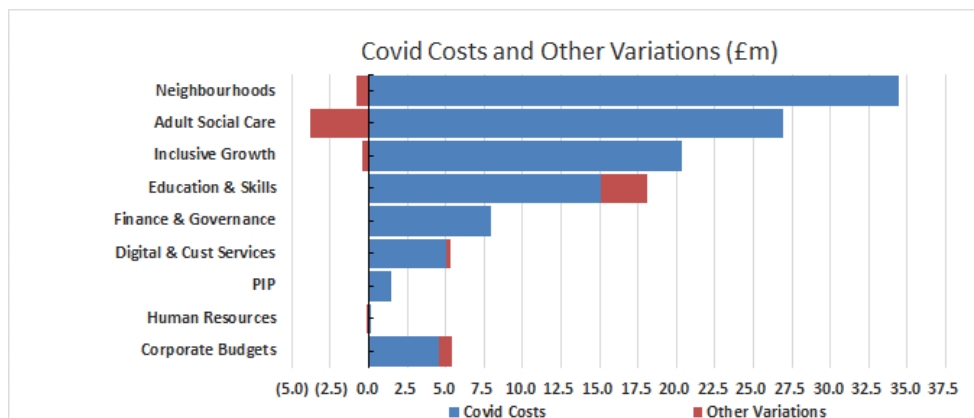
That in an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee.

The meeting ended at 1513 hours.

Month 6 Financial Exception Report

1. High Level Summary Financial Position

- 1.1. This is an exception report on the major financial issues for the Council at Month 6. It is not a full financial forecast and the assumption is that there are no significant variances beyond the issues highlighted.
- 1.2. The assessment at the end of September is that the Council's **General Fund**, is facing a net **overspend** of **£10.8m** (Column E in table1) which represents 1.3% of the £852.9m budget. **£11.9m** (Column C in table1) of the overspend relates to the Covid-19 emergency after applying the £84.3m government grant and £19.6m income loss funding, an improvement in forecast income of £19.6m (Column E) from Quarter 1. The funding gap is being dealt with as a corporate issue. Directorates non Covid-19 net overspend is **£1.1m** (Column D in table1), an improvement of £6.4m on Quarter 1.
- 1.3. On 22nd October the Council was informed of a further **£44.2m** of un-ringfenced Covid-19 related grant. It is recommended that this is transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months.
- 1.4. The Government has also announced £100m of national funding to support leisure centres. No details are yet available on the bidding process, so this has not been factored into this report.
- 1.5. On 31st October the Government announced further national lockdown measures. This announcement was after the completion of the Month 6 Financial Monitoring Report for Cabinet. Any impacts will be reflected in future reports.
- 1.6. Cabinet of 13 October 2020 approved the release of £0.2m of General Policy Contingency to fund the Brexit Readiness Programme and a further £0.2m to fund the transition of the Brussels Office into a financially sustainable operation effective from April 2021.
- 1.7. The MTFP Refresh Report also addresses how the 2020/2021 budget gap will be addressed.
- 1.8. In September Directors were asked to review their Covid-19 decisions and assumptions and where there is choice to look to curb spending. There are also a range of other measures under consideration. Since Quarter 1 the net overspend has fallen by £69.1m (Column E). The cost of the Covid-19 emergency has decreased by further £62.8m (Column C) in quarter 2. There was also a decrease of £6.3m in non covid-19 costs in Quarter 2 (Column D) since Quarter 1. The improved in cost forecast has largely been due to increased government funding for Covid-19 pressures £33.6m and better information which allowed the directorates to reduce the year end forecast by further £35.5m.



| Table 1: High Level Summary | | | | | | |
|--------------------------------------|-----------------|------------------|--------------------------------------|------------------------------------|-----------------------------|---|
| Directorate | A | B | C | D | E | F |
| | Current Budget | Forecast Outturn | Covid 19 Financial Impact Included * | Over/(Under) spend Non Covid costs | Total Over/(Under) Spend ** | Movement in Total Over/(Under) Spend From Q1*** |
| | £m | £m | £m | £m | £m | £m |
| Neighbourhoods | 125.646 | 159.257 | 34.411 | (0.800) | 33.611 | (6.588) |
| Adult Social Care | 329.344 | 352.461 | 26.947 | (3.830) | 23.117 | (11.221) |
| Inclusive Growth | 105.494 | 125.347 | 20.381 | (0.528) | 19.852 | (0.626) |
| Education & Skills | 276.811 | 294.871 | 15.077 | 2.983 | 18.060 | (15.833) |
| Finance & Governance | 13.869 | 21.854 | 7.985 | 0.000 | 7.985 | (2.102) |
| Digital & Cust Services | 29.263 | 34.592 | 5.029 | 0.300 | 5.329 | 1.257 |
| Partnerships, Insight and Prevention | 7.229 | 8.636 | 1.407 | 0.000 | 1.407 | (0.217) |
| Human Resources | 6.566 | 6.467 | 0.035 | (0.134) | (0.099) | (0.099) |
| Directorate Sub Total | 894.223 | 1,003.486 | 111.272 | (2.009) | 109.263 | (35.428) |
| Corporate Budgets | (41.291) | (35.859) | 4.526 | 0.905 | 5.431 | (0.130) |
| Covid Funding | 0.000 | (84.278) | (84.278) | 0.000 | (84.278) | (13.968) |
| Income Loss Scheme Funding | 0.000 | (19.600) | (19.600) | 0.000 | (19.600) | (19.600) |
| Corporate Subtotal | (41.291) | (139.737) | (99.352) | 0.905 | (98.447) | (33.698) |
| City Council General Fund | 852.933 | 863.749 | 11.920 | (1.104) | 10.816 | (69.126) |
| Financial Position as at Q1 | 852.933 | 932.875 | 74.695 | 5.247 | 79.942 | |
| Movement from previous Q1 | 0.000 | (69.126) | (62.775) | (6.351) | (69.126) | |
| Movement from previous Q1 % | 0.0% | (07)% | (0.840) | (1.210) | (0.865) | |

* the above table has been sorted according to the total over/under spend (largest to smallest)

***this excludes Covid-19 risk, see [2.34 below](#)*

**** This shows the movement from previous quarter.*

| Table 2:High Level Summary | A | B | C | D | E | F | G | H | I | J | K |
|--------------------------------------|-----------------|------------------|--------------------------------------|------------------------------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|------------------------|------------------------------------|---|
| Directorate | Current Budget | Forecast Outturn | Covid 19 Financial Impact Included * | Over/(Under) spend Non Covid costs | Total Over/(Under) Spend ** | Covid 19 Financial Impact Included | Over/(Under) spend Non Covid costs Q1 | Total Over/(Under) Spend Q1 | Movement Covid 19 cost | Movement in Non Covid cost From Q1 | Movement in Total Over/(Under) Spend From Q1*** |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Neighbourhoods | 125.646 | 159.257 | 34.411 | (0.800) | 33.611 | 39.928 | 0.271 | 40.199 | (5.517) | (1.071) | (6.588) |
| Adult Social Care | 329.344 | 352.461 | 26.947 | (3.830) | 23.117 | 36.935 | (2.597) | 34.338 | (9.988) | (1.233) | (11.221) |
| Inclusive Growth | 105.494 | 125.347 | 20.381 | (0.528) | 19.852 | 22.378 | (1.900) | 20.478 | (1.997) | 1.372 | (0.626) |
| Education & Skills | 276.811 | 294.871 | 15.077 | 2.983 | 18.060 | 26.650 | 7.243 | 33.893 | (11.573) | (4.260) | (15.833) |
| Finance & Governance | 13.869 | 21.854 | 7.985 | 0.000 | 7.985 | 10.157 | (0.070) | 10.087 | (2.172) | 0.070 | (2.102) |
| Digital & Cust Services | 29.263 | 34.592 | 5.029 | 0.300 | 5.329 | 1.772 | 2.300 | 4.072 | 3.257 | (2.000) | 1.257 |
| Partnerships, Insight and Prevention | 7.229 | 8.636 | 1.407 | 0.000 | 1.407 | 1.624 | 0.000 | 1.624 | (0.217) | 0.000 | (0.217) |
| Human Resources | 6.566 | 6.467 | 0.035 | (0.134) | (0.099) | 0.000 | 0.000 | 0.000 | 0.035 | (0.134) | (0.099) |
| Directorate Sub Total | 894.223 | 1,003.486 | 111.272 | (2.009) | 109.263 | 139.444 | 5.247 | 144.691 | (28.172) | (7.256) | (35.428) |
| Corporate Budgets | (41.291) | (35.859) | 4.526 | 0.905 | 5.431 | 5.561 | 0.000 | 5.561 | (1.035) | 0.905 | (0.130) |
| Covid Funding | 0.000 | (84.278) | (84.278) | 0.000 | (84.278) | (70.310) | 0.000 | (70.310) | (13.968) | 0.000 | (13.968) |
| Income Loss Scheme Funding | 0.000 | (19.600) | (19.600) | 0.000 | (19.600) | 0.000 | 0.000 | 0.000 | (19.600) | 0.000 | (19.600) |
| Corporate Subtotal | (41.291) | (139.737) | (99.352) | 0.905 | (98.447) | (64.749) | 0.000 | (64.749) | (34.603) | 0.905 | (33.698) |
| | | | | | | | | | | | |
| City Council General Fund | 852.933 | 863.749 | 11.920 | (1.104) | 10.816 | 74.695 | 5.247 | 79.942 | (62.775) | (6.351) | (69.126) |
| | | | | | | | | | | | |
| Financial Position as at Q1 | 852.933 | 932.875 | 74.695 | 5.247 | 79.942 | | | | | | |
| | | | | | | | | | | | |
| Movement from previous Q1 | 0.000 | (69.126) | (62.775) | (6.351) | (69.126) | | | | | | |
| | | | | | | | | | | | |
| Movement from previous Q1 % | 0.0% | (07)% | (84)% | (121)% | (86)% | | | | | | |

Analysis of Non covid pressure faced by Directorate

| Directorate | non delivery of savings £m | expenditure variations £m | income variations £m | one-off mitigations £m | Non Covid 19 Financial Impact Included £m |
|--------------------------------------|-------------------------------|------------------------------|-------------------------|---------------------------|--|
| Neighbourhoods | 1.4 | 1.5 | 3.3 | (7.0) | (0.8) |
| Adult Social Care | 0.0 | 1.3 | (5.1) | 0.0 | (3.8) |
| Inclusive Growth | 0.6 | 0.0 | 1.3 | (2.4) | (0.5) |
| Education & Skills | 0.0 | 3.1 | (0.1) | 0.0 | 3.0 |
| Finance & Governance | 0.0 | (0.7) | 1.9 | (1.2) | 0.0 |
| Digital & Cust Services | 0.0 | 0.3 | 0.0 | 0.0 | 0.3 |
| Partnerships, Insight and Prevention | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Human Resources | 0.0 | 2.0 | 0.4 | (2.5) | (0.1) |
| Directorate Sub Total | 2.0 | 7.5 | 1.7 | (13.1) | (2.0) |

There was no over delivery of saving identified by the directorates.

The one-off mitigations of £7m for Neighbourhoods are covered in paragraph 2.11

Capital spend

- 1.9 2020/21 Capital is forecast at £723.2m against the revised quarter 2 capital budget of £857.1m. The forecast underspend comprises £127.2m of slippage and £6.7m of forecasted net savings. Of the total forecast underspend of £133.9m - £125.8m is Covid related and £8.1m non-Covid related. Expenditure to date is £154.7m which is some 21% of the year-end total forecast. The full multi-year capital programme is forecast £3,290.3m.
- 1.10 Most construction work paused at the end of March 2020 whilst safe working practices were introduced for the Major Projects (for example, Commonwealth Games (CWG), Paradise, Birmingham Municipal Housing Trust (BMHT), Transport schemes). Work on several sites has subsequently restarted 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 could cause further disruption; however, it is hoped that the measures now put in place to achieve social distancing will prevent a second period of full closure although there may be a further impact on imports and material costs.
- 1.11 One significant scheme, relating to the disposal of Brasshouse to the Council's wholly owned company, InReach, for housing redevelopment, will not now proceed and alternative disposal options for the site are therefore being considered. The InReach scheme was originally intended to be financed through a £43m loan from the Council to InReach on commercial terms, and alternative schemes that are financially attractive to both the Council and InReach are being sought for evaluation in accordance with the strategic plans for InReach and the Council's financial regulations for the provision of loans.
- 1.12 The Alexander Stadium project as part of the Commonwealth Games remains in line with the approved budget. However, Covid has adversely impacted on the Perry Barr regeneration scheme, and a decision has been made in conjunction with the Commonwealth Games Organising Committee that the Athletes Village will no longer be completed in time for the Games. Alternative accommodation options for athletes

and games officials are now in place and the scheme will continue but as a legacy project. The scheme will deliver regeneration and housing transformation for the area.

- 1.13 Early impacts of Covid across the broader programme have been identified and mitigations put in place where possible to offset costs of enhanced welfare provisions resulting in a net forecast reduction in expenditure of £23.6m over all years (£6.7m in 2020/21). The scope and forecast spend is likely to change further as a result of this ongoing review and will be reported as and when quantified.
- 1.14 Phase 2 Paradise Circus continues to progress and a change request to reflect a share of additional Covid costs is expected once verified and will be presented to the GBSLEP as funding approvers. Positive talks continue to be held with prospective occupiers and announcements will be made as these are confirmed.
- 1.15 Basic Needs Additional School Places programme of £53.7m has progressed despite Covid interruptions.
- 1.16 However, there is an impact on resources, and these are being managed and the risk reducing over time. The full impact on any costs associated with COVID-19 against projects is not yet known but will be included in a future report. The Housing Improvements Programme of £73.5m is currently projecting to spend to budget.
- 1.17 The impact of Covid has delayed the introduction of the Clean Air Zone, 2020/21 budget of £52.1m. As a result, the majority of capital spend is likely to take place in the next financial year, resulting in a slippage of £27.2m.

2. Key Issues

Non Covid-19 Related Issues

Education and Skills

- 2.1. There is a non Covid overspend forecast for the directorate of £3.0m and the majority of this (£2.8 million) originates from the Children's Trust. The Council did invest an additional £6.1m of one-off monies into the contract sum for the Trust for 2020/21. However, there are demographic pressures over and above that, manifested primarily in additional placement costs. Children in Care numbers have risen from 1,830 (April 2018) to an average of 1,955 by March 2020. This additional pressure is being partially offset by a number of savings measures, including managing demand at the front door to ensure admissions into care are appropriate; ensuring the most appropriate cost of a placement is secured according to need; pursuing step down options for existing residential placements; ongoing review of all supported accommodation packages to ensure validity of placement; and, pursuing financial contributions to placements for children with complex needs.
- 2.2. The Education and Skills Directorate together with Birmingham and Solihull Clinical Commissioning Group published a 'written statement of action' in July 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 (DSG). The provisional 2021/22 DSG settlement has indicated another substantial funding increase (12%) for High Needs. Whilst there are substantial pressures from both demography (pupil numbers) and increased complexity of provision, the additional funding provides scope to also address

the improvements necessary and outlined in the 'written statement of action'. A programme of transformation projects designed is being implemented in SEND (within High Needs Block funding), including building SEND health and education local teams and local provision in mainstream schools; developing responsive, flexible and effective local specialist provision; and, improving early identification and intervention for SEND.

- 2.3. There is here 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; where maintained schools convert to Academy status with a sponsor the licenced deficit falls to the Council. The Local Authority has contacted all schools with deficits and will review the robustness of deficit recovery plans in October (when the plans are due to be returned). In addition, specific actions (including regular monitoring, meetings with schools, implementation of Interim Executive Boards, negotiations with Department for Education and alternate funding sources) are all being implemented to minimise the impact on the Council's budget.

Neighbourhoods

- 2.6. The 2019/20 outturn for Neighbourhoods was an overspend of £19.3m. For 2020/21 additional budget has been allocated to Neighbourhoods of £23m. This funding should address the issues that were present in 2019/20.
- 2.7. At the end of Month 6 the forecast for the Neighbourhoods Directorate non Covid-19 is an underspend of £0.8m. The forecast improved by £1.1m on that reported on quarter
- 2.8. The Street Scene service overspend of £0.1m: The service continues to manage a number of pressures including £1.9m on vehicle maintenance and hire costs within the waste fleet and grounds maintenance service. The position is being mitigated by delaying spend and reduced borrowing charges due to fleet procurement delays. There is an income pressure of £1.5m within the Trade Waste service and a pressure of £0.5m within the waste procurement project due to the use of external legal advice and further cost pressure of £0.3m due to replace the heating system at Redfern Rd Depot. Which has largely been migrated by £4.0m related to Prudential Borrowing other small savings and underspends
- 2.9. Housing underspend of £1.2m: Bed and Breakfast is the main cost driver within the temporary accommodation service therefore both cost and demand projections continue be monitored. Non Covid-19 cost are mainly due to a forecast underspend of £1.2m within Housing due to a reduction in the cost charged by providers of Bed and Breakfast accommodation over the first half of the year. The service continues to mitigate pressures, including £0.5m income target against the Selective Licensing scheme. The scheme was not launched due to regulation changes and legal advice; however, a review is currently taking place to determine viability and a way forward and is currently being mitigated pending outcome of the review.
- 2.10. The Neighbourhoods service continues to project an £0.7m underspend due to holding vacant posts pending implementation of a new operating model.
- 2.11. Regulation and Enforcement is forecasting income pressure of £0.9m in Bereavement and Markets. The Bereavement pressure is due to budgeted mausoleum income which is currently unachievable and the Markets income shortfall is part of a review into viability of the Markets.

2.12. Neighbourhoods Directorate has £7.0m of one-off mitigations that have been identified for 2020/21. These are the £4.0m related to Prudential Borrowing, £1.0m other mitigations in Street Scene (including the “Love your Street” initiative delay), £1.5m in Housing General Fund where reductions in Bed and Breakfast costs and vacancies have mitigated delays in the Service Redesign, and £0.5m in Neighbourhoods primarily through holding vacant posts pending the implementation of a new operating model

Adult Social Care

2.13. The underspend of £3.8m is a result of additional funding towards health funded packages and continued reduction in ongoing use of agency staff. The improvement in Month 6 is due to the additional funding.

2.14. Health are currently meeting the costs arising from most hospital discharges between March and the end of August and this is expected to continue until these clients are reassessed with health also meeting the first 6 weeks costs of placements from 1st September. There has been a significant reduction in residential and nursing placements in the year to date although August and September numbers are now showing an increase with a return to normal numbers assumed from October, however, it is anticipated that there is currently a significant level of hidden demand which will impact when lockdown is fully eased. In addition there are still significant costs to be quantified in relation to Covid support to the care market (estimated to be £8m) in respect of actual costs incurred

2.15. Excluding Covid pressures there is an overall underspend of £1.5m due to CCG funding for hospital discharges and preventative packages. The movement from month 5 is a forecast reduction of £0.7m due to increased income from the CCG.

2.16. The Directorate’s Transformation Programme continues to positively progress with the roll-out of the Customer Journey Restructure and the Early Intervention Programme over the coming months in order to deliver existing planned sustainable savings. Ongoing system-wide service transformation with partners (NHS) is continuing but no additional savings are assumed at this stage.

2.17. The short-term impact of Covid-19 has led to the need to retain additional agency Social Work capacity for longer than originally planned but has also meant that the Early Intervention process has been refined in advance of wider implementation. Following the implementation of the Customer Journey Restructure in September 2020 the planned reduction in the ongoing use of agency staff will result in a saving of £3.0m.

Inclusive Growth

2.18. The majority of the directorates underspend is due to staff vacancies that have not yet been filled.

2.19. The Council is currently working with Birmingham Highways Ltd to re-procure the subcontract for its Highway Maintenance and Management PFI (HMMPFI) contract. Affordability will be assessed taking account of the total cost of a re-procured contract and available resources, with the outcome being factored in as part of setting future Council budgets.

2.20. On the 6th April 2020 the Council received approval from Government to delay the implementation of the Birmingham Clean Air Zone (CAZ) until no earlier than January 2021 and activities associated with delivery were scaled back reflecting the delays experienced and also the need for the Council to redeploy staff to support the Covid-19 response. The Council has remained committed to the CAZ. and the implementation date has now been set for 1st June 2021.

- 2.21. Property Services Commercial Property rental income - the current year-end forecast from the Manhattan database is significantly lower than expected based upon the last financial year and known/anticipated movements. Further work has been carried out since month 5 to establish a year-end forecast which has been identified at £1.6m under-recovery. Property Services is continuing to refine the accuracy of data, system update practices and reporting, supported by officers from Finance, ICT&D and Trimble (external system support for Manhattan), in order that a reliable process is established for future forecasting. Additionally, external consultants Avison Young have been commissioned to provide detailed sector by sector analysis of the likely short and medium term impact of Covid-19 on the existing rent roll. Forecasting uncertainty in conjunction with the yet to be confirmed impacts of Covid-19 mean that there is a risk that the current forecast pressures could increase.
- 2.22. The Directors of the Council's wholly owned company, InReach (Birmingham) Ltd, have made the decision not to progress with one of the planned schemes, Brasshouse, due to a combination of factors that have increased the level of risk. The Council expenditure over the programme was budgeted at £43m, through a mix of equity and loan investments, and was to deliver an annual net income stream rising to £0.9m following the final loan drawdown. The company continues to deliver a net income stream resulting from the original Embankment scheme and current plans are to progress with the remaining smaller scheme.

Digital & Customer Services

- 2.23. At the end of month 6 the high-level forecast for the Digital & Customer Service Directorate, after taking account of management actions, is an overspend of £0.300m against a net budget of £29.3m, the overspend represents 1% of the net budget. This is an improvement of £2m since Q1, which is a result of £1.2m forecast update to include Margin to be centralised on Information Technology and Digital Services (ITDS) and £0.8m improvement to ongoing support to ensure that the systems operate effectively, and projects are completed. forecast following budget centralisation in period 5.

New Oracle Back office system (ERP)

- 2.24. The programme, as a result of an assurance process, is going through a reset phase to establish and quantify financial and non-financial risks. A report to Cabinet is scheduled on the Forward Plan for December 2020.

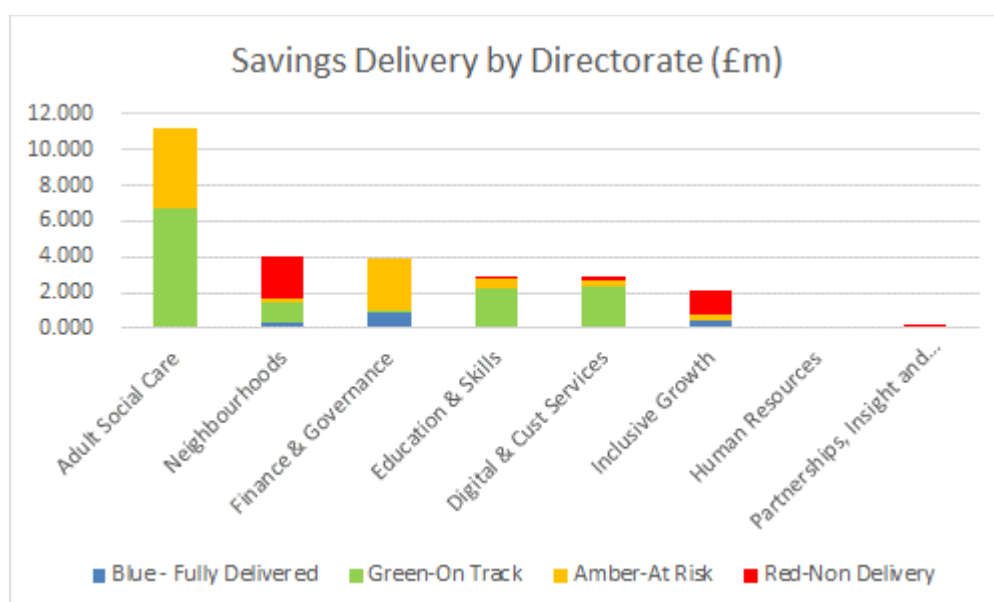
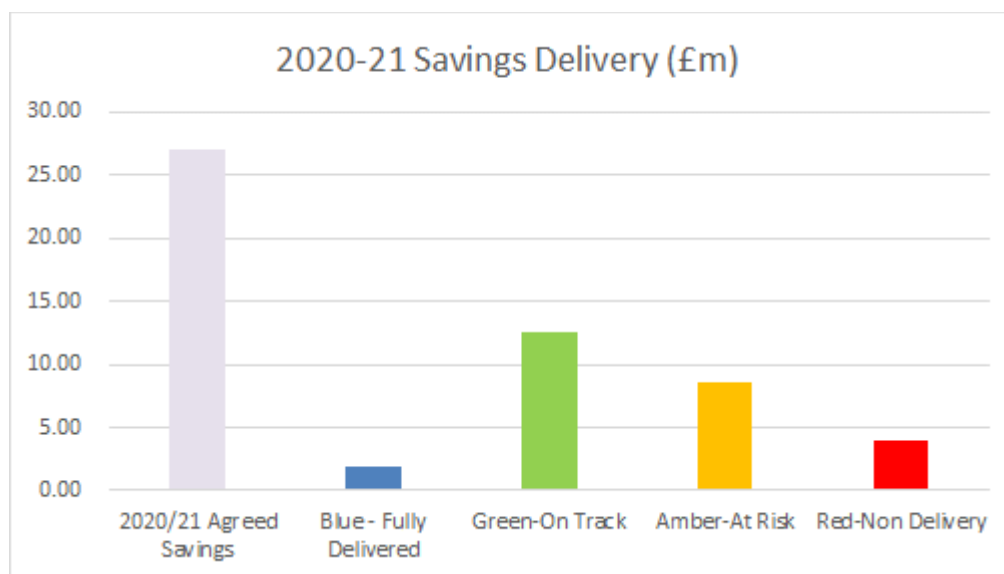
Savings Programme

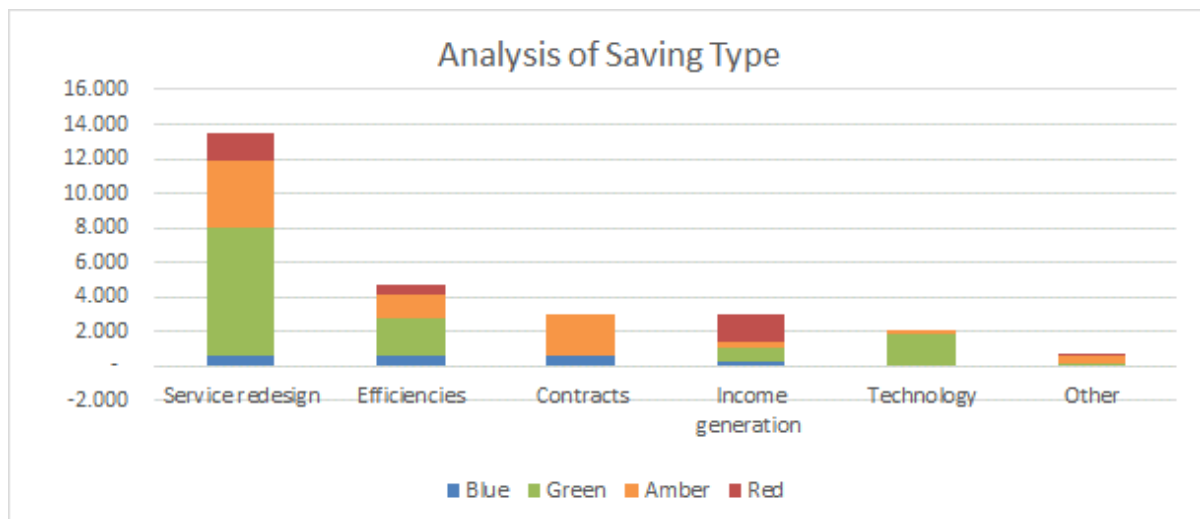
- 2.25. The £27.1m savings programme for 2020-21 (shown in the following charts) has £8.6m at risk and £4.0m classed as undeliverable or non-delivered. Covid-19 has impacted savings delivery. The key non Covid-19 areas at risk or non-deliverable (those over £0.5m) are:
- **Adult Social Care has £4.4m** savings that are at risk due to Covid-19, particularly regarding Packages of Care. However, these are now considered likely to be achieved.
 - **Neighbourhoods has £0.2m** savings that are at risk and **£2.3m** savings that are unlikely to be achieved, about half of which are related to Covid. Of the remainder, £1.0m relate to Housing. It is requested that these savings are redirected, as covered in paragraph 2.22 below.
 - **Contract** savings, whilst sitting in Finance & Governance, cut across all directorates. 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 £0.5m** savings at risk - these largely relate to an increased commercialisation target for the Adult Education Service that was set in 2019/20 at £1.2m and reduced this year to £0.8m, but which is still unlikely to be fully delivered. It is being

partly mitigated this year through a restructure of the service and savings from elsewhere in Skills & Employability.

- **Digital & Customer Services** has **£0.3m** savings at risk mainly due to delays and potential income losses related to Covid-19. It also has **£0.2m** of savings that are unlikely to be achieved related to Debt Collection costs, also due 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

2.26. **Housing Savings Target Redirection.** The savings within the Housing General Fund Service are currently rated as red, however one-off mitigations have been identified in 2020/21 to fully meet this target. For 2021/22 onwards the service is proposing to implement these savings after the completion of the Housing Service Redesign. This will enable the service to realign resources to focus on robust support plans and prevent homelessness.





Borrowing

- 2.27. The annual cost of servicing debt represents approximately 30% of the budget. Currently borrowing is £3,454m, with the year-end projection likely to be below the planned level of £3,832m. Some government grants have been received early and there is slippage in spending on the capital programme. There does remain uncertainty about the impact of Covid-19 on future cashflows.

Level of Debt and Provision

- 2.28. 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.

Policy Contingency and Use of Reserves

- 2.29. The policy contingency budget for 2020-21 is £40.8m. General Reserves are forecast to be £123.1m out of a total £645.0m at the end of financial year. Proposals to utilise the Policy contingency budget to support the Councils' budget this year are set out in the MTFP Refresh Report. As part of the reported outturn to Cabinet on 23 June 2020, the Council had funded £8.7m of capital expenditure from Direct Revenue Financing (DRF) of capital expenditure. The Council's financial statements for 2019/20 are being audited by Grant Thornton and it is proposed that, given the financial pressures faced as a result of the demands placed on the Council in its response to Covid-19, the Council replace the DRF incurred by increasing the Capital Financing Requirement (CFR). This will increase the level of usable reserves available to the Council to meet future funding pressures.

Council Tax and Business Rates

- 2.30. The Collection Fund collects business rates and council tax income and pays it over to the precepting body. Council tax and business rates income has been heavily impacted by Covid-19. The forecast for the Collection Fund is a deficit of £46.5m (£10.4m deficit for Council Tax and a £36.1m deficit for Business Rates). The impact of this will be considered in setting the budget for 2021-22

Covid-19 Major Incident Financial Impact

- 2.31. The Council has now received £83.4m of un-ringfenced Covid-19 related grant funding from the government. The government has announced an income loss scheme where after 5% deductible, the council will be compensated for 75p in every pound in sales, fees

and charges losses due to Covid-19. The council currently estimates that this could provide £19.6m of additional funding, however the government has yet to issue the precise mechanism for this claim. 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.

- 2.32. On 22nd October the Council was informed of a further **£44.2m** of un-ringfenced Covid-19 related grant. It is recommended that this is transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months.
- 2.33. There are further Covid-19 financial risks which have been quantified at £18.2m, which are reported through emergency cells on a weekly basis. There is an ongoing review of risks to ensure that they reflect the latest circumstances. This is a reduction from the £39m reported at Quarter 1.

Birmingham City Council

Report to Cabinet

10TH NOVEMBER 2020



Subject: FINANCIAL MONITORING REPORT
QUARTER 2 (UP TO 30TH SEPTEMBER 2020)

Report of: Chief Finance Officer – Rebecca Hellard

Relevant Cabinet Member: Councillor Tristan Chatfield – Finance & Resources

Relevant O &S Chair(s): Councillor Sir Albert Bore – Resources

Report author: Chief Finance Officer – Rebecca Hellard

| | | |
|---|---|---|
| Are specific wards affected? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s): | | |
| Is this a key decision? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, add Forward Plan Reference: 007785/2020 | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, provide exempt information paragraph number or reason if confidential: | | |

1 Executive Summary

- 1.1 The comprehensive quarterly finance report attached as Appendix A is part of the City Council's robust financial management arrangements.

2 Recommendations

That the Cabinet:-

- 2.1 Notes the City Council's 2020/2021 forecast revenue budget position and the pressures and savings identified as at 30th September 2020 resulting in a forecast overspend of £10.8m.
- 2.2 Notes that the Medium Term Financial Plan (MTFP) Refresh (that is also on the agenda for this meeting) makes proposals on how to balance the budget for this year.
- 2.3 Notes that the Council has received to date £84.3m of un-ringfenced Covid-19 related grant funding from the government and it is estimating that the Council will receive further £19.6m from the Income loss funding scheme.
- 2.4 Notes that the forecast additional spend/loss of income to the Council on Covid-19 related general fund activities, after utilising the £84.3m un-ringfenced government grants received to date, for 2020/21 is £11.9m. We are continuing to review and assess our forecasts and risks and are seeking mitigations in year to deal with this gap.
- 2.5 On 22nd October the Council was informed it will be receiving a further £44.2m of un-ringfenced Covid-19 related grant. It is recommended that this funding is transferred to a specific Covid reserve to manage the ongoing pandemic through the higher risk winter months
- 2.6 Notes the Council is also forecasting other revenue underspends of £1.1m.
- 2.7 Notes the latest monitoring position in respect of the Council's savings programme and the risks identified in its delivery.
- 2.8 Approves the redirection of the savings programme related to Housing as set out in paragraph 4.12.
- 2.9 Notes the forecast capital expenditure in 2020/2021 of £723.3m.
- 2.10 Approves the allocation of Policy Contingency as set out in paragraph 4.14.
- 2.11 Approves the amendment to the 2019/20 reported outturn to reflect the replacement of £8.7m of Direct Revenue Financing of Capital by increasing the Council's Capital Financing Requirement, thus increasing the level of usable reserves, as proposed in Appendix A, sections 8.4 and 8.5.
- 2.12 Notes the Treasury Management and Investment Portfolio Reports that are included in Appendix A.
- 2.13 Approves the redirection of Housing Savings Targets, as proposed in section 4.2 of Appendix A.

3 Background

- 3.1 At the meeting on 25th February 2020, the Council agreed a net revenue budget for 2020/2021 of £852.9m to be met by government grants, council tax and business rates payers. Appendix A sets out the full financial position at Quarter 2.

4 Key Issues

- 4.1 The Council is forecasting a net revenue overspend of **£10.8m** which represents 1.3% of the £852.9m budget. **£11.9m** of the overspend relates to the Covid-19 emergency after applying the £84.3m government grant received so far and the estimated £19.6m from the Income loss funding scheme. This position does not include risks or 2021/22 onwards financial implications. While the Covid-19 impact is being presented in Directorates, the funding gap is being dealt with as a corporate issue. The Covid overspend is partially offset by **£1.1m** non-Covid related net underspends across the Council.
- 4.2 The Government has also announced £100m of national funding to support leisure centres. No details are yet available, so this has not been factored in to this report.
- 4.3 The Council has received to date £84.3m of un-ringfenced Covid-19 related grant funding from the government. The government has also announced that it will provide funding for income loss due to Covid-19, which is currently been estimated at £19.6m by the council. On top of this a further £44.2m funding for the Council was announced on October 22nd. We intend to set this aside in a specific Covid reserve to manage the ongoing pandemic through the higher risk winter months. There are also several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.
- 4.4 The MTFP Mid-Year Refresh report, which is reported on this same agenda, incorporates the 6 month financial position as set out in this report, as well as detailed proposals to balance the budget for 2020/2021.
- 4.5 There are a range of corporate initiative in train to manage the current overspend position. These include reviewing in year savings delivery, Capitalisation of Transformation costs, and Workforce Controls being introduced to stop vacant roles being filled and reductions in agency expenditure of 10%. This is also reflected in the MTFP Refresh Report.

Capital Programme

- 4.6 Capital spend is currently projected to be £723.3m for 2020/21, after projected £127.2m of slippage and £6.7m of forecasted net savings. The full multi-year capital programme is projected to be £3,290.3m.
- 4.7 The Council is currently reviewing capital financing required for both for the capital programme and the delivery plan for factoring in to the MTFP Refresh. There is a plan to utilise capital resources for funding the costs of revenue reform and transformation projects in line with the flexibilities afforded to Councils.

Treasury Management and investment Portfolio

- 4.8 The Covid-19 pandemic has had a significant impact on Treasury Management decision making in the quarter. Details are set out in the Appendix A section 11 and Annex 6.
- 4.9 The Investment Portfolio is reported in Appendix A Annex 8.

Write-Offs

- 4.10 There are no debts over £0.025m that require approval for write off, as set out in Annex 4 of Appendix A.

Policy Contingency and Use of Reserves

- 4.11 The policy contingency budget for 2020/21 is £40.8m. Given the significant financial pressures and the need to drive the new Chief Executives delivery plan there may be a need to re-prioritise the use of the policy contingency budget. The use of Policy Contingency is covered in the MTFP Mid Year Refresh Report.
- 4.12 Cabinet is asked to note the following allocations of Specific Policy Contingency approved by the Section 151 Officer under delegated authority as shown below.

| Use of | Reason | Value (£m) | Paragraph Reference |
|-----------------------------|---------------------------------|------------|---------------------|
| Specific Policy Contingency | Commonwealth Games Project Team | 4.0 | 9.6 |
| Specific Policy Contingency | Inflation Contingency | 0.3 | 9.7 |

- 4.13 Cabinet is asked to note the following allocations of General Policy Contingency that were approved in the October 13th Cabinet meeting as shown below.

| Use of | Reason | Value (£m) | Paragraph Reference |
|----------------------------|-------------------------------|------------|---------------------|
| General Policy Contingency | European Team-Brussels Office | 0.2 | 9.4 |
| General Policy Contingency | Brexit Preparation | 0.2 | 9.4 |

- 4.14 Cabinet is asked to approve allocations of Specific and General Policy Contingency as shown below. Further details are provided in the relevant paragraphs in Annex A.

| Use of | Reason | Value (£m) | Paragraph Reference |
|-----------------------------|--------------------------------|------------|---------------------|
| Specific Policy Contingency | Modernisation Fund-Social Care | 4.2 | 9.8 |
| General Policy Contingency | Homelessness Reduction | 0.9 | 9.9 |
| General Policy Contingency | Whistleblowing | 0.2 | 9.10 |
| General Policy Contingency | Delivery Plan | 2.0 | 9.11 |

- 4.15 If these uses are approved, the Policy Contingency budget will be £28.8m.
- 4.16 An assessment of the levels and use of reserves is addressed in the MTFP Mid Year Refresh Report.

5 Options considered and Recommended Proposal

- 5.1 Directors, in striving to manage their budgets, have evaluated all the options available to them to maintain balance between service delivery and a balanced budget.

6 Consultation

- 6.1 Cabinet Members, Directors, the City Solicitor, Human Resources and Assistant Directors of Finance have been consulted in the preparation of this report.
- 6.2 There are no additional issues beyond consultations carried out as part of the budget setting process for 2020/21.

7 Risk Management

- 7.1 The monitoring of the Council's budget and the identification of actions to address issues arising, as set out in this report, are part of the Council's arrangements for the management of financial issues.

8 Compliance Issues:

8.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 8.1.1 The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.

8.2 Legal Implications

- 8.2.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

8.3 Financial Implications

- 8.3.1 The Corporate Revenue and Capital Budget Monitoring documents attached give details of monitoring of service delivery within available resources.

8.4 Procurement Implications (if required)

- 8.4.1 N/A

8.5 Human Resources Implications (if required)

- 8.5.1 N/A

8.6 Public Sector Equality Duty

- 8.6.1 There are no additional Equality Duty or Equality Analysis issues beyond any already assessed in the year to date. Any specific assessments needed shall be made by Directorates in the management of their services.

9 Background Documents

- 9.1 City Council Financial Plan 2020-2024 approved at Council 25th February 2020
- 9.2 Quarter 1 Financial Monitoring Report approved by Cabinet 21st July 2020

Quarter 2 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 2 the forecast revenue outturn (Table 1 below) is a net overspend of **£10.8m (column E)**. **£11.9m (column C)** of the overspend relates to the **Covid-19** emergency after applying £84.3m **(column C)** of un-ringfenced Covid-19 related grant received to date and £19.6m **(column C)** forecast income loss scheme funding from the government.
- 1.3 We are continuing to review and assess our forecasts and risks and are seeking mitigations in year to deal with this gap. There are a range of corporate initiatives in train to manage the current overspend position. These include reviewing in year savings delivery, Capitalisation of Transformation costs, and Workforce Controls being introduced to stop vacant roles being filled and reductions in agency expenditure of 10%. This is also reflected in the MTFP Refresh Report.
- 1.4 On 22nd October the Council was informed of a further **£44.2m** of un-ringfenced Covid-19 related grant. It is recommended that this is transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months.
- 1.5 There is a **£1.1m** underspend **(column D)** relating to non covid-19 activities and this includes £0.9m **(column D)** for the additional cost of pay award (budget was 2.5% and award was 2.75%) that has been shown as a corporate pressure.
- 1.6 This position does not include risks or 2021/22 onwards financial implications. 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 below.
- 1.7 Since Quarter 1, an additional **support package of £14.0m (column I of Table 2)** has been awarded to the council following the government announcement on 2 July that a further support package would be made available to the Local Authorities. The council has estimated that it could receive a further **£19.6m (column I of Table 2) from the income loss scheme funding** from the Government. The forecast extra income of £33.6m combined with a reduction in forecast Covid-19 expenditure of £29.2m has reduced the overspend on Covid-19 by £62.8m since Quarter 1. As referred to in paragraph 1.3, a further

£44.2m of un-ring fenced grant was announced on 22nd October. This is recommended to be transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months.

- 1.8 The Government has also announced £100m of national funding to support leisure centres. No details are yet available, so this has not been factored in to this report.
- 1.9 The forecast non Covid-19 position has improved by **£6.4m (Column D)** since Quarter 1. The largest improvement is in the forecast overspend related to Birmingham Children's Trust, which has reduced by £4.3m. The non-Covid-19 position is reported in more detail in section 2.
- 1.10 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.
- 1.11 There is a minor overspend forecast of £0.1m for Schools at Quarter 2. It is expected that any year end underspend or overspend will be appropriated to or from the DSG Grant Reserve. Further detail is contained in Section 6.
- 1.12 There is a forecast balanced position in the Housing Revenue Account. Further detail is contained in Section 7

Capital Programme

- 1.13 Overall capital expenditure for the year 2020/21 is forecast at £723.3m against the revised quarter 2 capital budget of £857.2m. The forecast underspend comprises £127.2m of slippage and £6.7m of forecasted net savings. Of the total forecast underspend of £133.9m - £125.8m is Covid related and £8.1m non-Covid related. Expenditure to date is £154.7m which is some 21% of the year-end total forecast. The full multi-year capital programme is forecast £3,290.3m.
- 1.14 The Council is currently reviewing capital financing for the capital programme and the delivery plan for factoring in to the MTFP Refresh. There is a plan to utilise capital resources for funding the costs of revenue reform and transformation projects in line with the flexibilities afforded to Councils.

Treasury Management

- 1.15 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

Appendix A

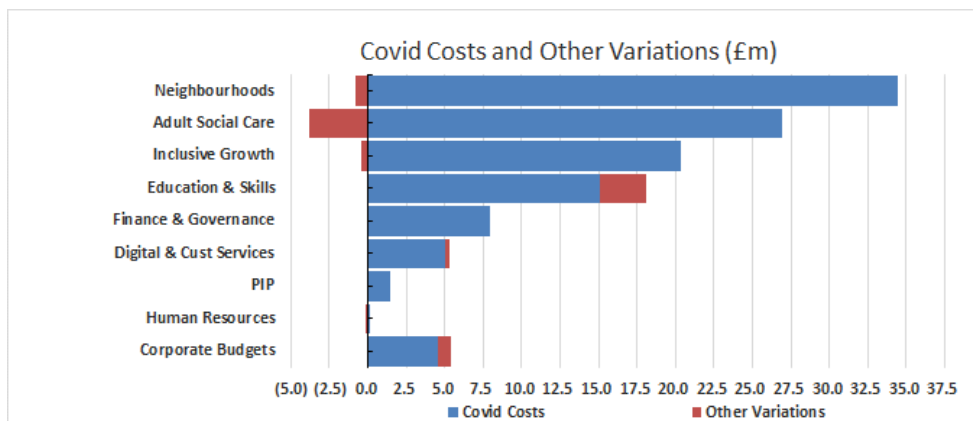


Chart 2

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

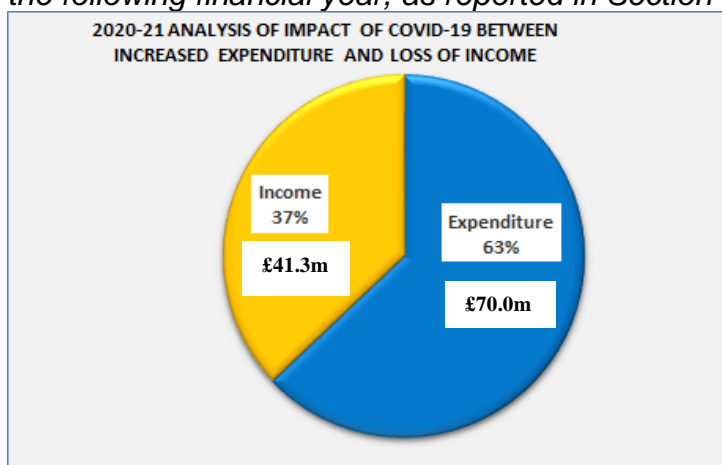


Table 1

| Table 1:High Level Summary | A | B | C | D | E | F |
|--------------------------------------|-----------------|------------------|--------------------------------------|------------------------------------|-----------------------------|---|
| Directorate | Current Budget | Forecast Outturn | Covid 19 Financial Impact Included * | Over/(Under) spend Non Covid costs | Total Over/(Under) Spend ** | Movement in Total Over/(Under) Spend From Q1*** |
| | £m | £m | £m | £m | £m | £m |
| Neighbourhoods | 125.646 | 159.257 | 34.411 | (0.800) | 33.611 | (6.588) |
| Adult Social Care | 329.344 | 352.461 | 26.947 | (3.830) | 23.117 | (11.221) |
| Inclusive Growth | 105.494 | 125.347 | 20.381 | (0.528) | 19.852 | (0.626) |
| Education & Skills | 276.811 | 294.871 | 15.077 | 2.983 | 18.060 | (15.833) |
| Finance & Governance | 13.869 | 21.854 | 7.985 | 0.000 | 7.985 | (2.102) |
| Digital & Cust Services | 29.263 | 34.592 | 5.029 | 0.300 | 5.329 | 1.257 |
| Partnerships, Insight and Prevention | 7.229 | 8.636 | 1.407 | 0.000 | 1.407 | (0.217) |
| Human Resources | 6.566 | 6.467 | 0.035 | (0.134) | (0.099) | (0.099) |
| Directorate Sub Total | 894.223 | 1,003.486 | 111.272 | (2.009) | 109.263 | (35.428) |
| Corporate Budgets | (41.291) | (35.859) | 4.526 | 0.905 | 5.431 | (0.130) |
| Covid Funding | 0.000 | (84.278) | (84.278) | 0.000 | (84.278) | (13.968) |
| Income Loss Scheme Funding | 0.000 | (19.600) | (19.600) | 0.000 | (19.600) | (19.600) |
| Corporate Subtotal | (41.291) | (139.737) | (99.352) | 0.905 | (98.447) | (33.698) |
| | | | | | | |
| City Council General Fund | 852.933 | 863.749 | 11.920 | (1.104) | 10.816 | (69.126) |
| | | | | | | |
| Financial Position as at Q1 | 852.933 | 932.875 | 74.695 | 5.247 | 79.942 | |
| | | | | | | |
| Movement from previous Q1 | 0.000 | (69.126) | (62.775) | (6.351) | (69.126) | |
| | | | | | | |
| Movement from previous Q1 % | 0.0% | (07)% | (0.840) | (1.210) | (0.865) | |

* This excludes Covid-19 risk, see Annex 2.

** The above table has been sorted according to the total over/under spend (largest to smallest)

*** This shows the movement from previous Quarter.

Appendix A

| Table 2: High Level Summary | A | B | C | D | E | F | G | H | I | J | K |
|--------------------------------------|-----------------|------------------|--------------------------------------|------------------------------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|------------------------|------------------------------------|---|
| Directorate | Current Budget | Forecast Outturn | Covid 19 Financial Impact Included * | Over/(Under) spend Non Covid costs | Total Over/(Under) Spend ** | Covid 19 Financial Impact Included | Over/(Under) spend Non Covid costs Q1 | Total Over/(Under) Spend Q1 | Movement Covid 19 cost | Movement in Non Covid cost From Q1 | Movement in Total Over/(Under) Spend From Q1*** |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Neighbourhoods | 125.646 | 159.257 | 34.411 | (0.800) | 33.611 | 39.928 | 0.271 | 40.199 | (5.517) | (1.071) | (6.588) |
| Adult Social Care | 329.344 | 352.461 | 26.947 | (3.830) | 23.117 | 36.935 | (2.597) | 34.338 | (9.988) | (1.233) | (11.221) |
| Inclusive Growth | 105.494 | 125.347 | 20.381 | (0.528) | 19.852 | 22.378 | (1.900) | 20.478 | (1.997) | 1.372 | (0.626) |
| Education & Skills | 276.811 | 294.871 | 15.077 | 2.983 | 18.060 | 26.650 | 7.243 | 33.893 | (11.573) | (4.260) | (15.833) |
| Finance & Governance | 13.869 | 21.854 | 7.985 | 0.000 | 7.985 | 10.157 | (0.070) | 10.087 | (2.172) | 0.070 | (2.102) |
| Digital & Cust Services | 29.263 | 34.592 | 5.029 | 0.300 | 5.329 | 1.772 | 2.300 | 4.072 | 3.257 | (2.000) | 1.257 |
| Partnerships, Insight and Prevention | 7.229 | 8.636 | 1.407 | 0.000 | 1.407 | 1.624 | 0.000 | 1.624 | (0.217) | 0.000 | (0.217) |
| Human Resources | 6.566 | 6.467 | 0.035 | (0.134) | (0.099) | 0.000 | 0.000 | 0.000 | 0.035 | (0.134) | (0.099) |
| Directorate Sub Total | 894.223 | 1,003.486 | 111.272 | (2.009) | 109.263 | 139.444 | 5.247 | 144.691 | (28.172) | (7.256) | (35.428) |
| Corporate Budgets | (41.291) | (35.859) | 4.526 | 0.905 | 5.431 | 5.561 | 0.000 | 5.561 | (1.035) | 0.905 | (0.130) |
| Covid Funding | 0.000 | (84.278) | (84.278) | 0.000 | (84.278) | (70.310) | 0.000 | (70.310) | (13.968) | 0.000 | (13.968) |
| Income Loss Scheme Funding | 0.000 | (19.600) | (19.600) | 0.000 | (19.600) | 0.000 | 0.000 | 0.000 | (19.600) | 0.000 | (19.600) |
| Corporate Subtotal | (41.291) | (139.737) | (99.352) | 0.905 | (98.447) | (64.749) | 0.000 | (64.749) | (34.603) | 0.905 | (33.698) |
| City Council General Fund | 852.933 | 863.749 | 11.920 | (1.104) | 10.816 | 74.695 | 5.247 | 79.942 | (62.775) | (6.351) | (69.126) |
| Financial Position as at Q1 | 852.933 | 932.875 | 74.695 | 5.247 | 79.942 | | | | | | |
| Movement from previous Q1 | 0.000 | (69.126) | (62.775) | (6.351) | (69.126) | | | | | | |
| Movement from previous Q1 % | 0.0% | (07)% | (84)% | (121)% | (86)% | | | | | | |

Table 3: Analysis of Non covid pressure faced by Directorate

| Directorate | Non delivery of savings £m | Expenditure variations £m | Income variations £m | One-off mitigations £m | Non Covid-19 Financial Impact Included £m |
|--------------------------------------|-------------------------------|------------------------------|-------------------------|---------------------------|--|
| Neighbourhoods | 1.4 | 1.5 | 3.3 | (7.0) | (0.8) |
| Adult Social Care | 0.0 | 1.3 | (5.1) | 0.0 | (3.8) |
| Inclusive Growth | 0.6 | 0.0 | 1.3 | (2.4) | (0.5) |
| Education & Skills | 0.0 | 3.1 | (0.1) | 0.0 | 3.0 |
| Finance & Governance | 0.0 | (0.7) | 1.9 | (1.2) | 0.0 |
| Digital & Cust Services | 0.0 | 0.3 | 0.0 | 0.0 | 0.3 |
| Partnerships, Insight and Prevention | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Human Resources | 0.0 | 2.0 | 0.4 | (2.5) | (0.1) |
| Directorate Sub Total* | 2.0 | 7.5 | 1.7 | (13.1) | (2.0) |

There was no over delivery of saving identified by the directorates.

Appendix A

2 Non Covid-19 Variation

2.1 The Directorates are facing spending pressure on their business as usual activities and currently the council is forecasting a net underspend of £1.1m (**column D**), due to Non Covid-19 related costs, which is an improvement of £6.4m on Quarter 1.

2.2 **Neighbourhoods Directorate has an underspend of £0.8m (-0.6% of budget) as shown by the table below.** This is improvement of £1.1m on quarter 1.

| Neighbourhoods | Budget £m | Non Covid-19 £m |
|--------------------------|--------------|--------------------|
| Street Scene | 78.7 | 0.1 |
| Housing General Fund | 9.2 | (1.2) |
| Neighbourhoods | 19.7 | (0.7) |
| Regulation & Enforcement | 1.0 | 0.9 |
| Business Support | 17.0 | 0.1 |
| Directorate | 125.6 | (0.8) |

Street Scene has an overspend of £0.1m. (0.1% of budget). This a deterioration of £1.3m compared to Quarter 1.

Projections indicate an overspend of £0.1m, however, within this are a number of pressures primarily being mitigated by £4.0m of an underspend on borrowing costs due to delays in procurement of the new fleet and other small savings and underspends.

The main pressures include £1.9m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life, income pressure within Trade Waste projected to be £1.5m behind budget and the waste procurement project forecasting £0.5m pressure due to the use of external legal advice. Additional pressure of £0.3m has been identified following the need to replace the heating system at Redfern Rd Depot.

Housing General Fund has an underspend of £1.2m (-13.0% of budget). This an improvement of £2.1m compared to Quarter 1.

The forecast has improved to an underspend of £1.2m mainly due to a reduction in charges levied by Bed and Breakfast providers. As this is the main cost driver within the service both cost and demand projections continue be monitored. Demand for temporary accommodation is expected to increase with the easing of lockdown restrictions.

The service continues to manage £1.5m savings pressure through a combination of improved rates for temporary accommodation and holding vacant posts.

A service redesign proposal is being drafted which will deliver the outstanding saving requirement through prevention activity. This is a change from the initial saving proposals put forward, but a more sustainable approach for the service. A review of the Selective Licensing scheme is underway to determine viability and a way forward following a delay to the launch following regulation changes and legal advice. The scheme has a £0.5m income target attached to it which is currently being mitigated pending outcome of the review.

Neighbourhoods has an underspend of £0.7m (-3.6% of budget). This an improvement of £0.3m compared to Quarter 1.

The service is forecasting a £0.7m underspend mainly due to the holding of vacant posts pending the implementation of a new operating model later in the financial year and a number of one-off underspends including below inflation grant payments and reduced operational costs within Film Birmingham.

Regulatory and Enforcement has an overspend of £0.9m (90.0% of budget). The position has not changed since Quarter 1.

The service is forecasting income pressure of £0.9m across Bereavement services principally due to budgeted mausoleum income, which is currently unachievable, a review of Bereavement services is underway, and Markets is currently forecasting shortfall in available funding subject to review into viability of the Markets.

2.3 Adult Social Care underspend of £3.8m (-1.2% of the budget). This an improvement of £1.2m compared to Quarter 1.

| Adult Social Care | Budget £m | Non Covid-19 £m |
|-------------------------|--------------|--------------------|
| Director | 17.8 | (0.0) |
| Commissioning | 28.3 | 0.6 |
| Packages of Care | 208.4 | (1.5) |
| Community & Operational | 74.9 | (2.9) |
| Other | (0.0) | 0.0 |
| Directorate | 329.3 | (3.8) |

Commissioning has an overspend of £0.6m (2.1% of the budget). This is an improvement of £0.1m compared to Quarter 1.

This variance relates to the impact of slippage within the Neighbourhood Network Programme £1.1m, offset by mitigating savings of £0.5m identified across the Commissioning Service.

Packages of Care has an underspend of £1.5m (-0.7% of the budget). This is an improvement of £1.7m compared to Quarter 1.

Excluding Covid pressures there is an overall underspend of £1.5m due to CCG funding for hospital discharges and preventative packages. The

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movement from Quarter 1 is a forecast reduction of £1.7m due to increased income from the CCG.

Community & Operational has an underspend of £2.9m (-3.9% of the budget). The position has deteriorated by £0.6m compared to Quarter 1.

The underspend of £2.9m relates to staffing within in house services and Social Work Teams and has arisen due to the early delivery of 21/22 step up savings as part of the Customer Journey Restructure, reduced agency and overtime spend within in house day services which are closed due to Covid and reduced agency spend to cover vacancies in Social Work Teams due to the need to focus resources on Covid.

2.4 Education and Skills £3.0m overspend (1.1% of the budget). This an improvement of £4.3m compared to Quarter 1.

| Education and Skills | Budget | Non Covid-19 |
|-------------------------|--------------|--------------|
| | £m | £m |
| Education & Early Years | 9.2 | (0.1) |
| Inclusion & SEND | 28.4 | 0.3 |
| Children's Trust | 192.2 | 2.8 |
| Strategic Leadership | 22.0 | (0.2) |
| Skills & Employability | 25.0 | 0.2 |
| Directorate | 276.8 | 3.0 |

Education and Early Years underspend of £0.1m (-1.1% of the budget). This is an improvement of £0.1m compared to Quarter 1.

Early Years is anticipating a saving of £0.1m relating to savings on employees and SLA's, partially offset by systems upgrade costs.

Inclusion & SEND overspend of £0.3m (1.1% of the budget). This is a deterioration of £0.3m compared to Quarter 1.

Further overspends on Travel Assist are expected of £0.3m of one-off costs relating to additional costs of interim staff to support transformation and systems implementation costs in 2020/21. Recurring savings in subsequent years from better route planning should offset this.

Children's Trust is forecasting an overspend of £2.8m (1.5% of the budget). This is an improvement of £4.3m compared to Quarter 1.

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.

The number and cost of placements has risen since the Trust went live. The Trust budget for 2020/21 includes a net increase of £6.1m for demand pressures of which £5.3m is direct placement costs.

The latest forecast from the Children's Trust is a £2.8m overspend, with pressures primarily around pay (caseloads and Independent Reviewing Officers) and placement costs. Children in Care numbers have remained fairly static recently, with no spike yet (contrary to initial expectations when schools reopened, and more referrals were expected). Savings have arisen from reductions around external residential placement, the cessation of the Priory contract and reduction in external fostering placements.

The forecast pressure for 2020/21 is net of this additional funding. The number of children in high cost residential placements has reduced by 4 to 172 since April 2020 but remains 31 higher since the Trust went live. Whilst there are 36 fewer fostering placements since April there is an increase in the number of children placed with connected carers. Overall the number of children in family placements has increased since the Trust went live, but the assumed growth in the number of internal foster carers has not materialised at the level assumed in the Trust base budget. External residential and fostering placements still equate to in-year budget pressures of over £8.5m this year.

This additional pressure is being partially offset by a number of savings measures, including managing demand at the front door to ensure admissions into care are appropriate; ensuring the most appropriate cost of a placement is secured according to need; pursuing step down options for existing residential placements; ongoing review of all supported accommodation packages to ensure validity of placement; and, pursuing financial contributions to placements for children with complex needs, in addition to the specific savings highlighted above.

Since Quarter 1, the Trust has actively been reviewing its operation and placement costs, to ensure that it does not face similar overspend as it did last year. The Trust has continued to seek to reduce the cost of placements by:

- Managing demand at the front door to ensure admissions into care are appropriate.
- Ensuring the most appropriate cost of a placement is secured according to need.
- Pursuing step down options for existing residential placements.
- Ongoing review of all supported accommodation packages to ensure validity of placement and also the level of support per package.
- Continued development of an improved marketing and recruitment strategy to grow the number of the Trust's own foster carers.
- Pursuing financial contributions to placements for children with complex needs.

These actions and measure have allowed the Trust to reduce its current forecast by £4.3m compared to quarter 1.

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It is thought that the position should improve, notwithstanding any changes related to Covid-19.

The impact of any demographic growth is captured in the MTFP Refresh Report.

Strategic Leadership underspend of £0.2m (-0.9% of the budget). This is an improvement of £0.1m compared to Quarter 1.

There is a saving relating to premature retirements of (£0.2m), an improvement of (£0.1m) since quarter 1.

Skills & Employability overspend of £0.2m (0.8% of the budget). This is an improvement of £0.1m compared to Quarter 1.

Community Libraries are suffering from high levels of disrepair and an overspend on building maintenance costs is expected of approximately £0.1m.

The Careers Service have lost funding relating to Sexual Health from July 2020. This is expected to create an overspend of £0.1m. The service is exploring alternative sources of funding to mitigate the funding loss.

2.5 Inclusive Growth underspend of £0.5m as shown by the table below (0.5% of the budget). This a deterioration of £1.m compared to Quarter 1.

| Inclusive Growth | Budget | Non Covid-19 |
|--------------------------------|--------------|--------------|
| | £m | £m |
| P&D - City Centre, EZ, BDI | (0.7) | (0.6) |
| Transport & Connectivity | 48.0 | (0.7) |
| P&D - Strategy & Planning | 5.2 | (0.2) |
| Birmingham Property Services | (1.8) | 1.6 |
| Housing Development | 0.4 | 0.0 |
| Highways & Infrastructure | 45.7 | (0.6) |
| Inclusive Growth Director | 8.7 | 0.0 |
| Other Funds - Holding Accounts | 0.0 | 0.0 |
| Directorate | 105.5 | (0.5) |

Across P& D City Centre, Transport & Connectivity, and P& D- Strategy & Planning – there are underspends of £1.5m (-2.9% of the budget). This is a deterioration of £0.4m compared to Quarter 1 across these services.

There are savings of £1.4m related to vacant posts across these services and minor increase in additional fees from Pre-planning applications.

Birmingham Property Services has an overspend of £1.6m (-88% of the budget). This is a deterioration of £1.8m compared to Quarter 1 across these services.

The Manhattan database is the Council's property information system, used to record and report on property interests and administer the raising of rent and service charge invoices.

This overspend is due to a forecast shortfall on invoiced rent and service charges of £1.4m and £0.2m respectively. This has emerged as on-going work has been carried out to refine the forecast information generated from Property Services lease database (Manhattan).

Highways & Infrastructure has an underspend of £0.6m (-1.3% of the budget). This is an improvement of £0.6m compared to Quarter 1.

£0.3m Expansion of City Centre Controlled Parking Zone – undeliverable as reported at Quarter 1. This has been mitigated by £0.5m of employee related savings, vacancies and staff turnover. There has also been reduction of £0.2m from security cost at car parks and parking enforcement and an increase in permit and licence income of £0.1m

Inclusive Growth Director is forecasting a balanced budget. This is an improvement of £0.2m compared to Quarter 1.

2.6 Finance & Governance (Balanced budget). This is a deterioration of £0.1m compared to Quarter 1.

| Finance & Governance | Budget | Non Covid-19 |
|---------------------------------|---------------|---------------------|
| | £m | £m |
| Development and Commercial | (3.6) | 0.4 |
| Service Finance | 7.9 | (0.4) |
| City Solicitor | 7.9 | (0.0) |
| Birmingham Audit | 1.7 | 0.0 |
| Directorate | 13.8 | (0.0) |

Development & Commercial has an overspend of £0.4m (11.1% of the budget). This is a deterioration of £0.1m compared to Quarter 1.

There is a £0.2m income pressure for Civic Cleaning inherited following transfer from Acivico. This is unchanged from Quarter 1. The service continues to work towards achieving a balanced position. It is expected that this pressure will reduce and be dealt with as part of the centralisation of Corporate Landlord budgets. This pressure could be offset by a one-off contingency of £0.2m, to be used only to fund what cannot be offset in year.

Other £0.2m of pressure is made of minor costs across the services within the directorates.

Service Finance has an underspend of £0.4m (-5% of the budget). This is an improvement of £0.1m compared to Quarter 1.

£0.1m additional net cost of interims, covering vacant posts £0.7m, partly offset by vacancy savings £0.6m. There is a recruitment drive in place ready

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to begin in October to fill these vacant posts permanently. The net variation has increased by £0.1m since Quarter 1.

£0.1m overspend employees, unchanged from Quarter 1. £0.1m savings built into the original ERP business case are being revised by the reset of the ERP programme.

£0.3m underspend Schools Financial Services, this is a new variation since Quarter 1. The reduction in income from schools £0.2m has been offset by vacancy and other savings £0.5m to deliver an overall underspend against budget.

£0.7m underspend. Funding earmarked to support the transition of services in Service Finance and Development and Commercial Divisions will offset additional expenditure and income loss during transformation. This has reduced by £0.2m since Period 3 to reflect the use of transition funding in Procurement, Development and Commercial.

£0.1m underspend other minor variations, an improvement of £0.078m from Quarter 1.

Service Finance One-Off

£0.4m project costs to implement the finance improvement agenda including support for recruitment into the future operating model. An increase of £0.2m since Quarter 1, this reflects an estimate of the project costs for Phase 2.

City Solicitor of £0.4m is forecasting a balanced budgeted. This is an improvement of £0.1m compared to Quarter 1.

- 2.7 Digital & Customer Services overspend of £0.3m (1% of the budget) as shown by the table below.** This is an improvement of £2.0m compared to Quarter 1.

| Digital & Customer Services | Budget | Non Covid-19 |
|-----------------------------|-------------|--------------|
| | £m | £m |
| Business Improvements | 10.1 | (0.2) |
| IT & Digital Services | 12.1 | 0.5 |
| Customer Services | 4.9 | 0.0 |
| Revenues & Benefits | 2.0 | 0.0 |
| Director of DC&S | 0.2 | 0.0 |
| Directorate | 29.3 | 0.3 |

Business Improvements underspend £0.2m (2% of the budget). There have been no changes since Quarter 1.

This is a result of the service holding several vacant posts.

IT & Digital Services has an overspend of £0.5m (4.1% of the budget).

This is an improvement of £2.0m compared to Quarter 1.

There is an overspend of £2.5m on agency staff. This has been offset by the margin element of centralisation of asset management, ongoing project support, and mobile phones (£0.8m) as well as building in in the centralisation of the

margin element (£1.2m) of the recharges for ICT projects, which will be processed in the financial control system soon. Without this centralisation there is a risk that IT&D will over-spend in 2020-21 as it tries to deliver savings for others.

- 2.8 **Human Resources is forecasting an underspend of £0.1m (-1.5% of the budget).** This is an improvement of £0.1m compared to Quarter 1.

| Human Resources | Current Budget | Non Covid-19 Cost |
|---------------------------------------|-----------------------|--------------------------|
| | £m | £m |
| Schools | 0.1 | (0.1) |
| HR Services | 6.5 | 0.0 |
| Directorate | 6.6 | (0.1) |
| Covid-19 costs included | | |
| Directorate net of Covid Costs | | |

The underspend is a result of number of vacancies.

- 2.9 **Partnerships, Insight and Prevention currently expected to deliver a balanced budget.** There have been no changes since Quarter 1.

| PIP | Current Budget | Non Covid-19 Cost |
|------------------------------|-----------------------|--------------------------|
| | £m | £m |
| Communication & Marketing | 1.4 | 0.00 |
| Public Health and Equalities | 0.0 | 0.00 |
| Assistant Chief Exec | 3.3 | 0.00 |
| Community Safety Strategy | 2.5 | 0.00 |
| Directorate | 7.2 | 0.00 |

3. **Covid-19 Major Incident Financial Impact**

- 3.1. The Council has received £84.3m of un-ringfenced Covid-19 related grant funding from the government. The Council also is forecasting it will receive £19.6m in grants for lost income. 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.

On 22nd October the Council was informed of a further **£44.2m** of un-ringfenced Covid-19 related grant. It is recommended that this is transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months.

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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.

- 3.2. 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 **£11.9m**. 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
- 3.3. The Medium Term Financial Plan (MTFP) Refresh (that is also on the agenda for Cabinet this month) addresses how the budget gap will be addressed.

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 £14.4m are on track, £8.6m at risk and £4.0m are classed as undeliverable or non-delivered, as shown in Charts 3, 4 and 5.

Chart 3

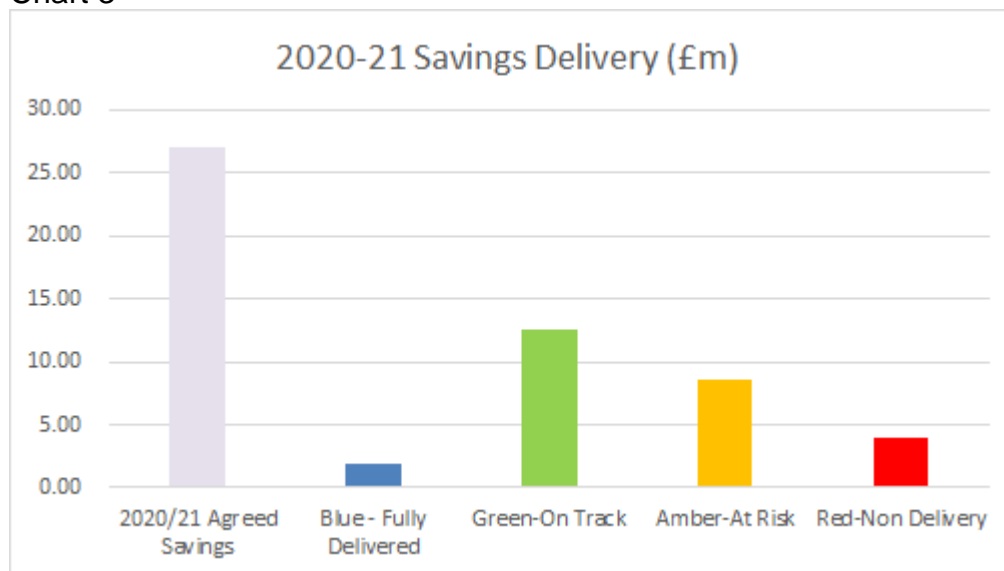
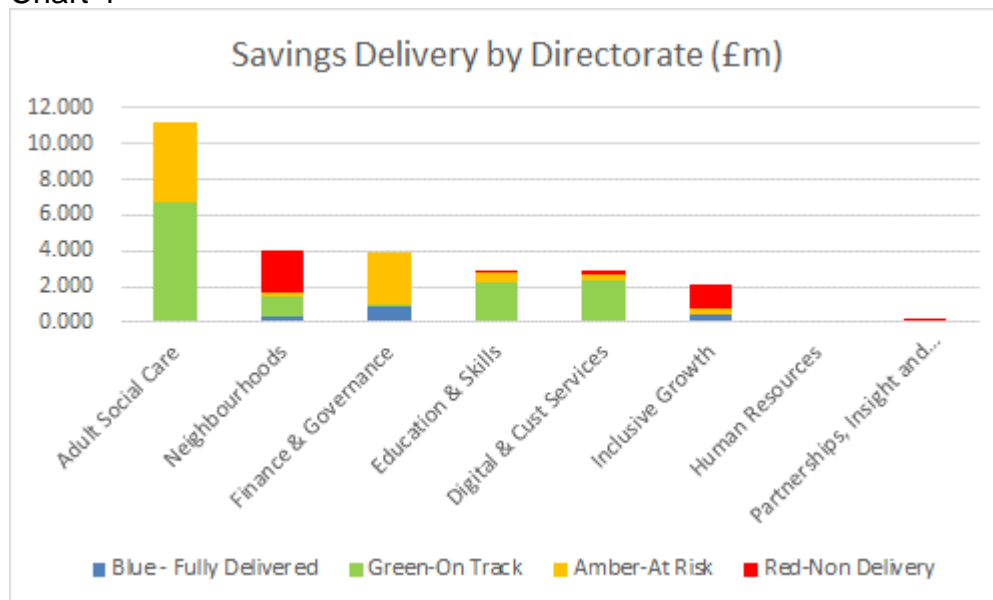
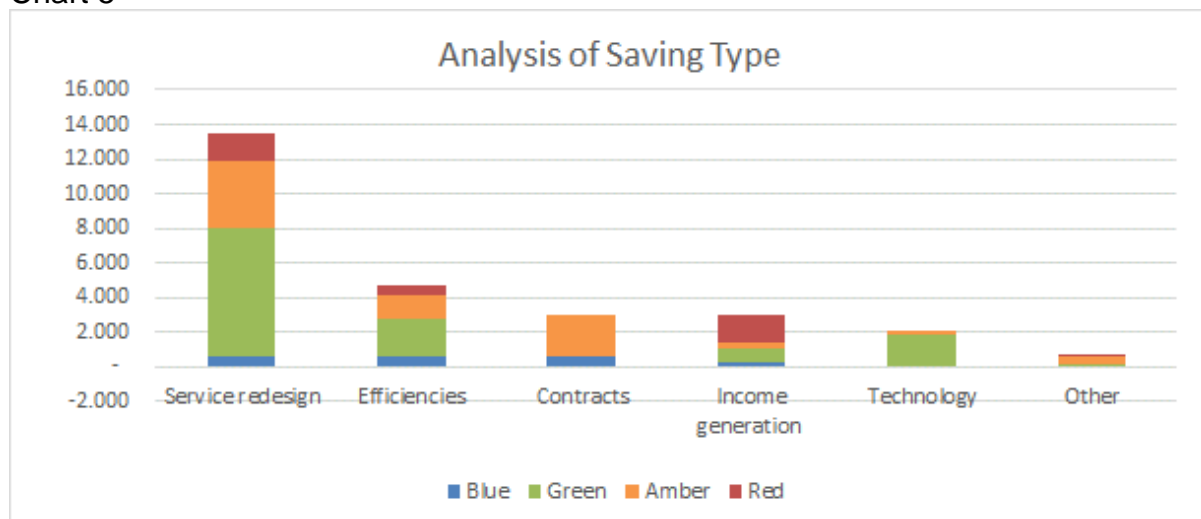


Chart 4



Appendix A

Chart 5



- **Adult Social Care has £4.4m** savings that are at risk due to Covid-19, particularly regarding Packages of Care. However, these are now considered likely to be achieved.
- **Neighbourhoods has £0.2m** savings that are at risk and **£2.3m** savings that are unlikely to be achieved. About half of the non-delivery is related to Covid. Of the remainder, £1.0m relate to Housing. It is requested that these savings are redirected, as covered in paragraph 4.2 below.
- **Contract** savings, whilst sitting in Finance & Governance. This is a corporate saving that cuts across all directorates. The target is **£3.0m** of which **£0.6m** has been delivered so far, and there is a further £0.15m in the pipeline. There have been issues due to covid and delays in re-letting of contracts. 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 £0.5m** savings at risk - these largely relate to an increased commercialisation target for the Adult Education Service that was set in 2019/20 at £1.2m and reduced this year to £0.8m, but which is still unlikely to be fully delivered. It is being partly mitigated this year through a restructure of the service and savings from elsewhere in Skills & Employability.
- **Digital & Customer Services has £0.3m** savings at risk mainly due to delays and potential income losses related to Covid-19. It also has **£0.2m** of savings that are unlikely to be achieved related to Debt Collection costs, also due 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

4.2 Housing Savings Target Redirection

The savings within the Housing General Fund Service are currently rated as red, however one-off mitigations have been identified in 2020/21 to fully meet this

target. For 2021/22 onwards the service is proposing to implement these savings after the completion of the Housing Service Redesign. This will enable the service to realign resources to focus on robust support plans and prevent homelessness.

Approval is sought from Cabinet to redirect the previous £1.0m savings, which were going to be delivered through a review of managerial and workforce savings, strategic housing function and PRS. These will now be amalgamated into a new savings target of £1.0m which will reduce the level of dependency on bed & breakfast accommodation.

- Annex 3 provides a breakdown of all savings in 2020/21.
- 4.3 Where a saving has been identified as red, Directorates are expected to identify recovery plans to identify alternative savings to mitigate this and where there is a policy implication bring it to Cabinet for approval. Where savings are identified as amber, Directorates are expected to take actions to manage this to bring down the risk of non-delivery

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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)**

5.2 Education & Skills

School Deficits

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; where maintained schools convert to Academy status with a sponsor the licenced deficit falls to the Council. The Local Authority has contacted all schools with deficits and will review the robustness of deficit recovery plans in October (when the plans are due to be returned). In addition, specific actions (including regular monitoring, meetings with schools, implementation of Interim Executive Boards, negotiations with Department for Education and alternate funding sources) are all being implemented to minimise the impact on the Council's budget.

SEND / High Needs

The Education and Skills Directorate together with Birmingham and Solihull Clinical Commissioning Group published a 'written statement of action' in July 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 (DSG). The provisional 2021/22 DSG settlement has indicated another substantial funding increase (12%) for High Needs. There are substantial pressures from both demography (pupil numbers) and increased complexity of provision, but the additional funding provides scope to also address the improvements necessary and outlined in the '*written statement of action*'. A programme of transformation projects designed to meet the written statement of action is being implemented within High Neds Block funding, including building SEND health and education local teams and local provision in mainstream schools; developing responsive, flexible and effective local specialist provision; and, improving early identification and intervention for SEND.

Education Psychology - There remains a potential pressure relating to premises savings arising from utilisation of space in a Council Administrative Building (CAB) building, as this has not yet been implemented.

Skills & Employability

Birmingham Adult Education Service - Work is currently ongoing within the Birmingham Adult Education Service to calculate the potential impact on loss of income due to Covid. There remains considerable uncertainty regarding the public demand for such services under Covid conditions. Where possible, costs have been mitigated through the temporary furloughing of staff and a review of the service offer. As noted earlier, there remains a longer term concern around the service's ability to meet its income target on an ongoing basis, which was partially reduced for 2020/21 by £0.4m, but in 2019/20 the service was unable to meet the target and was £0.7m overspent.

5.3 Neighbourhoods

The main risks to the forecast are set out below:

- Any prolonged closure of the Waste ERF facility for maintenance will lead to additional costs through landfill.
- As a result of an Environment Agency review and instruction additional Health & Safety work is required at Lifford Depot of c£0.1m.
- As a result of a disputed utility bill at Cannon Hill Park there is a potential outstanding bill of c£0.250m
- There is a potential opportunity of receiving windfall electricity income of up to £0.5m as a result of electricity generated at the Tyseley Plant

5.4 Inclusive Growth

Property Services Commercial Property rental income

The current year-end forecast from the Manhattan database is significantly lower than expected based upon the last financial year and known/anticipated movements. Further work has been carried out to establish a year-end forecast which has been identified in paragraph 2.5 at £1.6m under-recovery. However, further work is continuing to refine the accuracy of data and processes for updating the system in order that a reliable methodology is established. This is being supported by officers from ICT&D and Trimble (system designers of Manhattan). Additionally, external consultants Avison Young have been commissioned to provide detailed sector by sector analysis of the likely short and medium term impact of Covid-19 on the existing rent roll.

Property Services Service Charge Income

An exercise to review the industrial portfolio service charges has commenced to include back-dated expenditure over a number of preceding financial years. Early indications suggest a small number of estates potentially require significant refunds to tenants, which may amount to circa £1m. Further work is required to finalise the service charges, which requires agreement on the level of planned expenditure which may influence the level of any likely refunds due to tenants.

Clean Air Zone (CAZ)

Due to delays experienced in implementation of the CAZ there are variances to budgeted income, expenditure and reserve movements which when brought together result in an overall balanced position which therefore does not impact on the forecast net outturn.

5.5 Digital & Customer Services

Revenues & Benefits

There is a £0.9m risk relating to slippage of Business Rates revaluation costs from 19/20 funding in 20/21 dependant on reserve carry forward being approved.

5.6 ERP

The programme, as a result of an assurance process, is going through a reset phase to establish and quantify financial and non-financial risks. A report to Cabinet is scheduled on the Forward Plan for December 2020.

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6. Dedicated Schools Grant (DSG)

6.1 Summary

The total Dedicated Schools Grant (DSG) funding for Birmingham in 2020/21 of £1,238m, comes through four blocks of funding. The Education & Skills Funding Agency (ESFA) currently recoups £582.3m of the DSG allocation to directly passport to academies, free schools, FE colleges and independent learning providers.

The Council is responsible for the remaining budget of £655.7m in conjunction with the local Schools' Forum. Schools and academies also receive additional grant funding allocations from the Department for Education (DfE) relating to Pupil Premium, Post 16 Funding, Primary PE and Sports Premium, Universal Infant Free School Meals, Year 7 Catchup Premium, Free School Meal Supplementary Grant, Teachers Pay Grant, Teachers Pension Grant, Coronavirus (Covid-19) Catchup Premium and Coronavirus (Covid-19) Schools Fund. The budget shifts during the course of the year as schools convert to academy status and as the Department for Education updates funding allocations based on updated pupil counts (particularly in early years).

At the end of Quarter 2 the high-level forecast for the (DSG) is as follows:

| Dedicated Schools Grant | Budget | Forecast Outturn | Variance |
|--------------------------------|----------------|-----------------------------|-----------------|
| | £m | £m | £m |
| Schools Delegated | 385.9 | 385.9 | 0.0 |
| Early Years | 90.2 | 90.2 | 0.0 |
| High Needs | 161.9 | 162.0 | 0.1 |
| Central Schools Services | 17.7 | 17.7 | 0.0 |
| Birmingham City Council | 655.7 | 655.8 | 0.1 |
| Academies & other recoupment | 582.3 | 582.3 | 0.0 |
| Total DSG | 1,238.0 | 1,238.1 | 0.1 |

(NB there are no Covid costs directly related to the use of the Dedicated Schools Grant).

6.2 Key Service Highlights Non Covid-19

There are no major variations being reported on the DSG at Quarter 2, primarily because the majority of the budget is delegated to schools and early years providers and has been distributed according to plan, in line with DfE expectations (irrespective of whether establishments were fully open and / or delivering a service). The only exception to this is a forecast overspend of £0.1m on the Early Years Inclusion Service within High Needs, as the service have been unable to achieve their savings on staff turnover target this year. Patterns of demand and spend for the Autumn and Spring terms are less certain because of Covid, but generally in areas of potential volatility (in early

years and high needs) funding from DfE has remained constant, whilst demand has generally been suppressed. Therefore, assuming a minor variance is very prudent at this point in time and, overall, there is more likely to be an underspend by year end.

Further detail is given below.

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. There are no major variations being reported on the DSG at Period 6. This is primarily because of the following reasons:

- 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).
- The Summer term was not representative of most academic years due – of course - to Covid, but generally although activity reduced, payments to providers continued to plan, as part of advice from Department for Education to maintain funding streams to schools and other settings.
- Patterns of demand and spend for the Autumn and Spring terms are less certain because of Covid. However, exceptionally this term's Early Years funding from DfE is being based on the January 2020 census count, despite the likelihood, in light of the coronavirus (COVID-19) outbreak, that the number of children attending childcare is unlikely to have returned to "normal" levels. Therefore, assuming a zero variance is very prudent (as there is much more likely to be an underspend).

Demand led pressures in the High Needs Block have in the past led to overspends. However, an additional £26 million was received in 2020/21 High Needs Block DSG. The forecast for 2021/22 is for a further 12% increase. The 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. 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. Some of the time limited projects funded from the £26 million have been delayed due to Covid, so again a zero variance is very prudent (as there is much more likely to be an underspend).

A more substantial update will be provided at period 9 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 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.

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There should not be any financial risk to the Council arising from any negative variance as it is a condition of the grant from the Department for Education that any overspends are carried forward and plans are submitted to the DfE for bringing the DSG account back into balance annually. 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 overspends and predicted future demands, 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's plan is 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. The project Developing Local Provisions with mainstream schools currently has £7m budgeted for 2020/21. It is very unlikely that it will be fully spent in 2020/21 due to Covid-19 but as it is a 2 year project, all underspends will be ringfenced within DSG Reserve to deliver the project in 2021/22.

6.4 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)

| | Current | | | Movement |
|---------------------------|----------------|-----------------|-----------------|------------------|
| | Budget | Forecast | Variance | from |
| | £m | £m | £m | Quarter 1 |
| Rent Income | (253.8) | (253.6) | 0.2 | 0.2 |
| Service Charges | (14.4) | (14.4) | 0.0 | 0.0 |
| Other Income | (11.7) | (10.2) | 1.5 | 1.7 |
| Total Income | (279.9) | (278.2) | 1.7 | 1.9 |
| Repairs | 65.0 | 64.2 | (0.8) | 0.0 |
| Estate Services | 19.8 | 18.8 | (1.0) | (0.1) |
| General Management | 68.3 | 65.9 | (2.4) | (1.4) |
| Bad Debt | 5.6 | 10.3 | 4.7 | (0.4) |
| Capital Financing | 66.4 | 64.2 | (2.2) | 0.0 |
| Capital Programme Funding | 54.8 | 54.8 | 0.0 | 0.0 |
| Total Expenditure | 279.9 | 278.2 | (1.7) | (1.9) |
| Net Expenditure | 0.0 | 0.0 | 0.0 | 0.0 |

7.1 Income Variances

A net under recovery of £1.7m is forecast.

The forecast variation on rent of £0.2m is due to the number of voids being held for longer in addition to a lower than estimated average rent. The pressure on Other Income of £1.5m relates to commercial income and garages pressure, £0.8m, reduced court cost income, £0.3m and various other sources of income, £0.4m. The majority of these pressures are due to Covid-19.

7.2 Expenditure Variances

A net underspend on expenditure of (£1.7m) is forecast.

The main overspend is on the bad debt provision which is forecast to overspend by £4.7m due to the severe economic effects of Covid-19 on HRA tenants. This budget is being closely monitored due to the difficulty in predicting the complex variables which affect the provision. Based on the current scenario forecasting the overspend could be as high as £6.0m.

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 based on current due to the level of ongoing cases, £0.8m, and increased activity on Multi-Storey surveys and repairs, £0.5m.

The underspend on Estate Services and General Management of (£3.4m) relates to high levels of vacancy due to turnover and difficulties with recruitment. The large increase in the underspend this period is primarily due to a large underspend forecast on the rent team recharge (£1.1m) as a result of

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the high levels of turnover on this team and reduced legal costs due to Covid-19.

The underspend on capital financing of (£2.2m) is due to savings of (£1.8m) 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 (£0.4m) in order to achieve a net nil budget position for 2020/21.

7.3 Covid_19 pressures

The HRA is currently reporting Covid-19 related pressures of £5.6m. The key risk on the HRA is the level of current arrears which has increased due to Covid-19. The current forecast is an overspend of £4.7m on bad debt provision, but this could increase if the economic impacts worsen. Current scenario forecasting indicates this could be as high as £6.0m.

Additional costs on other areas of expenditure resulting from Covid-19 include personal protective equipment and signage, current forecast of £0.4m, and commercial rents under recovery of £0.9m. 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.

7.4 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.

7.5 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.

7.6 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 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.
- 8.2 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. No changes were requested at Quarter 1. At Quarter 2, a net change in use of reserves of £31.7m is forecast. The Quarter 2 forecast assumes that these reserves changes will be approved at year end. Details of the forecast changes are set out in Table 5. Specific forecast changes in reserves since Quarter 1 are set out in Annex 5.

| Table 5: Reserves | Balance as at 31st March 2020 * | Original Budgeted (Use) / Contribution | Changes Forecast Period 3 | Changes Forecast Since Period 3 | Forecast Proposed (Use) /Contribution at Month 6 | Forecast Outturn Balance at 31st March 2021 |
|------------------------------------|---------------------------------|--|---------------------------|---------------------------------|--|---|
| | £m | £m | £m | £m | £m | £m |
| General Reserve | 141.674 | (18.565) | 0.000 | 0.000 | (18.565) | 123.109 |
| Corporate Reserve | 153.746 | (0.553) | 0.000 | 4.217 | 3.664 | 157.410 |
| Subtotal Corporate Reserves | 295.420 | (19.119) | 0.000 | 4.217 | (14.902) | 280.518 |
| Other Reserves | | | | | | |
| Grant | 271.945 | 10.465 | 0.000 | (1.806) | 8.660 | 280.605 |
| Earmarked | 44.745 | 27.057 | 0.000 | (34.074) | (7.017) | 37.728 |
| Schools | 40.537 | 0.000 | 0.000 | 0.000 | 0.000 | 40.537 |
| Non Schools DSG | 5.580 | 0.000 | 0.000 | 0.000 | 0.000 | 5.580 |
| Subtotal Other Reserves | 362.807 | 37.522 | 0.000 | (35.879) | 1.643 | 364.450 |
| Grant total | 658.227 | 18.403 | 0.000 | (31.662) | (13.259) | 644.968 |

- The Opening Reserves Balances in the Financial Outturn Report reported to Cabinet in June 2020 is subject to confirmation when the Accounts have been finalised. Following the completion of the accounts, the opening balance has been increased by £8.4m
- 8.3 As stated above, it is proposed that the Opening Balance is increased by £8.4m, almost all due to the following proposed change.

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- 8.4 As part of the reported outturn to Cabinet on 23 June 2020, the Council had funded £8.7m of capital expenditure from Direct Revenue Financing (DRF) of capital expenditure. The Council's financial statements for 2019/20 are being audited by Grant Thornton and it is proposed that, given the financial pressures faced as a result of the demands placed on the Council in its response to Covid-19, the Council replace the DRF incurred by increasing the Capital Financing Requirement (CFR). This will increase the level of usable reserves available to the Council to meet future funding pressures.
- 8.5 The increase in CFR will be met through an annual increase in the Minimum Revenue Provision over the life of the relevant assets. The proposed change will amend the financial statements currently being audited through an adjusting post balance sheet event.
- 8.6 There are uses of £1.1m of Corporate Reserves, relating to use of the Library of Birmingham Cyclical Maintenance Reserve, as approved by Cabinet in September 2020.
- 8.7 It is expected that £38.7m of Corporate Reserves relating to the Covid Grant received from the Government at the end of 2019-2020 financial year will be utilised in 2020-2021. This is part of the £84.3m grant funding described in paragraph 1.2 of this report.
- 8.8 It is recommended that £44.2m of Covid Grant announced by the Government on 22nd October be transferred to a specific Covid reserve to manage the ongoing pandemic through the higher risk winter months, as described in paragraph 1.3.
- 8.9 Within Corporate Reserves, there are also forecast uses of £0.1m of Policy Contingency Reserves, mainly to fund projects that were delayed in 2019-20 due to Covid-19.
- 8.10 The Council holds Earmarked Reserves where resources have been set aside to support future years' service delivery. Since Quarter 1, there are net forecast uses of £34.1m of earmarked reserves. However, this includes a reduction in planned contributions to reserves of £28.2m related to the Clean Air Zone (CAZ), where delays due to Covid-19 have meant that income will not be received when originally planned, thus reducing contributions to reserves in this financial year. This and the other forecast net uses of £5.9m are in line with the Reserves Policy approved by Cabinet in July 2020.
- 8.11 The Council holds Grant Reserves for the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded. Since Quarter 1, there are net forecast uses of £1.8m of grant reserves. The forecast contributions to and uses of grant reserves are in line with the Reserves Policy approved by Cabinet in July 2020.
- 8.12 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. Policy Contingency Budget

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

| Table 6: Policy Contingency 2020/21 | Budget | Committed | Not yet committed |
|--|---------------|------------------|--------------------------|
| | £m | £m | £m |
| Modernisation Fund - Social Care | 18.000 | 4.200 | 13.800 |
| Modernisation Fund - Other | 3.865 | | 3.865 |
| Inflation Contingency | 5.446 | 0.292 | 5.154 |
| Commonwealth Games Project Team Costs | 4.000 | 4.000 | 0.000 |
| Apprenticeship Levy | 1.093 | | 1.093 |
| Potential Additional Interim Staff | 0.750 | | 0.750 |
| Highways Maintenance | 0.500 | | 0.500 |
| National Living Wage | 0.365 | | 0.365 |
| Superannuation - Auto-enrolment Pension Fund | 0.300 | | 0.300 |
| Short-term Improvement in the Council House | 0.300 | | 0.300 |
| HR Additional Temporary Resources | 0.300 | | 0.300 |
| Loss of Income from Car Park Closures | 0.252 | | 0.252 |
| Corporate Funding for ODP | 0.129 | | 0.129 |
| General Policy Contingency | 5.474 | 3.517 | 1.957 |
| Total | 40.774 | 12.009 | 28.765 |

- 9.2 As part of the Council's simplification of processes, the Cabinet meeting of 23 June 2020, approved that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Council Financial Plan and Budget 2020-2024.
- 9.3 Any requests for funding from Specific Policy Contingency that are not in line with the original application in the Council Financial Plan and Budget 2020-2024 will require approval by Cabinet.

Brexit

- 9.4 Cabinet of 13 October 2020 approved the release of £0.2m of General Policy Contingency to fund the Brexit Readiness Programme and a further £0.2m to fund to transition the Brussels Office into a financial sustainable operation effective from April 2021.
- 9.5 The Council will continue to review and monitor costs associated with the impact of the Brexit outcome and will reflect in future updates of the MTFP.

Commonwealth Games Project Team

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- 9.6 The Section 151 Officer has approved the release of £4.0m of Specific Policy contingency to fund the Commonwealth Games Project Team costs, in line with the Council Financial Plan and Budget.

Inflation

- 9.7 The Section 151 Officer has approved the release of £0.3m of Specific Policy contingency to fund inflationary pressures, in line with the Council Financial Plan and Budget.

Modernisation Fund-Social Care

- 9.8 It is recommended that £4.2m of the Modernisation Fund within Specific Policy Contingency is released to fund the Birmingham Children's Partnership (BCP) Early Help (EH) programme in 2020/2021. The business case was approved by the Modern Council Delivery Board.

General Policy Contingency - Homelessness Reduction

- 9.9 It is recommended that £0.9m of General Policy Contingency is released to fund a number of preventative and early intervention plans designed to reduce homelessness to ensure the service remains on target to deliver on its prevention agenda.

General Policy Contingency - Whistleblowing

- 9.10 It is recommended that £0.2m of General Policy Contingency is released to provide the Professional Standards Team with sufficient funding to enable them to robustly investigate allegations received.

General Policy Contingency – Delivery Plan

- 9.11 It is recommended that up to £2.0m of General Policy Contingency is released to provide funding for the associated costs of the development and implementation of the Delivery Plan over two years.

- 9.12 If the above proposals are approved, the balance on Policy Contingency will be £28.8m.

- 9.13 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.

- 9.14 The Medium Term Financial Plan (MTFP) Refresh (that is also on the agenda for Cabinet this month) considers the use of Policy Contingency.

10. Capital

- 10.1 Overall capital expenditure for the year 2020/21 is forecast at £723.3m against the revised quarter 2 capital budget of £857.2m. The forecast underspend

comprises £127.2m of slippage and £6.7m of forecasted net savings. Of the total forecast underspend of £133.9m - £125.8m is Covid related and £8.1m non-Covid related. Expenditure to date is £154.7m which is some 21% of the year-end total forecast. The full multi-year capital programme is forecast £3,290.3m.

- 10.2 The proposed Quarter 2 budget of £857.2m has increased from the Quarter 1 budget approved by Cabinet in July 2020 by £7.6m. The major increases are:
- £1.5m (Finance & Governance) for the purchase of Acivico shares
 - £1.5m (Inclusive Growth) for the Emergency Active Travel Fund
 - £8.5m (Education & Skills) acceleration of Basic Needs provision
 - £4.8m reduction in the school condition allocations budget reallocated to Basic Needs provision.
- 10.3 The overall capital programme has been adversely affected by Covid-19 and many uncertainties remain which are yet to be quantified but are expected to impact on the capital spend for the year.
- 10.4 Most construction work paused at the end of March 2020 whilst safe working practices were introduced for the Major Projects (for example, Commonwealth Games (CWG), Paradise, Birmingham Municipal Housing Trust (BMHT), Transport schemes). Work on several sites has subsequently restarted 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 could cause further disruption; however, it is hoped that the measures now put in place to achieve social distancing will prevent a second period of full closure although there may be a further impact on imports and material costs.
- 10.5 One significant scheme, relating to the disposal of Brasshouse to the Council's wholly owned company, InReach, for housing redevelopment, will not now proceed and alternative disposal options for the site are therefore being considered. The InReach scheme was originally intended to be financed through a £43m loan from the Council to InReach on commercial terms, and alternative schemes that are financially attractive to both the Council and InReach are being sought for evaluation in accordance with the strategic plans for InReach and the Council's financial regulations for the provision of loans.
- 10.6 The Alexander Stadium project as part of the Commonwealth Games remains in line with the approved budget. However, Covid has adversely impacted on the Perry Barr regeneration scheme, and a decision has been made in conjunction with the Commonwealth Games Organising Committee that the Athletes Village will no longer be completed in time for the Games.

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Alternative accommodation options for athletes and games officials are now in place and the scheme will continue but as a legacy project. The scheme will deliver regeneration and housing transformation for the area.

- 10.7 Early impacts of Covid across the broader Commonwealth Games programme have been identified and mitigations put in place where possible to offset costs of enhanced welfare provisions resulting in a net forecast reduction in expenditure of £23.6m over all years (£6.7m in 2020/21). The scope and forecast spend is likely to change further as a result of this ongoing review and will be reported as and when quantified.
- 10.8 Phase 2 Paradise Circus continues to progress and a change request to reflect a share of additional Covid costs is expected once verified and will be presented to the GBSLEP as funding approvers. Positive talks continue to be held with prospective occupiers and announcements will be made as these are confirmed.
- 10.9 Movements between Quarter 1 and the revised forecast at Quarter 2 are summarised by Directorate in the table below:

| Directorate | (a) | (b) | (c) | (d) | (e) | (f) |
|-----------------------------|---------------------------------------|--|---|--|---|---|
| | Quarter 1 Approved Budget £m | New Schemes, Resources & Slippage £m | Revised Budget Quarter 2 c=a+b £m | Forecast (Slippage) / Acceleration £m | Forecast Overspend / (Underspend) £m | Forecast Outturn Quarter 2 f=c+d+e £m |
| Adult Social Care | 12.751 | 0.000 | 12.751 | 0.000 | 0.000 | 12.751 |
| Education & Skills | 67.701 | 3.813 | 71.514 | 0.000 | 0.000 | 71.514 |
| Neighbourhoods | | | | | | |
| Neighbourhood Other | 43.850 | 0.565 | 44.415 | (16.094) | 0.000 | 28.321 |
| Housing Revenue Account | 114.919 | 0.000 | 114.919 | (3.471) | (1.952) | 109.496 |
| Directorate Total | 158.769 | 0.565 | 159.334 | (19.565) | (1.952) | 137.817 |
| Inclusive Growth | | | | | | |
| Planning & Development | 43.242 | 0.000 | 43.242 | (0.865) | 1.383 | 43.760 |
| Transportation | 103.614 | 1.373 | 104.987 | (50.167) | 0.106 | 54.926 |
| Highways | 3.463 | 0.362 | 3.825 | 0.000 | 0.000 | 3.825 |
| Housing Development | 1.218 | 0.000 | 1.218 | 0.000 | 0.000 | 1.218 |
| Property Services | 63.823 | 0.000 | 63.823 | (52.458) | 0.000 | 11.365 |
| Directorate Total | 215.360 | 1.735 | 217.095 | (103.490) | 1.489 | 115.093 |
| Finance & Governance | 38.863 | 1.500 | 40.363 | (5.068) | 0.000 | 35.295 |
| Digital & Customer Services | 10.280 | 0.000 | 10.280 | (0.813) | 0.448 | 9.915 |
| Commonwealth Games | 345.566 | 0.000 | 345.566 | 1.711 | (6.661) | 340.616 |
| Assistant Chief Executive | 0.250 | 0.000 | 0.250 | 0.000 | 0.000 | 0.250 |
| Overall Total | 849.540 | 7.613 | 857.152 | (127.225) | (6.676) | 723.251 |

Covid Related Rephasing & Slippage

- 10.10 The details for the Covid related slippage of £125m against the revised budget are as follows:

Inclusive Growth

- 10.11 Property Strategy – Slippage of £52.5m. External consultants have recently reviewed the commercial portfolio and have made recommendations in terms

of asset disposals to support the investment fund. Opportunities, however, to acquire new commercial property are totally dependent on the right opportunities coming to market and this is difficult to forecast. Currently it is assumed that £52.5m of the budget will slip into future years. This could change if the right opportunities to acquire and invest come forward. However, no acquisition opportunities are currently being considered.

10.12 **Transportation**

Air Quality & Climate Control – The slippage of £27.2m is mainly due to the CAZ operational date being 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 now expected in the next financial year.

The contracts for the manufacture and operation of 20 Hydrogen Buses have now been signed between the Bus Operator and the Bus Manufacturer. The spend has now been accelerated from future years to 2020-21 with the deposit of £3.496m being paid at the end of September, along with the claim to GBSLEP for the grant of £2.154m. All but £0.339m of the £11.000m cost will be paid in 2020/21, the remaining £0.329m paid in 2021/22. The 20 Hydrogen buses will be manufactured between October 2020 and March 2021, with delivery to National Express taking place throughout March and June 2021. The buses are expected to be operational from July 2021.

A457 Dudley Road - £2.3m slippage. The scheme is being redesigned for greater non-motor use (cycling, walking and bus usage). The redesign has changed the scheme and the majority of the funding awarded from Local Growth Fund (LGF) via the GBSLEP for this project has been returned and approved for reallocation within the LEP. In-year spend is expected on land acquisitions, fees and junction scheme and will be met by retained LGF funding.

Snow Hill Public Realm- £3.4m slippage. The scheme commenced in June 2020 instead of the expected start date in April 2020. There is the potential that costs may increase which may require additional funding, but this is as yet unquantified.

Wharfedale Bridge - £2.6m slippage. 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.

Birmingham City Centre Public Realm - £9.3m forecast slippage. The scheme is currently in the development phase and no works have been halted. 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

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anticipated construction cost increases are foreseen based on social distancing measures.

Commonwealth Games

- 10.13 **Perry Barr Regeneration Scheme** - The 2020/21 budget was increased by £120.9m as part of a rephasing of expenditure between years to reflect the revised Full Business Case approved by Cabinet in March 2020 and slippage from 19/20. Covid has subsequently impacted on the works and the scheme will no longer form part of the CWG but will continue to be delivered for Perry Barr as a legacy regeneration and housing programme. A detailed review is under way to consider the costs and delivery timelines including potential mitigation plans. Early impacts have been identified including scope reductions offset by costs of enhanced welfare provisions in response to the Covid pandemic, resulting in a net forecast reduction in expenditure of £23.6m over all years (£6.7m in 2020/21). The scope and forecast spend is likely to change further as a result of this ongoing review and will be reported as and when quantified, with an update on the current approved FBC currently scheduled for consideration by Cabinet in December 2020.

Neighbourhoods

- 10.14 **Waste Management Services** – Slippage of £9.2m There is slippage of £1.2m at Tyseley ERF Plant works due to site closure over Covid. The delayed works have been re-scheduled and will now be implemented next year. There is a £2m slippage at Perry Barr Depot Works due to the impact of COVID-19 on the programme and delays in the submission of planning (surveys were unable to be completed). This has now led to a delay in the confirmation of the start date. Covid19 has affected the delivery of the Waste Depot Vehicles with now only half being delivered before April. The remaining vehicles will be delivered by June 2021. This results in £5.9m slipping into next financial year.
- 10.15 **Parks & Nature Conservation**: Slippage of £36.9m. Covid-19 has led to a 6-month delay on delivery of Grounds Maintenance Vehicles and only £2.5m of vehicles can be delivered before April 2020.
- 10.16 **Redevelopment** - A large part of the slippage (£1.8m) relates to Covid related delays as well as having to operate at 70-80% pre-Covid levels once work restarted. Kings Norton Post Demo (£1m) work has restarted however Monmouth Rd start is anticipated start in Q4. There are procurement delays to Birchfield Phase 2 and Abbey Fields Phase 4 leading to a slippage of £2m. There is also a £1m of accelerated spend where works have completed earlier than anticipated, e.g. Pool Farm Site and The Poplars and where work is starting earlier than originally expected, such as Houldey Road.

Non – Covid Related Rephasing & Slippage of £3.0m

Inclusive Growth

- 10.17 Tame Valley - The slippage of £3.0m is mainly due to delays in completion of the Procurement Award contract which may be further impacted by Covid 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 provisional funding allocation from the Department for Transport will be confirmed once a Full Business Case has been approved. Department for Transport (DfT) is still supportive of this project.

Finance & Governance

- 10.18 Gateway/Grand Central Residual Costs £5.1m slippage. It is unlikely that costs will be agreed until the next financial year.

Risks and Issues

- 10.19 The impact of Brexit on the construction industry is still an unknown and together with the impact of Covid and economic recovery casts greater uncertainty particularly about the supply and import of materials and labour if there is a no deal exit. This applies to most projects within the capital programme and the impact of this situation will continue to be monitored closely during the coming months.

Education & Skills

- 10.20 Basic Needs – Additional School Places - All sites for Basic Need Projects have been operational throughout the initial lockdown period. 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.

Inclusive Growth

- 10.21 Several schemes stopped due to Covid and have or are about to restart such as Iron Lane, 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.

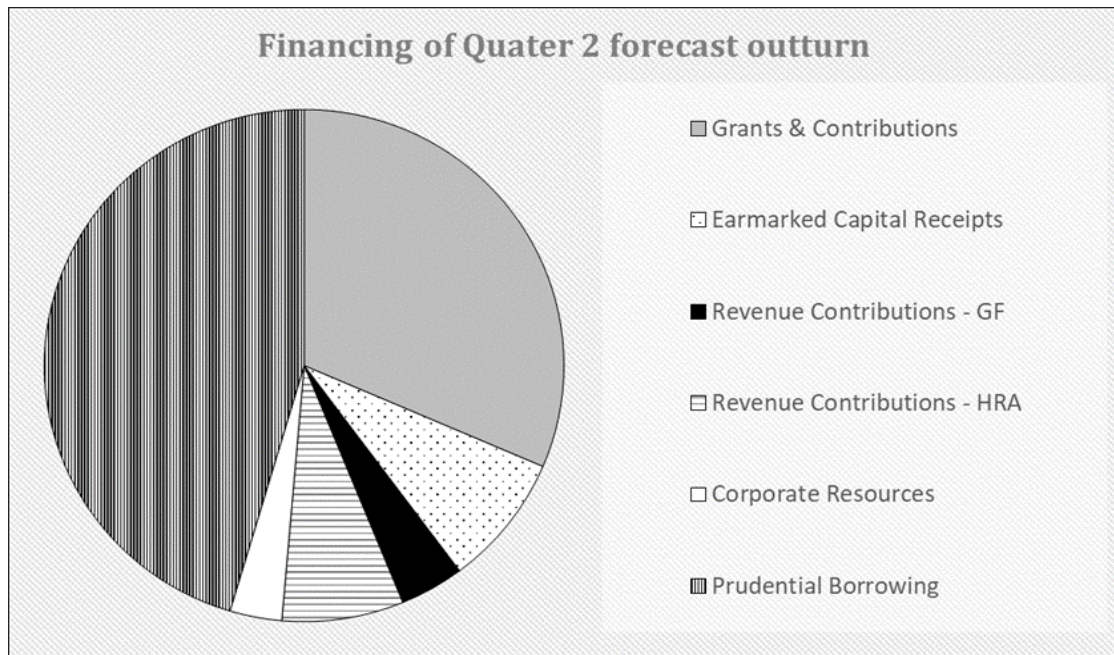
Neighbourhoods

- 10.22 Clearance Programme - there is potential slippage within the Acquisitions programme due to delays in negotiations with owner occupiers, because of Covid and the demolition of Heather House is now likely to take place in 2021/22, as it is currently being used for Temporary Accommodation. The financial impacts of the above will be reflected in future months monitoring once quantified.

Financing the Quarter 2 forecast outturn

- 10.23. The quarter two forecast outturn will be financed as shown in the pie chart and the table below.

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| | Quarter 1 £m | Quarter 2 £m |
|---|-----------------|-----------------|
| Use of Specific Resources: | | |
| Grants & Contributions | 224.421 | 227.440 |
| Earmarked Capital Receipts - RTB & Revenue Reform | 65.403 | 60.391 |
| Revenue Contributions - Departmental | 25.004 | 28.954 |
| Revenue Contributions - HRA | 54.747 | 54.747 |
| Use of Corporate or General Resources: | | |
| Corporate Resources | 23.353 | 23.439 |
| Prudential Borrowing | 357.679 | 328.277 |
| Forecast Use of Resources | 750.607 | 723.248 |

10.24. The two key changes made to the financing assumptions from quarter 1 to quarter 2 are:

- The Council will need to borrow £29.4m less than anticipated in Quarter 1 – this will have a beneficial impact on the Council's revenue budget in 2021/22.
- £5m of earmarked capital receipts will now not need to be used in this financial year.

11. Treasury Management

11.1 Treasury management monitoring information is provided at Annex 6.

11.2 The COVID-19 pandemic continues to impact Treasury Management decision making. Capital slippage as a result of COVID and the receipt of COVID

grants in advance have had a temporary positive impact on the Council's cashflow.

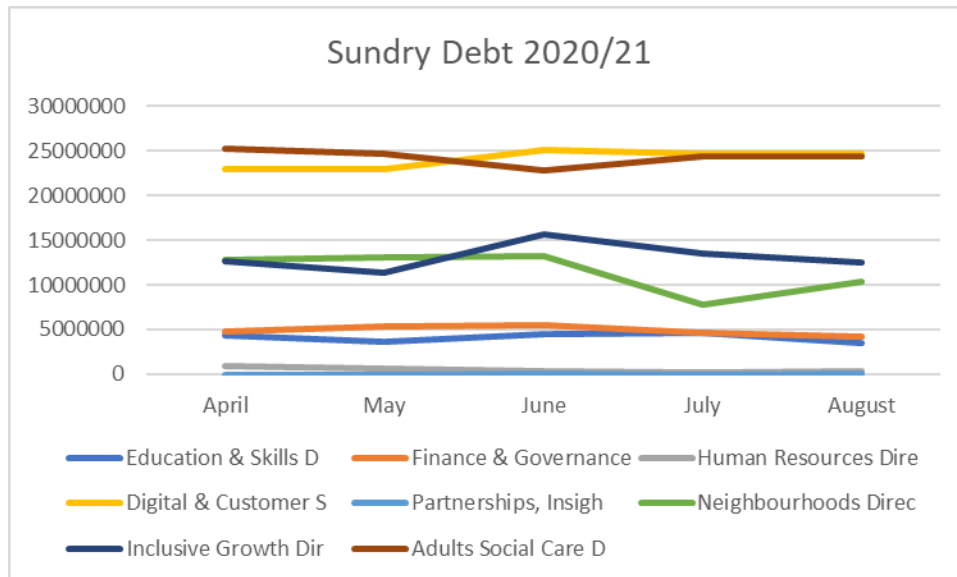
- 11.3 Gross loan debt is currently £3,454m which remains lower than that expected at this stage in the original budget.
- 11.4 The positive cash flows mean that the Council's treasury investments remain temporarily higher at £153m against a planned level of £40m. This has meant the Council has been able to delay its short term and long term borrowing needs.
- 11.5 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 0.79%% compared to the 1.5% assumed in the budget.
- 11.6 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.
- 11.7 The monitoring of the Council's full set of prudential indicators is provided at Annex 6.

12. Level of Debt and Provision

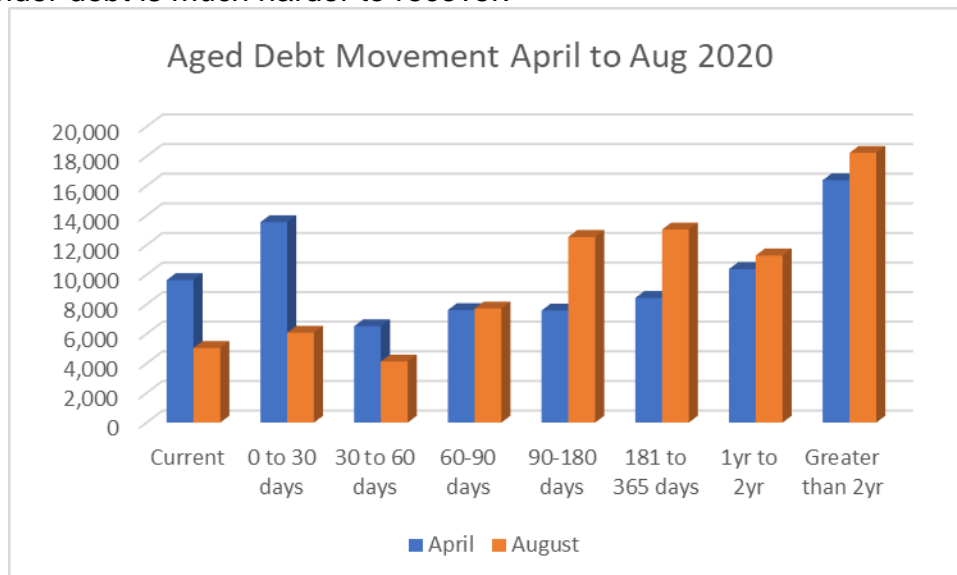
- 12.1 The outturn for 2019/20 showed short-term net debt at £401m, higher than the £331m in the previous year. The net debt is made up of £577m owed to the Council less £176m set aside as a bad debt provision to cover the risk of non-collection. An additional £13m was included in the £176m bad debt provision to cover the increased risk of non-collection brought about by Covid-19.
- 12.2 Debt can be broken down into a number of key categories: Council Tax, Business Rates, Housing Repair Account (HRA), National Government, Other Local Authorities, NHS bodies, and Sundry Debt.
- 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 This Quarter's Report is focussing on Sundry Debt.

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- 12.5 Sundry Debts covers debts raised across a number of different services across all directorates, including from Adult Care, Commercial Rents, Trade Waste and Markets.
- 12.6 Since April 2020, the level of debt has remained broadly consistent, ranging between £85.001m and £78.023m, with the current position being £78.064m.



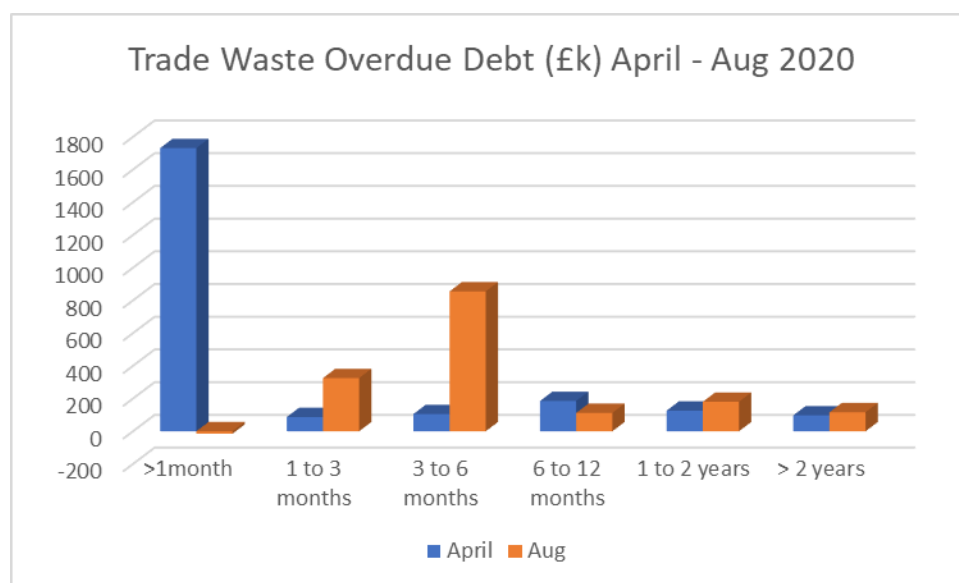
Whilst the numbers have changed little in total, the age profile of the debt has significantly changed. The graph below shows the volumes based on due date. There has been a significant reduction in the debt being raised, however debt greater than 90 days has increased significantly. This is a concerning trend as older debt is much harder to recover.



- 12.7 Both the reduction in debt raised and the profile changes can be explained by COVID. We are selling less of our services therefore less invoices are being raised. However, due to a number of the avenues through which we can pursue overdue debts being unavailable to us (i.e. debt collection agencies and courts),

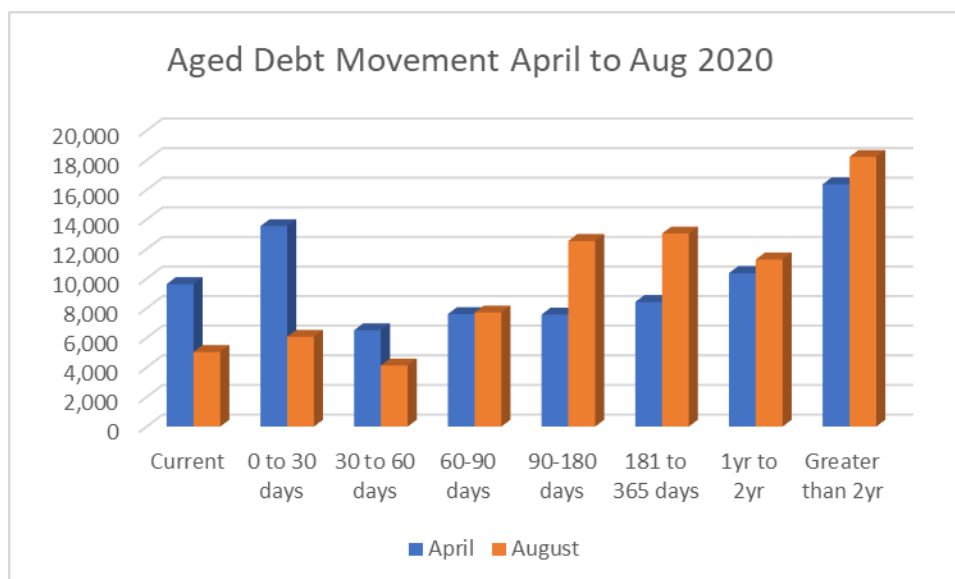
we have been unable to pursue older debts until recently and will need to Council permission to use third parties in some instances due to local decisions. It is worth noting whilst Court activity is starting again, there is an enormous backlog in cases across all courts. There has been discussion about the creation of additional courts to deal with debt cases (amongst others) but nothing has been confirmed as yet.

- 12.7 To take a specific example of the impact of the decision to not pursue debt, the graph below shows whist Trade Waste as seen an overall reduction in overdue debt (£1.575m in August from £2.333m in April), however the profile has changed significantly as shown below. We are now at unprecedented overdue debt levels which increases the risk of non-collection.



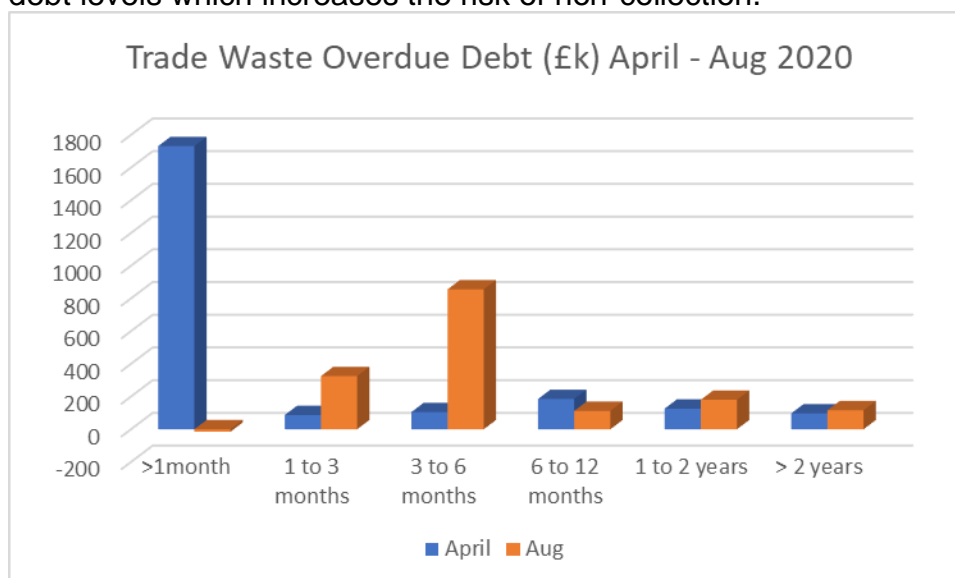
- 12.9 Commercial Rent is also holding significant debt, although the reason to stop collection was a central Government decision. However, debts over 180 days can now be pursued if BCC wishes to enforce this. To support the drive to encourage greater recovery we are taking specific targeted actions. For the top 50 debtors over 90 days we will be developing action plans to drive debt recovery. These top 50 count for 17% (£9.188m) of the total debt over 90 days at the end of August. We will also be putting concentrated focus on the debt up to 90 days. This is the debt we are most likely to recovery and we need to ensure directorates support this targeted approach. This debt accounts for 9% (£4.822m) of the Council's current sundry debt. We will also use this as an opportunity to challenge service around different ways to operate to reduce recurring debt levels such as payment at point of service.

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13. Interests in Companies

- 13.1. A review of the material group company interests of the council is an ongoing process to understand the impact of Covid-19 on their business plans and performance. This review was first undertaken over the initial weeks of lockdown and is refreshed as further information becomes available both nationally, within the industry categories and within each organisation. This review will continue to be updated and a snapshot reported to each meeting of the Group Company Governance Committee. Where an interest of the council is or may become materially impacted then that company will be invited to attend Group Company Governance Committee. 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.
- 13.2. At its two meetings since Lockdown the Committee has received attended updates and presentations from the Birmingham Museums Trust and the Children's Trust; Acivico Group Ltd are to present to the November meeting. At each meeting the CCGCG receives a detailed private report on the impact of Covid-19 on the council's material company and Trust interests.

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 £19.1m. 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

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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 £16.4m. This in year deficit is primarily due to a forecast deficit of £13.9m in Council Tax Support of which £8.7m is funded from Hardship Fund. In addition there is forecast of higher non collection rate as a result of COVID-19. There may be further worsening of non-collection rate as the furlough scheme ends and the number of working age people being made redundant. The total net deficit for the year including brought forward deficit from 2019/20 is, therefore, forecast to be £10.4m. (forecast deficit of £19.1m less £8.7m 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 | 539.554 | 1.518 |
| Non Collection | (10.979) | (16.180) | (5.201) |
| Net Budget | 527.058 | 523.374 | (3.684) |
| Council Tax Support | (91.037) | (104.947) | (13.910) |
| Other Reliefs and Discount | (66.495) | (65.936) | 0.559 |
| Total in year Debit | 369.527 | 352.491 | (17.035) |
| Prior Year Adjustment | (1.951) | (1.276) | 0.675 |
| Total In Year Surplus/(Deficit) | 367.575 | 351.216 | (16.360) |
| Total Deficit Brought Forward | 0.000 | (2.708) | (2.708) |
| Grand Total Surplus/(Deficit) | 367.575 | 348.508 | (19.068) |
| Hardship Fund | 0.000 | (8.655) | (8.655) |
| Grand Total Net Surplus/(Deficit) | 367.575 | 357.163 | (10.413) |

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 £211.5m. This is mainly due to reliefs of £182.7m of which primarily relates to Small Business Reliefs 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 £14.0m lower than the budget relating to a lower growth in businesses. To be prudent the original growth which was assumed 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 £10.0m is forecast as a result of COVID-19.

- 14.6 The total additional grants compare to budget anticipated to offset this deficit is £176.8m. 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 £211.5m forecast deficit in the Collection Fund.
- 14.7 As a result of the above a total in year deficit of £34.7m is assumed to be carried forward and taken into account in setting the budget for 2021/22 made up of £211.5m deficit relating to the Council's share offset by £176.8m 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 anticipated when setting the budget for 2020/21. Therefore, an overall forecast Deficit of £36.1m relating to the Council's share of Business Rates (£34.7m in year Deficit plus £1.4m Deficit brought forward) is anticipated.

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 | 558.417 | (13.976) |
| Total Reliefs | (102.516) | (285.218) | (182.702) |
| Gross rate yield after reliefs | 469.877 | 273.199 | (196.678) |
| Increase in Bad Debts Provision | (9.398) | (19.420) | (10.023) |
| Other | (19.275) | (24.070) | (4.795) |
| Total Net Rate Yield | 441.204 | 229.708 | (211.496) |
| Compensatory Section 31 Grant (BCC Share) | 55.617 | 232.474 | 176.857 |
| Grand Total In Year Surplus/(Deficit) | | | (34.640) |
| BR Deficit Brought Forward | | (1.434) | (1.434) |
| Grand Total Surplus/(Deficit) | | | (36.074) |

Overall

- 14.9 Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £46.5m to be carried forward and taken into account in setting the budget for 2020/21 (£10.4m deficit for Council Tax and a £36.1m deficit for Business Rates).

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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 Monitoring Dashboard**

Annex 1 Directorate Covid-19 Costs

1.1 Directorates are facing an overspend of £111.3m, due to the Covid-19 pandemic. This is an improvement of £28.2m compared to the Quarter 1 forecast of £139.4m.

1.2 **Neighbourhoods Directorate has an overspend of £34.4m, as shown by the table below.**

This is an improvement of £5.5m compared to Quarter 1

| Neighbourhoods | Covid-19 Quarter 2 forecast £m | Covid-19 Quarter 1 forecast £m | Movement £m |
|--------------------------|---|---|------------------------|
| Street Scene | 10.5 | 12.4 | (1.9) |
| Housing General Fund | 6.0 | 7.9 | (1.9) |
| Neighbourhoods | 10.2 | 9.4 | 0.8 |
| Regulation & Enforcement | 7.7 | 10.2 | (2.5) |
| Business Support | 0.0 | 0.0 | 0.0 |
| Directorate | 34.4 | 39.9 | (5.5) |

Street Scene has an overspend of £10.5m (12.4m at Quarter 1)

£2.8m loss of income relating to trade waste and fleet customers (£5.5m at Quarter 1).

£2.5m staffing costs as a result of delay in launching Street Scene Redesign (£3.0m at Quarter 1).

£2.4m 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. (£1.9m at Quarter 1)

£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. (£1.4m at Quarter 1)

£0.7m additional cost due to delay in the implementation of the new operating model for Waste Management Services. (£0.6m at Quarter 1)

£0.7m – Prolonged shut down of the ERF resulting in additional costs due to diverted waste to landfill/ERFs (£0.7m at Quarter 1)

Housing General Fund has an overspend of £6.0m (£7.9m at Quarter 1)

£2.7m 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.-(£3.3m at Quarter 1)

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£3.3m 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. (£3.4m at Quarter 1)

Neighbourhoods has an overspend of £10.2m (£9.4m at Quarter 1)

Sports and Wellbeing, £9.1m (£8.0m at Quarter 1), consisting of a loss of income from the closure of leisure and wellbeing facilities £2.2m (was £2.3m), and supplier relief claims from external Leisure contractors £6.7m (was £5.7m) all driven from Covid-19 emergency measures. The remaining balance, £0.1m (no change) 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, £0.6m (was £0.5m), and Film Birmingham £0.1m (no change), and £0.1m for additional equipment to enable staff to provide advice services (new pressure)

It is currently projected that Birmingham Museums Trust will potentially require financial support of £0.3m (was £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 £7.7m (£10.2m at Quarter 1)

£4.8m 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. (£6.9m at Quarter 1)

Markets overspend, £0.9m, 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. (£1.0m at Quarter 1)

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, £0.1m (was 0.3m).

The Registration Service, £0.9m, has seen significant reduction in income opportunities following Covid-19 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. (was £1.1m)

Loss of income from Pest control £0.4m (was £0.5m), £0.3m loss of income from issuing environmental health fixed penalty notices (FPN) (was £0.2m) and £0.3m lost income from new licencing applications (was £0.3m).

1.3 Adult Social Care overspend of £26.9m as shown by the table below.
This is an improvement of £10.0m on Quarter 1.

| Adult Social Care | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|--------------------------|--|--|-----------------|
| | £m | £m | £m |
| Director | 0.0 | 1.8 | (1.8) |
| Commissioning | 0.0 | 0 | 0.0 |
| Packages of Care | 10.1 | 16.7 | (6.6) |
| Community & Operational | 0.0 | 7.2 | (7.2) |
| Other | 16.8 | 11.2 | 5.6 |
| Directorate | 26.9 | 36.9 | (10.0) |

Director now has no overspend (£1.8m at Quarter 1). – There has been a reduction in forecast level of Community Equipment spend.

Packages of Care has an overspend of £10.1m (£16.7m at Quarter 1) – The overspend £10.1m 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 no overspend (£7.2m at Quarter 1). – The cost of additional agency social workers is now shown within Other

Other has an overspend of £16.8m (£11.2m at Quarter 1) - The overspend is caused by additional Social Work team agency capacity, providing support to the Care Market with additional costs, increased spend on PPE and Food for vulnerable people.

1.4 Education and Skills overspend of £15.1m as shown by the table below.
This is an improvement of £11.6m on Quarter 1.

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| Education & Skills | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|-------------------------------|--|--|-----------------|
| | £m | £m | £m |
| Education & Early Years | 0.2 | 0.2 | 0.0 |
| Inclusion & SEND | 1.5 | 1.2 | 0.3 |
| Children's Trust | 3.5 | 11.0 | (7.5) |
| Strategic Leadership | 8.8 | 12.8 | (4.0) |
| Skills & Employability | 1.1 | 1.5 | (0.4) |
| Directorate | 15.1 | 26.7 | (11.6) |

Education & Early Years has an overspend of £0.2m (no change from Quarter 1).

£0.2m income from Education Safeguarding and nursery premises rental loss

Inclusion & SEND has an overspend of £1.5m (£1.2m at Quarter 1) due to loss of income from: Travel Assist £0.1m (no change), Education Psychology service £0.9m (no change) and Access to Education £0.5m (was £0.2m), reduction in income from schools and other local authorities due to a reduction in the number of referrals.

Children's Trust has an overspend of £3.5m (£11.0m at Quarter 1) due to cost increase for residential placement cost £2.0m, £0.5m for care leavers and £1.0m other social care cost. The forecast has reduced from previous expectations as the Trust took a decision to reduce the amount of contingency accommodation (following the Quarter 1 forecast), and due to the fact that most of the PPE costs have been met directly by the Council.

Strategic Leadership has an overspend of £8.8m (12.8m at Quarter 1), which 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 £4.0m (was £8.0m).

Birmingham Children's Partnership grants and support £3.0m (no change)

School meal voucher scheme during the Easter holiday period £1.4m (no change).

Delay in construction has resulted in additional security and boarding cost £0.2m on School capital projects (no change).

Other Covid-19 related costs amount to £0.2m (was £0.1m).

Skills & Employability has an overspend of £1.1m (£1.5m at Quarter 1)

The impact of loss in income within Skills & Employability has reduced from Quarter 1, largely because of the forecast reduction in net income lost from Libraries and Unique Venues Birmingham profit share, from £0.8m to £0.4m (as some compensating savings have arisen from temporary library closures). As a result of loss of demand for courses and training (over and above

reductions in associated expenditure in providing these services), the Youth Service is still anticipating a loss of £0.3m in income and Birmingham Adult Education Service (BAES) is also forecasting a £0.4m loss of income.

1.5 Inclusive Growth £20.4m overspends as shown by the table below. This is an improvement of £2.0m on Quarter 1.

| Inclusive Growth | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|--------------------------------|--|--|-----------------|
| | £m | £m | £m |
| P&D - City Centre, EZ, BDI | 0.6 | 0.5 | 0.1 |
| Transport & Connectivity | 0.3 | 0.3 | 0.0 |
| P&D - Strategy & Planning | 0.0 | 0.0 | 0.0 |
| Birmingham Property Services | 6.8 | 6.8 | 0.0 |
| Housing Development | 0.0 | 0.0 | 0.0 |
| Highways & Infrastructure | 12.2 | 14.5 | (2.3) |
| Inclusive Growth Director | 0.5 | 0.3 | 0.2 |
| Other Funds - Holding Accounts | 0.0 | 0.0 | 0.0 |
| Directorate | 20.4 | 22.4 | (2.0) |

P& D - City Centre has an overspend of £0.6m (£0.5m at Quarter 1) due to loss in fees from Planning application fees.

Transport & Connectivity has an overspend of £0.3m (no change from Quarter 1) due to income loss from Local Land Charges and the cost of staff being diverted to Covid-19 related work.

Birmingham Property Services has an overspend of £6.8m (no change from Quarter 1)

which is forecasting that it will lose the following income as result:

£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 £12.2m (£14.5m at Quarter 1), Majority of the overspend has been caused by loss of income from parking enforcement:

£8.5m of **On / Off street** parking income to be lost during the year (was £11.1m)

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£2.7m loss of income from civil parking enforcements (was £3.3m)

£0.9m Local Car Parking income under-recovery (not forecast at Quarter 1)

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 (no change).

Inclusive Growth Director has an overspend of £0.5m (£0.3m at Quarter 1) 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 and the effect of the deployment of staff to Covid-19 activities where this reduced how much of their time could be charged to projects.

1.6 Finance & Governance £8.0m overspends as shown by the table below. This is an improvement of £2.2m since Quarter 1.

| Finance & Governance | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|---------------------------------|--|--|-----------------|
| | £m | £m | £m |
| Development and Commercial | 7.9 | 10.2 | (2.3) |
| Service Finance | 0.0 | 0.0 | 0.0 |
| City Solicitor | 0.1 | 0.0 | 0.1 |
| Birmingham Audit | 0.0 | 0.0 | 0.0 |
| Directorate | 8.0 | 10.2 | (2.2) |

Development & Commercial has an overspend of £7.9m (£10.2m at Quarter 1). which has been broken down below:

£4.1m City Serve - loss of school's income and increased costs in emergency provision (was £6.8m).

£2.4m Outdoor Advertising - loss of commercial advertising income from outdoor digital advertising, lampposts, roundabouts and City Dressing (no change).

£1.0m Civic Catering - loss of functions income, closure of Pause cafes and unavoidable costs (was £0.6m).

£0.1m Birmingham City Labs - loss of income (no change).

£0.3m Other loss of income in City Cleaning and Civic Catering (was £0.1m)

City Solicitor has an overspend of £0.1m (£0.0m at Quarter 1) for additional expenditure to facilitate efficient homeworking.

1.7 Digital & Customer Services, £5.0m overspend as shown by the table below. This is a deterioration of £3.2m

| Digital & Customer Services | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|--|--|--|-----------------|
| | £m | £m | £m |
| IT & Digital Services | 2.1 | 0.9 | 1.2 |
| Revenues & Benefits | 2.5 | 0.8 | 1.7 |
| Business Improvements | 0.0 | 0.0 | 0.0 |
| Customer Services | 0.4 | 0.1 | 0.3 |
| Director of DC&S | 0.0 | 0.0 | 0.0 |
| Directorate | 5.0 | 1.8 | 3.2 |

£2.1m relates to **IT & Digital service**, for Agency staff, projects and cost for additional IT Equipment (was £0.9m).

£2.5m relates to **Benefits Services**, £1.7m Loss of Courts Income (new pressure) £0.5m cost of providing Local Welfare provision (no change) 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 (no change).

£0.4m relates to **Customer Services**, Contact Centre additional licences, Business Support at Dolman Street and call handing for shielded citizens to full provision of support, and loss of income for Digital Mail due to reduction in external postage volumes (was £0.1m).

1.8 Partnerships, Insight and Prevention (PIP) £1.4m overspend as shown by the table below. This is an improvement of £0.2m since Quarter 1

| PIP | Covid-19 Quarter 2 forecast | Covid-19 Quarter 1 forecast | Movement |
|------------------------------|--|--|-----------------|
| | £m | £m | £m |
| Communication & Marketing | 0.0 | 0.0 | 0.0 |
| Public Health and Equalities | 0.0 | 0.0 | 0.0 |
| Assistant Chief Exec | 1.4 | 1.6 | (0.2) |
| Community Safety Strategy | 0.0 | 0.0 | 0.0 |
| Directorate | 1.4 | 1.6 | (0.2) |

Assistant Chief Exec has an overspend of £1.4m (£1.6m at Quarter 1).

The overspend has been forecast due to increase in cost of providing food supply to Shielded vulnerable people £1.2m (was £1.4m), £0.2m relate to additional cost due to Public Health (PH) activities and the cost of providing CCTV at the Sutton Hall Cemetery for the temporary body storage facility (no change).

1.9 Corporate overspend £4.5m. This is an improvement of £1.1m since Quarter 1

There is a £4.5m pressure on corporate budgets due to an expected shortfall in investment income and increased borrowing costs (was £5.6m at Quarter 1).

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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 | | |
| | | | | | 89.746 | 64.163 | | |
| GENERAL FUND | | | | | | | | |
| Tactical | Loss of Business Rates | | | 100% | 34.640 | 34.640 | R | Business Rates cash receipt losses |
| Tactical | Loss of Council Tax | | | 100% | 11.294 | 11.294 | R | Council Tax |
| 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 | 14% | 3.800 | 0.532 | A | Other income losses |
| 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 | 30% | 2.000 | 0.600 | R | Cultural & related - other |
| 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% | 3.475 | 3.475 | A | SFC - Highways other |
| Business & Economic Recovery | Loss of Income from Housing Benefit Overpayment Recovery | All Overpayment recovery suspended in Q1 following central government directive | None identified | 100% | 4.500 | 4.500 | A | Other income losses |
| 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 | 25% | 4.000 | 1.000 | G | Adult Social Care - workforce pressures |
| 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 |

Annex 3 Savings Programme

| | | | Month 6 2020/21 | | | | |
|-----------------------------|---|--|----------------------------|---------|---------|---------|---------|
| | | | Budgeted Saving (£m) | Blue | Green | Amber | Red |
| Directorate: | Savings Reference | Savings Description | | | | | |
| Adult Social Care | HW4 17+ / AD002 18+ / WOC1 | Effective and efficient workforce | (1.518) | 0.000 | (0.759) | (0.759) | 0.000 |
| | MYR1 16+ / AD001 18+ / MIA7 16+ / HW317 / AD007 18+ / CC002 18+ / AD104 18+ | Adult Packages of Care | | | | | |
| Adult Social Care | | | (9.366) | 0.000 | (5.766) | (3.600) | 0.000 |
| Adult Social Care | AD005 18+ | Corporate Director | (0.070) | 0.000 | (0.070) | 0.000 | 0.000 |
| Adult Social Care | 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 |
| | | One-off savings | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | | | | | | |
| | | Total Savings Adult Social Care | (11.172) | 0.000 | (6.740) | (4.432) | 0.000 |
| | | | | | | | |
| | | | | | | | |
| Digital & Customer Services | CC1 17+ CC23 16+ / E23 16+ | Implementation of ICT & D strategy to reduce spend on core IT infrastructure and development projects | (0.810) | 0.000 | (0.810) | 0.000 | 0.000 |
| Digital & Customer Services | SS008 18+ | Customer Services Team | (0.088) | 0.000 | (0.088) | 0.000 | 0.000 |
| Digital & Customer Services | WOC1 | Allocation of Workforce Savings | (0.183) | 0.000 | (0.183) | 0.000 | 0.000 |
| Digital & Customer Services | DCS001 20+ | Brum Account - Phase 3 | (0.135) | 0.000 | (0.135) | 0.000 | 0.000 |
| Digital & Customer Services | DCS006 20+ | Brum Account Payments | (0.024) | 0.000 | (0.024) | 0.000 | 0.000 |
| Digital & Customer Services | DCS008 20+ | Consolidation of support services into Customer Services and Business Support | (0.060) | 0.000 | (0.060) | 0.000 | 0.000 |
| Digital & Customer Services | DCS009 20+ | Cease handling planning queries at the corporate contact centre and make all enquiries online only | (0.060) | 0.000 | (0.060) | 0.000 | 0.000 |
| Digital & Customer Services | DCS010 20+ | Implementation of SMS and Customer Payment Journey for the Revenues Service | (0.015) | 0.000 | (0.015) | 0.000 | 0.000 |
| Digital & Customer Services | DCS011 20+ | Application Platform Modernisation | (0.505) | 0.000 | (0.405) | (0.100) | 0.000 |
| Digital & Customer Services | DCS012 20+ | Wide Area Network Review and Redesign | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Digital & Customer Services | DCS013 20+ | Corporate voice and mobile telephony rationalisation. | (0.033) | 0.000 | (0.033) | 0.000 | 0.000 |
| Digital & Customer Services | DCS014 20+ | Utilisation of corporate Microsoft Enterprise Agreement | (0.400) | 0.000 | (0.400) | 0.000 | 0.000 |
| Digital & Customer Services | DCS015 20+ | ITDS Organisation Structure Review | (0.200) | 0.000 | 0.000 | (0.200) | 0.000 |
| Digital & Customer Services | DCS016 20+ | Contract Supplier Review and Rationalisation | (0.150) | 0.000 | (0.150) | 0.000 | 0.000 |
| Digital & Customer Services | DCS020 20+ | Renewal of bulk printing contract including Revenues and Benefits | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Digital & Customer Services | ADD SAP 20+ | Additional SAP savings | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Digital & Customer Services | DEBT COLL 20+ | Debt Collection Costs | (0.208) | 0.000 | 0.000 | 0.000 | (0.208) |
| Digital & Customer Services | CC104 19+ | Commercialisation | (0.013) | 0.000 | (0.013) | 0.000 | 0.000 |
| | | | | | | | |
| | | Total Savings in Financial Plan | (2.884) | 0.000 | (2.376) | (0.300) | (0.208) |
| | | | | | | | |
| | | One-off savings | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | | | | | | |
| | | Total Savings Digital & Customer Services | (2.884) | 0.000 | (2.376) | (0.300) | (0.208) |
| | | | | | | | |
| | | | | | | | |
| Education & Skills | P22 16+ | Early Years | (0.981) | 0.000 | (0.981) | 0.000 | 0.000 |
| Education & Skills | PL016D 18+ | Youth Service | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Education & Skills | PFS | Corporate funding of pension fund strain | 0.002 | 0.000 | 0.002 | 0.000 | 0.000 |
| Education & Skills | CC104 19+ | Commercialisation | (0.040) | 0.000 | (0.040) | 0.000 | 0.000 |
| Education & Skills | PL126 19+ | Review of managerial arrangements across the Directorate | (0.031) | 0.000 | 0.000 | (0.031) | 0.000 |
| Education & Skills | PL130 19+ | Reduce the number of books purchased for the Library Service | (0.004) | 0.000 | (0.004) | 0.000 | 0.000 |
| | | | | | | | |
| | | Generation of income from legal process training to provided to schools and alternative providers; and fees payable from education providers for advice and guidance following Ofsted outcomes. This proposal relates to the General Fund only (Education Welfare Service teams) | (0.020) | 0.000 | 0.000 | 0.000 | (0.020) |
| Education & Skills | ESS008 20+ | | (0.137) | (0.137) | 0.000 | 0.000 | 0.000 |
| Education & Skills | ESS010 20+ | Education Infrastructure | | | | | |
| Education & Skills | ESS011 20+ | Service redesign (General Fund only) | (0.052) | 0.000 | 0.000 | 0.000 | (0.052) |
| Education & Skills | ESS013 20+ | School & Governor Support - fully traded service | (0.050) | 0.000 | (0.050) | 0.000 | 0.000 |
| | | Development of a traded service to sit alongside (and complement) the required service delivery to meet statutory duties. | (0.019) | 0.000 | 0.000 | (0.019) | 0.000 |
| Education & Skills | ESS014 20+ | | | | | | |
| Education & Skills | ESS015 20+ | SENDIASS Income | (0.020) | 0.000 | 0.000 | (0.020) | 0.000 |
| Education & Skills | ESS019 20+ | Birmingham Careers Service - Employee reduction | (0.050) | 0.000 | (0.050) | 0.000 | 0.000 |
| | | Savings in the Children Trust budget from initiatives on the supply and demand side for services which will generate savings from 2021/22 onwards. | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Education & Skills | ESS026 20+ | | | | | | |
| | | | | | | | |
| | | Total Savings in Financial Plan | (1.402) | (0.137) | (1.123) | (0.070) | (0.072) |
| | | | | | | | |
| | | Savings delivered on a one-off basis in 2019/20 | | | | | |
| Education & Skills | CC002 18+ | Effierency Target | (0.563) | 0.000 | (0.563) | 0.000 | 0.000 |
| Education & Skills | WOC1 | Allocation of Workforce Savings | (0.283) | 0.000 | (0.283) | 0.000 | 0.000 |
| Education & Skills | CY109 19+ | Management Review and Structure | (0.164) | 0.000 | (0.164) | 0.000 | 0.000 |
| Education & Skills | EC104 19+ | Employment and Skills Cross Directorate Rationalisation | (0.036) | 0.000 | 0.000 | (0.036) | 0.000 |
| Education & 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 Education & Skills | (2.877) | (0.137) | (2.133) | (0.535) | (0.072) |

Appendix A

| Directorate: | Savings Reference | Savings Description | 2020/21 | | | | |
|----------------------|----------------------------|--|----------------------|----------------|----------------|----------------|----------------|
| | | | Budgeted Saving (Em) | Blue | Green | Amber | Red |
| Finance & Governance | CC23 16+ | Reduction in costs relating to the SAP investment plan | (0.050) | (0.050) | 0.000 | 0.000 | 0.000 |
| Finance & Governance | FG001 18+ / FG002 18+ | City Finance | (0.090) | (0.030) | (0.060) | 0.000 | 0.000 |
| Finance & Governance | WOC1 | Allocation of Workforce Savings | (0.185) | (0.185) | 0.000 | 0.000 | 0.000 |
| Finance & Governance | PFS | Corporate funding of pension fund strain | 0.063 | 0.063 | 0.000 | 0.000 | 0.000 |
| Finance & Governance | CC104 19+ | Commercialisation | (0.137) | 0.000 | (0.017) | (0.120) | 0.000 |
| Finance & Governance | FG101A 19+ | Delivery of further efficiency savings following the implementation of a new Finance and HR I.T. system. | (0.100) | 0.000 | 0.000 | (0.100) | 0.000 |
| Finance & Governance | FG102 19+ | Reduced external legal spend | (0.100) | 0.000 | 0.000 | (0.100) | 0.000 |
| Finance & Governance | FGS003 20+ | Procurement Savings Opportunity Assessment | (3.000) | (0.582) | 0.000 | (2.418) | 0.000 |
| Finance & Governance | 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 | | | | | |
| Finance & Governance | FG102 19+ CF | Reduced external legal spend | (0.200) | 0.000 | 0.000 | (0.200) | 0.000 |
| Finance & Governance | 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 Finance & Governance | (3.878) | (0.863) | (0.077) | (2.938) | 0.000 |
| Human Resources | WOC1 | Allocation of Workforce Savings | (0.074) | (0.074) | 0.000 | 0.000 | 0.000 |
| Human Resources | HR105 19+ | Apprenticeship Levy – one provider of all training and administration | (0.023) | (0.023) | 0.000 | 0.000 | 0.000 |
| Human Resources | HR107 19+ | Post implementation of ERP system | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Human Resources | HRS001 20+ | Deletion of part-time vacancy. Amalgamation of two management posts, in Health and Safety and Occupational Health to be one management post. | (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 |
| | | One-off savings | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | Total Savings Human Resources | (0.132) | (0.132) | 0.000 | 0.000 | 0.000 |
| Inclusive Growth | JS4A | Reduce West Midlands Combined Authority Transport Levy | 0.001 | 0.001 | 0.000 | 0.000 | 0.000 |
| Inclusive Growth | SN9A NEW | Civil parking Enforcement | (0.010) | (0.003) | 0.000 | (0.007) | 0.000 |
| Inclusive Growth | WOC1 | Allocation of Workforce Savings | (0.195) | (0.195) | 0.000 | 0.000 | 0.000 |
| Inclusive Growth | CC104 | Commercialisation | (0.090) | (0.090) | 0.000 | 0.000 | 0.000 |
| Inclusive Growth | EC016 18+/EC103A 19+ & 20+ | Property Strategy/Commercial Income Growth | (0.472) | 0.000 | 0.000 | 0.000 | (0.472) |
| Inclusive 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 | | | | | |
| Inclusive Growth | SN35 16+ CF | Expansion of City Centre on-street parking, concessions and restrictions | (0.463) | (0.154) | 0.000 | 0.000 | (0.309) |
| Inclusive Growth | CC26 16+CF | Council administrative buildings reduction | (0.536) | 0.000 | 0.000 | (0.286) | (0.250) |
| Inclusive Growth | Inreach | 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 Inclusive Growth | (2.094) | (0.441) | 0.000 | (0.293) | (1.360) |
| Neighbourhoods | SN21 16+ | Removal of universal superloos | 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 | PFS | Corporate funding of pension fund strain | 0.032 | 0.032 | 0.000 | 0.000 | 0.000 |
| Neighbourhoods | PL126a 19+ | Review of managerial arrangements Street Scene | (0.158) | 0.000 | 0.000 | 0.000 | (0.158) |
| Neighbourhoods | PL128 19+ | Garden and bulky waste fees and charges review | (0.150) | 0.000 | 0.000 | (0.150) | 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 |
| Neighbourhoods | WOC1b | Allocation of Workforce Savings - Housing General Fund | (0.084) | 0.000 | 0.000 | 0.000 | (0.084) |
| Neighbourhoods | PL123 19+ | Housing, Private Rented Sector and Voids redesign | (0.400) | 0.000 | 0.000 | 0.000 | (0.400) |
| Neighbourhoods | PL126b 19+ | Review of managerial arrangements Housing General Fund | (0.117) | 0.000 | 0.000 | 0.000 | (0.117) |
| Neighbourhoods | PL016E | Neighbourhoods and Communities - Community | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Neighbourhoods | WOC1c | Allocation of Workforce Savings - Neighbourhoods | (0.065) | (0.065) | 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 | 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 | WOC1d | Allocation of Workforce Savings - Reg & Enforcement | (0.124) | 0.000 | (0.118) | 0.000 | (0.006) |
| | | Total Savings in Financial Plan | (1.690) | (0.088) | (0.287) | (0.150) | (1.165) |

| | | | 2020/21 | | | | |
|--------------------------------------|-------------------|--|-----------------|----------------|-----------------|----------------|----------------|
| Directorate: | Savings Reference | Savings Description | Saving | Blue | Green | Amber | Red |
| | | Savings delivered on a one-off basis in 2019/20 | | | | | |
| Neighbourhoods | PL003 18+ | Parks and Nature Conservation | (0.200) | 0.000 | 0.000 | 0.000 | (0.200) |
| Neighbourhoods | PL126a 19+CF | Review of managerial arrangements Street Scene | (0.158) | 0.000 | 0.000 | 0.000 | (0.158) |
| Neighbourhoods | PL129 19+CF | Parks Fees and Charges Review | (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 | (0.200) | 0.000 | 0.000 |
| Neighbourhoods | PL124 19+ | Strategic Housing Functions | (0.300) | 0.000 | 0.000 | 0.000 | (0.300) |
| Neighbourhoods | PL126b 19+CF | Review of managerial arrangements Housing General Fund | (0.117) | 0.000 | 0.000 | 0.000 | (0.117) |
| | | 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 | PL126c 19+CF | Review of managerial arrangements Neighbourhoods | (0.056) | (0.056) | 0.000 | 0.000 | 0.000 |
| Neighbourhoods | PL126d 19+CF | Review of managerial arrangements Reg & Enforcement | (0.169) | (0.169) | 0.000 | 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 | 0.000 | 0.000 | (0.209) |
| | | One-off savings | (2.285) | (0.272) | (0.849) | 0.000 | (1.164) |
| | | Total Savings Neighbourhoods | (3.975) | (0.360) | (1.136) | (0.150) | (2.329) |
| Partnerships, Insight and Prevention | WOC1 | Allocation of Workforce Savings | (0.039) | (0.028) | 0.000 | 0.000 | (0.011) |
| Partnerships, Insight and Prevention | CC104 19+ | Commercialisation | (0.003) | 0.000 | 0.000 | 0.000 | (0.003) |
| Partnerships, Insight and Prevention | 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 | | | | | |
| Partnerships, Insight and Prevention | 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 |
| Partnerships, Insight and Prevention | | Total Savings Partnerships, Insight and Prevention | (0.066) | (0.036) | (0.016) | 0.000 | (0.014) |
| | | Grand Total savings | (27.078) | (1.969) | (12.478) | (8.648) | (3.983) |

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.

In 2020/21, from 1st July up to 30th September 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 | 0.072 | 0.041 | 0.103 | 0.215 |
| | | | | |
| Total | 0.072 | 0.041 | 0.103 | 0.215 |

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

b. Irrecoverable Council Tax & Business Rates

Due to the support packages put in place by the Government to assist small businesses with the impact of the COVID-19 pandemic the Revenues Service had to divert resources to ensure this vital payment was authorised and paid as quickly as possible. Unfortunately, this has meant that the Service was not in a position to put forward any Council Tax or Business Rates write-offs for Quarter 2.

C. Summary 01.7.20 – 30.9.20

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 | 2013/14 | 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 | £34,443.09 | £7,640.80 | £8,608.93 | £3,758.34 | £9,287.05 | £8,294.97 | £10,136.25 | £7,042.58 | £23,428.91 | £32,740.90 | £38,514.98 | £31,373.20 | £215,270.00 | 860 |
| TOTAL | £34,443.09 | £7,640.80 | £8,608.93 | £3,758.34 | £9,287.05 | £8,294.97 | £10,136.25 | £7,042.58 | £23,428.91 | £32,740.90 | £38,514.98 | £31,373.20 | £215,270.00 | 860 |

| Debt Size | Small | | Medium | | Large |
|-----------|------------|-------|----------------|-------|-----------------|
| Cases | >£1,000 | Cases | £1,001- £5,000 | Cases | £5,000- £25,000 |
| 804 | £93,995.85 | 55 | £114,155.51 | 1 | £7,118.46 |

Annex 5: Forecast Uses of Reserves

| Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves | | | | | |
|--|--|--|--------------------------|---------------------------------|---|
| Directorate making forecast | Reserve | Reason for forecast (use)/contribution | Budget Approved Period 3 | Changes forecast Since Period 3 | Forecast (Use) /Contribution at Month 6 |
| | | | £m | £m | £m |
| Corporate | Financial Resilience Reserve | | (5.910) | 0.000 | (5.910) |
| Corporate | Net borrowing from General Reserves | | (12.655) | 0.000 | (12.655) |
| | Subtotal Use of General Reserves | | (18.565) | 0.000 | (18.565) |
| Education & Skills | Cyclical maintenance reserve -LoB | Drawdown funding from the Library of Birmingham's Cyclical Maintenance Reserve for the replacement of large plant items | 1.800 | (1.100) | 0.700 |
| Corporate | Covid-19 Local Authority Support Grant | Drawdown of Government Grant received at the end of 2019/20 to fund expenditure related to Covid-19 | 0.000 | (38.744) | (38.744) |
| Corporate | Covid-19 Local Authority Support Grant | Contribution to reserve of un-ringfenced government grant to support covid-19 cost to the Council during the winter months and any second wave of Covid-19. | 0.000 | 44.200 | 44.200 |
| PIP | Use of underspend from 19/20 Policy Contingency allocation to complete CCTV decommissioning delayed as a result of Covid 19. | Use of underspend from 19/20 Policy Contingency allocation to complete CCTV decommissioning delayed as a result of Covid 19. | 0.000 | (0.093) | (0.093) |
| PIP | Use of underspend from 19/20 Policy Contingency allocation for Assurance Framework for completion of project work. | Use of underspend from 19/20 Policy Contingency allocation for Assurance Framework for completion of project work. | 0.000 | (0.030) | (0.030) |
| PIP | Use of underspend from 19/20 Policy Contingency allocation for Covid to fund continued spend. | Use of underspend from 19/20 Policy Contingency allocation for Covid to fund continued spend. | 0.000 | (0.016) | (0.016) |
| | Other Net Uses of Corporate Reserves | | (2.353) | 0.000 | (2.353) |
| | Subtotal Use of Corporate Reserves | | (0.553) | 4.217 | 3.664 |
| Adult Social Care | Controlling Migration Fund (CMF) | Appropriation of reserve required to enable continuation of project into 2020/21. Original budgeted reserve overstated due to increase in expenditure at the end of 2019/20. | (0.530) | 0.180 | (0.350) |
| Adult Social Care | Mt Friendly Cities | Appropriation of reserve required to enable continuation of project into 2020/21 | 0.000 | (0.048) | (0.048) |
| Adult Social Care | PURE - ESF | Appropriation of reserve required to enable continuation of project into 2020/21 | 0.000 | (0.052) | (0.052) |
| Adult Social Care | Rough Sleeping Initiative | Appropriation of reserve required to enable continuation of project into 2020/21 | 0.000 | (0.191) | (0.191) |
| Adult Social Care | Syrian Refugee Programme | Funding received from Home office in 2020/21 to support the Syrian Programme where refugees will receive support over a 5 year period up to 2025. | 0.000 | 0.492 | 0.492 |
| Education & Skills | Section 106 Children's Directorate | To support the Basic Need Capital Programme providing additional school places for children in Birmingham. | 0.000 | (0.386) | (0.386) |
| Inclusive Growth | BCR1 Monitoring TA-01758-01 | Fund project expenditure | 0.000 | (0.006) | (0.006) |
| Inclusive Growth | CIL - Bournville & Cotteridge Ward | NEW CIL receipted to date | 0.000 | 0.007 | 0.007 |
| Inclusive Growth | CIL - City Wide Projects | NEW CIL receipted to date | 0.000 | 0.144 | 0.144 |
| Inclusive Growth | CIL - Harborne Ward | NEW CIL receipted to date | 0.000 | 0.003 | 0.003 |
| Inclusive Growth | CIL - Ladywood Ward | NEW CIL receipted to date | 0.000 | 0.015 | 0.015 |
| Inclusive Growth | CIL - North Edgbaston Ward | NEW CIL receipted to date | 0.000 | 0.001 | 0.001 |
| Inclusive Growth | Clean Air Zone Grant Allocation | Increase use of CAZ Grant as Reported | (3.756) | (0.489) | (4.244) |
| Inclusive Growth | Clean Air Zone TA-01849-01,02,03 | Fund project expenditure | 0.000 | (0.126) | (0.126) |
| Inclusive Growth | Climate KIC TA-01801-07 | Fund project expenditure | 0.000 | (0.047) | (0.047) |
| Inclusive Growth | Easyrights EU 870980 (TA-02337-01) | Project now being delivered | 0.000 | (0.073) | (0.073) |
| Inclusive Growth | Section 106's | New S106 receipted to date | 0.000 | 0.035 | 0.035 |
| Neighbourhoods | Access Programme | Meet project costs | 0.000 | (0.148) | (0.148) |
| Neighbourhoods | Controlling Migration Fund | grant funding to meet project costs | 0.000 | (0.277) | (0.277) |
| Neighbourhoods | High Rise Cladding Survey | High Rise Blocks Surveys | 0.000 | (0.016) | (0.016) |
| Neighbourhoods | Housing Assistance Payment Grant | Funding specific project | 0.000 | (0.025) | (0.025) |
| Neighbourhoods | Modern Slavery | Funding specific project | 0.000 | (0.047) | (0.047) |
| Neighbourhoods | New Burdens | Used for preventative work | 0.000 | (0.048) | (0.048) |
| Neighbourhoods | Regional Intelligence Team | Meet commitments and repay funding organisation following completion of audit | 0.000 | (0.022) | (0.022) |
| Neighbourhoods | Section 106 Place Directorate | Witton Festive Lights | (0.016) | (0.016) | (0.032) |
| PIP | Brexit funding | To fund project spend from grant received in 2019/20. | 0.000 | (0.143) | (0.143) |
| PIP | Community Safety Strategy - BCSP | To fund project spend from grant received in 2019/20. | 0.000 | (0.245) | (0.245) |
| PIP | EU migration fund | To fund project spend from grant received in 2019/20. | (0.342) | (0.030) | (0.372) |
| PIP | INLOGOV | To fund project spend from grant received in 2019/20. | 0.000 | (0.019) | (0.019) |
| PIP | Prevent | To reduce budgeted project spend in line with lower grant underspend brought forward from 2019/20. | (0.150) | 0.045 | (0.104) |
| PIP | Prevent - admin | To fund project spend from grant received in 2019/20. | 0.000 | (0.010) | (0.010) |
| PIP | Prevent - Out of School (OSS) | To fund project spend from grant received in 2019/20. | 0.000 | (0.075) | (0.075) |
| PIP | Public Health - Obesity Trailblazers | To fund project spend from grant received in 2019/20. | 0.000 | (0.075) | (0.075) |
| PIP | Strategic Migration Partnership | To fund project spend from grant received in 2019/20. | 0.000 | (0.114) | (0.114) |
| Various | Other Net Uses of Grant Reserves | | 15.259 | 0.000 | 15.259 |
| | Subtotal Use of Grant Reserves | | 10.465 | (1.806) | 8.660 |
| Digital & Customer Servi | Benefits Service Transformation 2 | Funds BCC staff costs in view of reduced funding from DWP. Safe guards citizens from homelessness by ensuring Housing Benefits is paid in a timely manner. | 0.000 | (0.439) | (0.439) |
| Digital & Customer Servi | Customer Services Access Strategy Programme | To fund acceleration of the new customer programme in order to improve the customer experience council wide. | 0.000 | (0.247) | (0.247) |
| Digital & Customer Servi | Project Support | To fund in year variations in third party costs (circa 400+ suppliers) following transition from Capita. | (2.280) | (1.017) | (3.297) |
| Digital & Customer Servi | ICT&D Transition Reserve | This is being used to fund staff who are currently in post to assist in the transition from Capita. | (0.052) | (0.270) | (0.322) |
| Digital & Customer Servi | Landing Team TA-01930-01 | Revenues NNDR Revaluations & Project Developments | 0.000 | (0.938) | (0.938) |
| Education & Skills | EWS Fixed Penalty | To cover the costs of providing the service which is funded by income generation. Income is expected to be low in 19-20 due to Covid effect. | 0.000 | (0.098) | (0.098) |
| Finance & Governance | Audit - PWC | Audit Total Impact Assessment and Audit Committee Effective reviews delayed due to Covid19. | 0.000 | (0.030) | (0.030) |
| Finance & Governance | Unidentified Income | Unidentified Income carried forward from 2019/20 to be allocated to Directorates | 0.000 | (1.130) | (1.130) |
| Human Resources | Schools HR IT | JADU Development | (0.324) | (0.088) | (0.412) |
| Inclusive Growth | CAZ Income and CAZ FPN income | Delay in implementation of CAZ | 28.228 | (28.228) | 0.000 |
| Inclusive Growth | Fire Insurance (old CO-OP Building) | Contract Payment Goodmans Development "Steamhouse" made | 0.000 | (1.500) | (1.500) |
| Inclusive Growth | New TA-01741-01 Graduate Hub | Required to fund Graduate/Apprentice expenditure | 0.000 | (0.100) | (0.100) |
| Inclusive Growth | Speed Camera (TA-00543-11) | Expansion of Speed Camera Site | (0.027) | 0.025 | (0.002) |
| Neighbourhoods | Old Rep Theatre | Complete Repairs to Old Rep building | 0.000 | (0.015) | (0.015) |
| Various | Other Net Uses of Earmarked Reserves | | 1.512 | 0.000 | 1.512 |
| | Subtotal Use of Earmarked Reserves | | 27.057 | (34.074) | (7.017) |
| | Total Use of Reserves | | 18.403 | (31.662) | (13.259) |

TREASURY MANAGEMENT MONITORING DASHBOARD: SEPTEMBER 2020

| | value | comparator | difference |
|--|--------------|------------|------------|
| 1 gross loan debt | £m | £m | £m |
| at month end | 3,454 | | |
| year end Forecast (vs Plan) | 3,655 | 3,832 | -177 |
| year end Forecast (vs Pru Limit for loan debt*) | 3,655 | 4,085 | -430 |
| <i>*monitoring of the full set of prudential indicators is reported quarterly to Cabinet</i> | | | |

Forecast year end debt is well below the year end plan and prudential limit. This is partly because of increased capital programme slippage due to Covid and Covid grants received in advance. Considerable uncertainty remains about the impact of Covid on cashflows over the coming months.

| | | | |
|---|--------------|-------|--------|
| 2 short term borrowing | | | |
| at month end (vs Guideline) | 505 | 600 | -95 |
| interest rate year to date on outstanding deals (vs assumption) | 0.79% | 1.50% | -0.71% |

Short term borrowing resumed towards the end of the quarter as the Council utilised more of the COVID grants received in advance. Interest rates achieved for new short term borrowing are lower than anticipated in the Plan.

| | | | |
|---|--------------|-------|--------|
| 3 Treasury investments | | | |
| at month end (vs Guideline) | 153 | 40 | 113 |
| interest rate year to date on outstanding deals (vs assumption) | 0.10% | 1.01% | -0.91% |

Investments remain significantly higher than the Strategy's guideline of £40m, due to the favourable cashflows noted in 1 above.

| | | | |
|---|--------------|-------|--------|
| 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% |

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.

| | |
|---------------------------------------|------------|
| 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 |

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.

Treasury Management: portfolio overview

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

| | this quarter £m 30/09/2020 | last quarter £m 30/06/2020 |
|------------------------------------|----------------------------------|----------------------------------|
| PWLB | 2,454 | 2,454 |
| Bonds | 373 | 373 |
| LOBOs | 71 | 71 |
| Other long term | 50 | 52 |
| Salix | 1 | 1 |
| Short term | 505 | 424 |
| Gross loan debt | 3,454 | 3,375 |
| less treasury investments | - 153 | - 126 |
| Net loan debt | 3,300 | 3,249 |
| Budgeted year end net debt | 3,792 | 3,792 |
| Prudential limit (gross loan debt) | 4,085 | 4,085 |

Long term loans remained relatively steady during Q2. The Council's short term loans started to increase in the final month of the quarter as the Council utilised COVID grants received in advance.

Treasury investments by source

| | £m |
|------------------------------|------------|
| UK Government | 25 |
| Money Market Funds | 123 |
| Banks and Building Societies | 5 |
| | 153 |

Treasury investments by credit quality

| | £m |
|--------|------------|
| AAA | 25 |
| AAAmmf | 123 |
| AA | 5 |
| A | 0 |
| | 153 |

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 | 10 | 0 | 4 | 51 | 0 | 91 |
| | 11 | 39 | 15 | 10 | 4 | 61 | 0 | 140 |

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 | 424 | -126 |
| new loans/investments | 216 | -617 |
| loans/investments repaid | -135 | 590 |
| closing balance | 505 | -153 |

These loans and investments are for short periods from one day up to 365 days. There has been a lower turnover in loans than normal due to the take up of new loans being delayed by remaining COVID grants received in advance. The value of transactions for investments has decreased from the first quarter as COVID grants have been utilised.

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.

DEBT AND PRUDENTIAL INDICATORS

| 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 | 23/24 Indicators £m | 23/24 Forecast £m |
|----------------------------------|--|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| Capital Finance | | | | | | | | | |
| 1 | Capital Expenditure - Capital Programme | 710.1 | 723.2 | 481.9 | 549.6 | 327.0 | 369.9 | 223.1 | 236.5 |
| 2 | Capital Expenditure - other long term liabilities | 38.2 | 38.3 | 37.8 | 37.9 | 33.1 | 33.2 | 33.3 | 33.4 |
| 3 | Capital expenditure | 748.3 | 761.5 | 519.7 | 587.4 | 360.1 | 403.1 | 256.4 | 269.9 |
| 4 | Capital Financing Requirement (CFR) | 4,839.3 | 4,717.5 | 4,941.7 | 4,788.4 | 5,135.1 | 4,725.7 | 4,834.4 | 4,523.4 |
| Planned Debt | | | | | | | | | |
| 5 | Peak loan debt in year | 3,849.9 | 3,673.1 | 3,932.9 | 3,751.8 | 3,852.3 | 3,670.8 | 3,719.5 | 3,519.1 |
| 6 | + Other long term liabilities (peak in year) | 415.5 | 416.8 | 396.7 | 397.3 | 373.4 | 373.7 | 348.2 | 348.3 |
| 7 | = Peak debt in year | 4,265.4 | 4,089.9 | 4,329.6 | 4,149.1 | 4,225.7 | 4,044.5 | 4,067.7 | 3,867.4 |
| 8 | does peak debt exceed year 3 CFR? | no | no | no | no | no | no | no | no |
| Prudential limit for debt | | | | | | | | | |
| 9 | Gross loan debt | 4,084.5 | 3,673.1 | 4,203.3 | 3,751.8 | 4,026.6 | 3,670.8 | 3,951.8 | 3,519.1 |
| 10 | + other long term liabilities | 415.5 | 416.8 | 396.7 | 397.3 | 373.4 | 373.7 | 348.2 | 348.3 |
| 11 | = Total debt | 4,500.0 | 4,089.9 | 4,600.0 | 4,149.1 | 4,400.0 | 4,044.5 | 4,300.0 | 3,867.4 |
| Notes | | | | | | | | | |
| 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 | 20/21 | 21/22 | 21/22 | 22/23 | 22/23 | 23/24 | 23/24 |
|--|------------|----------|------------|----------|------------|----------|------------|----------|
| | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Capital Finance | | | | | | | | |
| 1 Capital expenditure | 125.8 | 109.5 | 129.4 | 141.9 | 145.1 | 157.5 | 129.5 | 136.5 |
| 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 | 1,109.5 | 1,092.8 |
| Affordability | | | | | | | | |
| 3 HRA financing costs | 97.2 | 95.1 | 98.7 | 96.0 | 100.5 | 96.6 | 101.4 | 96.9 |
| 4 HRA revenues | 279.9 | 278.2 | 286.2 | 285.7 | 293.3 | 292.8 | 301.2 | 300.7 |
| 5 HRA financing costs as % of revenues | 34.7% | 34.2% | 34.5% | 33.6% | 34.3% | 33.0% | 33.7% | 32.2% |
| 6 HRA debt : revenues | 3.9 | 3.9 | 3.8 | 3.8 | 3.8 | 3.7 | 3.7 | 3.6 |
| 7 Forecast Housing debt per dwelling | £18,423 | £18,015 | £18,446 | £18,098 | £18,785 | £18,460 | £18,914 | £18,597 |

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 | 23/24 | 23/24 |
|-----------------------------------|---|------------|----------|------------|----------|------------|----------|------------|----------|
| | | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast |
| | | £m | £m | £m | £m | £m | £m | £m | £m |
| Capital Finance | | | | | | | | | |
| 1 | Capital expenditure (including other long term liabilities) | 622.5 | 652.0 | 390.4 | 445.5 | 215.0 | 245.6 | 126.8 | 133.4 |
| 2 | Capital Financing Requirement (CFR) | 3,742.2 | 3,637.2 | 3,851.1 | 3,714.6 | 4,029.3 | 3,636.7 | 3,724.9 | 3,430.6 |
| General Fund debt | | | | | | | | | |
| 3 | Peak loan debt in year | 2,752.8 | 2,592.7 | 2,842.3 | 2,678.0 | 2,746.6 | 2,581.8 | 2,610.0 | 2,426.3 |
| 4 | + Other long term liabilities (peak in year) | 415.5 | 416.8 | 396.8 | 397.3 | 373.5 | 373.7 | 348.2 | 348.3 |
| 5 | = Peak General Fund debt in year | 3,168.3 | 3,009.5 | 3,239.1 | 3,075.3 | 3,120.1 | 2,955.5 | 2,958.2 | 2,774.6 |
| General Fund Affordability | | | | | | | | | |
| 6 | Total General Fund financing costs | 255.6 | 256.0 | 260.0 | 250.4 | 250.2 | 232.2 | 272.1 | 252.8 |
| 7 | General Fund net revenues | 852.9 | 852.9 | 872.4 | 872.4 | 890.7 | 890.7 | 909.8 | 909.8 |
| 8 | General Fund financing costs (% of net revenues) | 30.0% | 30.0% | 29.8% | 28.7% | 28.1% | 26.1% | 29.9% | 27.8% |
| 9 | General Fund financing costs (% of gross revenues) | 23.0% | 22.7% | 22.6% | 22.7% | 21.2% | 21.5% | 22.5% | 22.5% |

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

Annex 6.4d

| TREASURY MANAGEMENT | | 20/21 | 20/21 | 21/22 | 21/22 | 22/23 | 22/23 | 23/24 | 23/24 |
|-------------------------------------|--|------------|----------|------------|----------|------------|----------|------------|----------|
| | | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast | Indicators | Forecast |
| 1 | General Fund impact of an unbudgeted 1% rise in interest rates | £3.8m | £4.5m | £4.1m | £5.9m | £4.2m | £4.1m | £4.0m | £2.6m |
| 2 | Variable rate exposures vs upper limit 30% | 19% | 19% | 22% | 22% | 23% | 20% | 21% | 19% |
| Maturity structure of borrowing | | Limit | Forecast | Limit | Forecast | Limit | Forecast | Limit | Forecast |
| (lower limit and upper limit) | | | Year End | | Year End | | Year End | | Year End |
| 3 | under 12 months | 0% to 30% | 18% | 0% to 30% | 22% | 0% to 30% | 18% | 0% to 30% | 16% |
| 4 | 12 months to within 24 months | 0% to 30% | 2% | 0% to 30% | 1% | 0% to 30% | 2% | 0% to 30% | 2% |
| 5 | 24 months to within 5 years | 0% to 30% | 4% | 0% to 30% | 5% | 0% to 30% | 7% | 0% to 30% | 9% |
| 6 | 5 years to within 10 years | 0% to 30% | 16% | 0% to 30% | 16% | 0% to 30% | 14% | 0% to 30% | 16% |
| 7 | 10 years to within 20 years | 5% to 40% | 20% | 5% to 40% | 20% | 5% to 40% | 21% | 5% to 40% | 20% |
| 8 | 20 years to within 40 years | 10% to 60% | 36% | 10% to 60% | 34% | 10% to 60% | 35% | 10% to 60% | 36% |
| 9 | 40 years and above | 0% to 40% | 4% | 0% to 40% | 2% | 0% to 40% | 2% | 0% to 40% | 2% |
| Investments longer than 364 days | | | | | | | | | |
| upper limit on amounts maturing in: | | | | | | | | | |
| | | Limit | Forecast | Limit | Forecast | Limit | Forecast | Limit | Forecast |
| 10 | 1-2 years | 400 | 0 | 400 | 0 | 400 | 0 | 400 | 0 |
| 11 | 2-3 years | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 |
| 12 | 3-5 years | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 |
| 13 | later | 0 | 0 | 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 2 |
| 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 |
|--|----------------|----------------|----------------|-------------------|------------------|
| Quarter 1 Approved Budget | 849.540 | 502.959 | 363.974 | 1,593.248 | 3,309.721 |
| Slippage/(Acceleration) - Quarter 2 | 0.128 | 0.000 | (0.128) | 0.000 | 0.000 |
| New Resources / (Reductions) & Rephasing Quarter 2 | 7.481 | 0.748 | (42.222) | 42.320 | 8.326 |
| Budget Quarter 2 | 857.149 | 503.706 | 321.624 | 1,635.568 | 3,318.047 |
| Forecast Slippage Quarter 2 | (127.225) | 62.041 | 34.384 | 30.800 | 0.000 |
| Forecast Overspend / (Underspend) Quarter 2 | (6.675) | (16.159) | 13.920 | (18.825) | (27.739) |
| Forecast Outturn at Quarter 2 | 723.248 | 549.589 | 369.928 | 1,647.543 | 3,290.308 |

Resources

Use of Specific Resources:

| | | | | | |
|---|---------|---------|--------|---------|---------|
| Grants & Contributions | 227.440 | 164.557 | 73.004 | 88.882 | 553.883 |
| Earmarked Capital Receipts - RTB & Revenue Reform | 60.391 | 58.622 | 68.517 | 167.159 | 354.690 |
| Revenue Contributions - Departmental | 28.954 | 24.329 | 10.597 | 27.114 | 90.995 |
| Revenue Contributions - HRA | 54.747 | 62.623 | 68.521 | 539.600 | 725.491 |

Use of Corporate or General Resources:

| | | | | | |
|----------------------|---------|---------|---------|---------|-----------|
| Corporate Resources | 23.439 | 1.756 | 0.434 | 0.000 | 25.628 |
| Prudential Borrowing | 328.277 | 237.701 | 148.856 | 824.788 | 1,539.621 |

Forecast Use of Resources

| | | | | |
|----------------|----------------|----------------|------------------|------------------|
| 723.248 | 549.588 | 369.928 | 1,647.543 | 3,290.309 |
|----------------|----------------|----------------|------------------|------------------|

| | | | | Budget Movements | | | |
|---|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|--|
| | | | | Current Year | | All Years | |
| Ref. | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m | |
| ADULT SOCIAL CARE DIRECTORATE | | | | | | | |
| Adult Care & Health | | | | | | | |
| Property Schemes | 0.364 | 0.364 | 0.000 | 0.364 | 0.364 | 0.000 | |
| Adults IT | 0.981 | 0.981 | 0.000 | 0.981 | 0.981 | 0.000 | |
| Improvements To Social Care Delivery | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Independent Living | 11.406 | 11.406 | 0.000 | 16.906 | 16.906 | 0.000 | |
| Total Adult Social Care Directorate | 12.751 | 12.751 | 0.000 | 18.251 | 18.251 | 0.000 | |
| EDUCATION AND SKILLS DIRECTORATE | | | | | | | |
| Education & Early Years | | | | | | | |
| Devolved Capital Allocation to Schools | 3.861 | 3.861 | 0.000 | 5.475 | 5.475 | 0.000 | |
| ES1 School Condition Allocations | 17.811 | 13.021 | (4.790) | 30.811 | 26.021 | (4.790) | |
| ES2 Basic Need - Additional School Places | 45.238 | 53.713 | 8.475 | 66.352 | 75.556 | 9.204 | |
| Other Minor Schemes - Schools | 0.013 | 0.013 | 0.000 | 0.013 | 0.013 | 0.000 | |
| EarlyYrs&Childcare | 0.136 | 0.136 | 0.000 | 0.136 | 0.136 | 0.000 | |
| IT Investment | 0.576 | 0.576 | 0.000 | 1.776 | 1.776 | 0.000 | |
| S106 Woodlinton Road | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Total Education & Early Years | 67.635 | 71.320 | 3.685 | 104.563 | 108.977 | 4.414 | |
| Skills & Employability | | | | | | | |
| Adult Ed & Youth | (0.128) | 0.000 | 0.128 | 0.713 | 0.713 | 0.000 | |
| Birmingham Libraries | 0.194 | 0.194 | 0.000 | 4.231 | 4.231 | 0.000 | |
| Total Skills & Employability | 0.066 | 0.194 | 0.128 | 4.944 | 4.944 | 0.000 | |
| Total Education and Skills Directorate | 67.701 | 71.514 | 3.813 | 109.507 | 113.922 | 4.414 | |
| NEIGHBOURHOODS DIRECTORATE | | | | | | | |
| Street Scene | | | | | | | |
| Waste Management Services | 26.474 | 26.474 | 0.000 | 80.204 | 80.204 | (0.000) | |
| Parks & Nature Conservation | 11.335 | 11.869 | 0.534 | 14.412 | 14.954 | 0.542 | |
| Total Street Scene | 37.809 | 38.343 | 0.534 | 94.616 | 95.158 | 0.542 | |
| Housing Services | | | | | | | |
| Housing Options Service | 0.064 | 0.064 | 0.000 | 2.384 | 2.384 | 0.000 | |
| Private Sector Housing | 0.979 | 0.979 | 0.000 | 1.789 | 1.789 | 0.000 | |
| Housing Revenue Account | | | | | | | |
| Housing Improvement Programme | 73.562 | 73.562 | 0.000 | 620.352 | 620.352 | 0.000 | |
| Redevelopment | 30.662 | 30.662 | 0.000 | 473.320 | 473.320 | 0.000 | |
| Other Programmes | 10.695 | 10.695 | 0.000 | 92.079 | 92.079 | 0.000 | |
| Total Housing Revenue Account | 114.919 | 114.919 | 0.000 | 1,185.751 | 1,185.751 | 0.000 | |
| Total Housing Services | 115.962 | 115.962 | 0.000 | 1,189.924 | 1,189.924 | 0.000 | |
| Neighbourhoods | | | | | | | |
| Community, Sport & Events | 1.106 | 1.106 | 0.000 | 3.606 | 3.606 | 0.000 | |
| Neighbourhoods | 0.000 | 0.030 | 0.030 | 0.000 | 0.030 | 0.030 | |
| Cultural Development | 0.611 | 0.611 | 0.000 | 3.861 | 3.861 | 0.000 | |
| Total Neighbourhoods | 1.717 | 1.747 | 0.030 | 7.467 | 7.497 | 0.030 | |
| Regulation & Enforcement | | | | | | | |
| Bereavement | 0.249 | 0.249 | 0.000 | 0.249 | 0.249 | 0.000 | |
| Markets Services | 0.300 | 0.300 | 0.000 | 1.059 | 1.059 | 0.000 | |
| Environmental Health | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Mortuary/Coroners | 2.734 | 2.734 | 0.000 | 2.734 | 2.734 | 0.000 | |
| Illegal Money Lending | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Total Regulation & Enforcement | 3.282 | 3.282 | 0.000 | 4.041 | 4.041 | 0.000 | |
| Total Neighbourhoods Directorate | 158.769 | 159.334 | 0.565 | 1,296.048 | 1,296.620 | 0.572 | |
| INCLUSIVE GROWTH DIRECTORATE | | | | | | | |
| Planning & Development | | | | | | | |
| Major Projects | | | | | | | |
| Enterprise Zone - Paradise Circus | 28.123 | 28.123 | 0.000 | 42.957 | 42.957 | 0.000 | |
| Enterprise Zone - Eastside Locks | 0.000 | 0.000 | 0.000 | 2.500 | 2.500 | 0.000 | |
| Enterprise Zone - Connecting Economic Opportunities | 0.293 | 0.293 | 0.000 | 139.450 | 139.450 | 0.000 | |
| Enterprise Zone - Smithfield | 0.031 | 0.031 | 0.000 | 150.031 | 150.031 | 0.000 | |
| Enterprise Zone - Southside Public Realm | 2.442 | 2.442 | 0.000 | 9.037 | 9.037 | 0.000 | |
| Enterprise Zone - LEP Investment Fund | 0.000 | 0.000 | 0.000 | 20.000 | 20.000 | 0.000 | |
| Enterprise Zone - HS2-Interchange Site | 0.000 | 0.000 | 0.000 | 20.000 | 20.000 | 0.000 | |
| EZ Phase II - HS2 Station Environment | 1.210 | 1.210 | 0.000 | 58.506 | 58.506 | 0.000 | |
| EZ Phase II - HS2 Site Enabling | 0.000 | 0.000 | 0.000 | 101.500 | 101.500 | 0.000 | |
| EZ Phase II - Local Transport Improvements | 0.000 | 0.000 | 0.000 | 104.800 | 104.800 | 0.000 | |
| EZ Phase II - Metro Extension to E Bham/Solihull | 0.000 | 0.000 | 0.000 | 183.300 | 183.300 | 0.000 | |
| EZ Phase II - Social Infrastructure | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| EZ Capitalised Interest | 1.160 | 1.160 | 0.000 | 22.667 | 22.667 | 0.000 | |
| Jewellery Quarter Cemetary | 0.472 | 0.472 | 0.000 | 0.472 | 0.472 | 0.000 | |
| Unlocking Housing Sites | 3.459 | 3.459 | 0.000 | 3.459 | 3.459 | 0.000 | |
| Life Sciences | 0.973 | 0.973 | 0.000 | 0.973 | 0.973 | 0.000 | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Total Major Projects | 38.163 | 38.163 | 0.000 | 859.652 | 859.652 | 0.000 | |

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| Ref. | Budget Movements | | | | | |
|--|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|
| | Current Year | | | All Years | | |
| | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m |
| ERDF | 2.973 | 2.973 | 0.000 | 4.930 | 4.930 | 0.000 |
| Public Realm | 1.091 | 1.091 | 0.000 | 1.091 | 1.091 | 0.000 |
| Infrastructure/Site Enabling Programme | 0.014 | 0.014 | 0.000 | 0.249 | 0.249 | 0.000 |
| Grants/Loans Programme | 1.000 | 1.000 | 0.000 | 1.000 | 1.000 | 0.000 |
| Total Planning & Development | 43.242 | 43.242 | 0.000 | 866.922 | 866.922 | 0.000 |
| Housing Development | | | | | | |
| In Reach | 1.218 | 1.218 | 0.000 | 7.900 | 7.900 | 0.000 |
| CWG-Sale To In Reach | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Housing Development | 1.218 | 1.218 | 0.000 | 7.900 | 7.900 | 0.000 |
| Transport Connectivity | | | | | | |
| Major Schemes | | | | | | |
| Ashted Circus | 0.199 | 0.199 | 0.000 | 0.199 | 0.199 | 0.000 |
| Metro Extension | 0.094 | 0.100 | 0.006 | 4.568 | 4.574 | 0.006 |
| Iron Lane | 4.990 | 4.990 | (0.000) | 5.977 | 5.977 | (0.000) |
| Minworth Unlocking | 0.000 | 0.000 | (0.000) | 0.000 | 0.000 | (0.000) |
| Battery Way Extension | 0.322 | 0.303 | (0.019) | 0.322 | 0.303 | (0.019) |
| Longbridge Connectivity | 0.303 | 0.322 | 0.019 | 0.303 | 0.322 | 0.019 |
| A457 Dudley Road | 5.839 | 5.839 | (0.000) | 27.932 | 27.932 | (0.000) |
| Journey Reliability | 0.705 | 0.705 | (0.000) | 0.705 | 0.705 | (0.000) |
| Tame Valley Phase 2 & 3 | 4.544 | 4.544 | (0.000) | 87.093 | 87.093 | (0.000) |
| Selly Oak New Road Phase 1B | 3.278 | 3.278 | 0.000 | 3.278 | 3.278 | 0.000 |
| Wharfdale Bridge | 2.683 | 2.683 | 0.000 | 2.683 | 2.683 | 0.000 |
| Snow Hill Station | 5.884 | 5.884 | (0.000) | 6.810 | 6.810 | (0.000) |
| Other (Major Schemes) | 3.385 | 3.385 | 0.000 | 4.135 | 4.135 | 0.000 |
| Total Major Schemes | 32.225 | 32.232 | 0.007 | 144.004 | 144.011 | 0.007 |
| Inclusive & Sustainable Growth | 13.596 | 13.692 | 0.096 | 30.964 | 31.560 | 0.596 |
| Walking & Cycling | 4.483 | 4.223 | (0.260) | 7.574 | 7.314 | (0.260) |
| Local Measure | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Infrastructure Dev | 1.150 | 1.203 | 0.053 | 1.785 | 2.216 | 0.431 |
| Transportation & Highways Funding Strategy | 0.000 | 0.000 | 0.000 | 15.138 | 14.280 | (0.858) |
| Air Quality & Climate | 52.154 | 52.154 | 0.000 | 53.464 | 53.464 | (0.000) |
| Emergency Active Travel Fund | 0.000 | 1.467 | 1.467 | 0.000 | 1.467 | 1.467 |
| Section 278/S106 | 0.007 | 0.016 | 0.009 | 0.007 | 0.016 | 0.009 |
| Total Transport Connectivity | 103.614 | 104.987 | 1.373 | 252.936 | 254.328 | 1.392 |
| Highways Infrastructure | | | | | | |
| Safer Routes to Schools | 0.339 | 0.339 | (0.000) | 1.839 | 1.839 | (0.000) |
| Network Integrity and Efficiency | 1.523 | 1.657 | 0.134 | 3.935 | 4.157 | 0.222 |
| S106 & S278 Schemes | 0.019 | 0.126 | 0.107 | 0.019 | 0.126 | 0.107 |
| Road Safety | 0.991 | 0.991 | 0.000 | 3.616 | 3.616 | 0.000 |
| District Schemes | 0.591 | 0.712 | 0.121 | 0.591 | 0.712 | 0.121 |
| Total Highways Infrastructure | 3.463 | 3.825 | 0.362 | 10.000 | 10.450 | 0.450 |
| Property Services | | | | | | |
| Attwood Green Parks | 0.059 | 0.059 | 0.000 | 0.059 | 0.059 | 0.000 |
| AttwoodGreen-Holloway Head Playing Field | 0.015 | 0.015 | 0.000 | 0.015 | 0.015 | 0.000 |
| Attwood Green-Woodview Community Centre | 0.090 | 0.090 | 0.000 | 0.090 | 0.090 | 0.000 |
| Council House Major Works | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Bham Crisis Centre-Nursery Extension | 0.001 | 0.001 | 0.000 | 0.001 | 0.001 | 0.000 |
| Lee Bank Business Centre | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Highbury Hall Essential Works | 0.701 | 0.701 | 0.000 | 2.419 | 2.419 | 0.000 |
| Property Strategy | 62.958 | 62.958 | 0.000 | 64.458 | 64.458 | 0.000 |
| Total Property Services | 63.823 | 63.823 | 0.000 | 67.041 | 67.041 | 0.000 |
| Total Inclusive Growth Directorate | 215.360 | 217.095 | 1.735 | 1,204.799 | 1,206.640 | 1.841 |
| DIGITAL & CUSTOMER SERVICES DIRECTORATE | | | | | | |
| ICT & Digital | 10.280 | 10.280 | 0.000 | 16.761 | 16.761 | 0.000 |
| Total Digital & Customer Services Directorate | 10.280 | 10.280 | 0.000 | 16.761 | 16.761 | 0.000 |
| FINANCE & GOVERNANCE DIRECTORATE | | | | | | |
| Development & Commercial | | | | | | |
| Gateway/Grand Central Residual Costs | 5.233 | 5.233 | 0.000 | 18.347 | 18.347 | 0.000 |
| Capital Loans & Equity | 0.491 | 1.991 | 1.500 | 2.483 | 3.983 | 1.500 |
| Total Development & Commercial | 5.724 | 7.224 | 1.500 | 20.830 | 22.330 | 1.500 |
| Corporately Held Funds | | | | | | |
| Revenue Reform Projects | 5.234 | 5.234 | 0.000 | 5.234 | 5.234 | 0.000 |
| Corporate Capital Contingency | 27.413 | 27.413 | 0.000 | 91.288 | 91.288 | 0.000 |
| Total Corporately Held Funds | 32.647 | 32.647 | 0.000 | 96.522 | 96.522 | 0.000 |
| SAP Investments | 0.492 | 0.492 | 0.000 | 3.733 | 3.733 | 0.000 |

| Ref. | Budget Movements | | | | | |
|--|---------------------------|---------------------------|--------------|---------------------------|---------------------------|--------------|
| | Current Year | | | All Years | | |
| | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m | Quarter 1 Budget £m | Quarter 2 Budget £m | Change £m |
| Total Finance & Governance Directorate | 38.863 | 40.363 | 1.500 | 121.084 | 122.585 | 1.500 |
| 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 | 279.987 | 279.987 | 0.000 | 410.701 | 410.701 | 0.000 |
| CWG Alexander Stadium | 37.134 | 37.134 | 0.000 | 65.832 | 65.832 | 0.000 |
| CWG Organising Cttee | 28.445 | 28.445 | 0.000 | 66.488 | 66.488 | 0.000 |
| Total Commonwealth Games 2022 | 345.566 | 345.566 | 0.000 | 543.021 | 543.021 | 0.000 |
| Total Capital Programme | 849.540 | 857.152 | 7.613 | 3,309.721 | 3,318.050 | 8.329 |

ADULT SOCIAL CARE DIRECTORATE

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|-------------------|----------|---|--|
| | NIL | | | |

EDUCATION AND SKILLS DIRECTORATE

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|---------------------------------------|--|---|--|
| ES1 | School Condition Allocations | 20/21 (£4.790m) reflects swap of School Condition Allocation budget to Basic Need (as per Skills Cabinet Report). All Years is (£4.790m) and (£4.414m) swap of SCA to Basic Needs as per Skills FBC, plus £4.414m additional funding from DfE. | (4.790) | (4.790) |
| ES2 | Basic Need - Additional School Places | 20/21 £8.475m reflects re-phasing from 21/22 of £1.108m Waverley Secondary and £2.577m Kings Heath Boys as per Cabinet Reports, plus swap of £4.790m from School Condition Allocation (SCA) to Basic Need re: Skills. All Years is £4.790m and £4.414m swap from SCA . | 8.475 | 9.204 |

NEIGHBOURHOODS DIRECTORATE

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|-------------------|---|---|--|
| N1 | Redevelopment | BMHT 2020/21 forecast £26.001m - The construction industry is gradually going back to work, including development work across BMHT schemes, with social distancing measures in place. Developers are therefore picking up tools on construction work which had previously stalled but with a reduced workforce. We anticipate a low momentum gradually picking up pace. This situation will need to be closely monitored as this has affected both public and private sector confidence on projects, and it is important that we keep up to date on Government advice as events develop and demand for housing continues to rise. The issue of Brexit is still an unknown, and we are taking advice and listening to the market. The focus on Covid and economic recovery casts greater uncertainty on the impact of Brexit particularly if there is a no deal exit, particularly with regard to the supply and import of materials and labour. The Clearance Programme is currently projecting a forecast spend of £4.661m in 2020/21. There is potential slippage within the Acquisitions programme due to delays in negotiations with owner occupiers, because of Covid 19 and the demolition of Heather House is now likely to take place in 2021/22, as it is currently being used for Temporary Accommodation. The financial impacts of these and other schemes are currently under review. | 0.000 | 0.000 |

INCLUSIVE GROWTH DIRECTORATE

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|------------------------------|--|---|--|
| IG1 | Emergency Active Travel Fund | The £1.467m increase in budget relates to the Emergency Active Travel Fund, which DfT initiative to support active travel to help the country emerge from the coronavirus crisis, the funding will enable the City Council to carry out emergency interventions to make cycling and walking safer. The City Council will receive receive grant funding in two tranches, the capital element of first tranche grant recieved is £0.842m, the remaining £0.125m is funding from existing resources within the capital programme. The report was approved by Cabinet on 23/06/2020. | 1.467 | 1.467 |

Capital Monitoring Quarter 2 2020/21 - Budget Movements**Annex 7d****Commentary****DIGITAL & CUSTOMER SERVICES DIRECTORATE**

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|-------------------|----------|---|--|
| | NIL | | | |

FINANCE & GOVERNANCE DIRECTORATE

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|------------------------|--|---|--|
| FG1 | Capital Loans & Equity | Purchase of Acivico Shares as approved in April 2020 | 1.500 | 1.500 |

COMMONWEALTH GAMES 2022

| Ref. | Project/Programme | Comments | 2020/21 Increase (Decrease) £m | All Years Increase /(Decrease) £m |
|------|-------------------|----------|---|--|
| | NIL | | | |

| Forecast Variations | | | | | | | | | | | |
|---|---------------------------|--------------------------|----------------|-----------------|------------------------------|-----------------|---------------------------|------------------|-----------------|------------------------------|----------------|
| Ref. | Current Year | | | | | | All Years | | | | |
| | Quarter 2 Budget £m | Current Actuals £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m | Quarter 2 Budget £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m |
| ADULT SOCIAL CARE DIRECTORATE | | | | | | | | | | | |
| Adult Care & Health | | | | | | | | | | | |
| Property Schemes | 0.364 | (0.013) | 0.364 | 0.000 | 0.000 | 0.000 | 0.364 | 0.364 | 0.000 | 0.000 | 0.000 |
| Adults IT | 0.981 | 0.247 | 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 | 1.825 | 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 | 2.059 | 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 | 0.404 | 3.861 | 0.000 | 0.000 | 0.000 | 5.475 | 5.475 | 0.000 | 0.000 | 0.000 |
| School Condition Allocations | 13.021 | 3.088 | 13.021 | 0.000 | 0.000 | 0.000 | 26.021 | 26.021 | 0.000 | 0.000 | 0.000 |
| Basic Need - Additional School Places | 53.713 | 26.768 | 53.713 | 0.000 | 0.000 | 0.000 | 75.556 | 75.556 | 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 | 0.024 | 0.136 | 0.000 | 0.000 | 0.000 | 0.136 | 0.136 | 0.000 | 0.000 | 0.000 |
| IT Investment | 0.576 | 0.011 | 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 | 71.320 | 30.295 | 71.320 | 0.000 | 0.000 | 0.000 | 108.977 | 108.977 | 0.000 | 0.000 | 0.000 |
| Skills & Employability | | | | | | | | | | | |
| Adult Ed & Youth | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.713 | 0.713 | 0.000 | 0.000 | 0.000 |
| Birmingham Libraries | 0.194 | 0.080 | 0.194 | 0.000 | 0.000 | 0.000 | 4.231 | 4.231 | 0.000 | 0.000 | 0.000 |
| Total Skills & Employability | 0.194 | 0.080 | 0.194 | 0.000 | 0.000 | 0.000 | 4.944 | 4.944 | 0.000 | 0.000 | 0.000 |
| Total Education and Skills Directorate | 71.514 | 30.375 | 71.514 | 0.000 | 0.000 | 0.000 | 113.922 | 113.922 | 0.000 | 0.000 | 0.000 |
| NEIGHBOURHOODS DIRECTORATE | | | | | | | | | | | |
| Street Scene | | | | | | | | | | | |
| N1 ● Waste Management Services | 26.474 | (0.080) | 17.315 | (9.159) | 0.000 | (9.159) | 80.204 | 80.204 | 0.000 | 0.000 | 0.000 |
| N2 ● Parks & Nature Conservation | 11.869 | 0.772 | 4.934 | (6.935) | 0.000 | (6.935) | 14.954 | 14.954 | 0.000 | 0.000 | 0.000 |
| Total Street Scene | 38.343 | 0.692 | 22.249 | (16.094) | 0.000 | (16.094) | 95.158 | 95.158 | 0.000 | 0.000 | 0.000 |
| Housing Services | | | | | | | | | | | |
| Housing Options Service | 0.064 | 0.007 | 0.064 | 0.000 | 0.000 | 0.000 | 2.384 | 2.384 | 0.000 | 0.000 | 0.000 |
| Private Sector Housing | 0.979 | 0.191 | 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 | 28.486 | 73.562 | 0.000 | 0.000 | 0.000 | 620.352 | 620.352 | 0.000 | 0.000 | 0.000 |
| N3 ● Redevelopment | 30.662 | 6.800 | 28.252 | (2.410) | 0.000 | (2.410) | 473.320 | 473.320 | 0.000 | 0.000 | 0.000 |
| N4 ● Other Programmes | 10.695 | 0.782 | 7.682 | (3.013) | (0.472) | (2.541) | 92.079 | 84.447 | (7.632) | 0.000 | (7.632) |
| Total Housing Revenue Account | 114.919 | 36.068 | 109.496 | (5.423) | (0.472) | (4.951) | 1,185.751 | 1,178.119 | (7.632) | 0.000 | (7.632) |
| Total Housing Services | 115.962 | 36.266 | 110.539 | (5.423) | (0.472) | (4.951) | 1,189.924 | 1,182.292 | (7.632) | 0.000 | (7.632) |
| Neighbourhoods | | | | | | | | | | | |
| Community, Sport & Events | 1.106 | 0.186 | 1.106 | 0.000 | 0.000 | 0.000 | 3.606 | 3.606 | 0.000 | 0.000 | 0.000 |
| Neighbourhoods | 0.030 | 0.004 | 0.030 | 0.000 | 0.000 | 0.000 | 0.030 | 0.030 | 0.000 | 0.000 | 0.000 |
| Cultural Development | 0.611 | 0.003 | 0.611 | 0.000 | 0.000 | 0.000 | 3.861 | 3.861 | 0.000 | 0.000 | 0.000 |
| Total Neighbourhoods | 1.747 | 0.193 | 1.747 | 0.000 | 0.000 | 0.000 | 7.497 | 7.497 | 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 | 0.118 | 0.300 | 0.000 | 0.000 | 0.000 | 1.059 | 1.059 | 0.000 | 0.000 | 0.000 |
| Mortuary/Coroners | 2.734 | 1.475 | 2.734 | 0.000 | 0.000 | 0.000 | 2.734 | 2.734 | 0.000 | 0.000 | 0.000 |
| Total Regulation & Enforcement | 3.282 | 1.594 | 3.282 | 0.000 | 0.000 | 0.000 | 4.041 | 4.041 | 0.000 | 0.000 | 0.000 |
| Total Neighbourhoods Directorate | 159.334 | 38.744 | 137.817 | (21.518) | (0.472) | (21.046) | 1,296.620 | 1,288.988 | (7.632) | 0.000 | (7.632) |

| Forecast Variations | | | | | | | | | | | |
|---|---------------------------|--------------------------|----------------|-----------------|------------------------------|----------------|---------------------------|----------------|-----------------|------------------------------|--------------|
| Ref. | Current Year | | | | | | All Years | | | | |
| | Quarter 2 Budget £m | Current Actuals £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m | Quarter 2 Budget £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m |
| INCLUSIVE GROWTH DIRECTORATE | | | | | | | | | | | |
| Planning & Development | | | | | | | | | | | |
| Major Projects | | | | | | | | | | | |
| Enterprise Zone - Paradise Circus | 28.123 | 6.735 | 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 | 0.001 | 0.000 | 139.450 | 139.499 | 0.049 | 0.000 | 0.049 |
| 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 | 0.308 | 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 | 0.005 | 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 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 Cemetery | 0.472 | 0.384 | 0.472 | 0.000 | 0.000 | 0.000 | 0.472 | 0.472 | 0.000 | 0.000 | 0.000 |
| Unlocking Housing Sites | 3.459 | 0.550 | 3.459 | 0.000 | 0.000 | 0.000 | 3.459 | 3.459 | 0.000 | 0.000 | 0.000 |
| Life Sciences | 0.973 | 0.002 | 0.108 | (0.865) | (0.865) | 0.000 | 0.973 | 0.973 | 0.000 | 0.000 | 0.000 |
| Other | 0.000 | 0.238 | 1.383 | 1.383 | 0.000 | 1.383 | 0.000 | 2.708 | 2.708 | 0.000 | 2.708 |
| Total Major Projects | 38.163 | 8.222 | 38.681 | 0.518 | (0.865) | 1.383 | 859.652 | 862.409 | 2.757 | 0.000 | 2.757 |
| ERDF | 2.973 | 0.664 | 2.973 | 0.000 | 0.000 | 0.000 | 4.930 | 4.930 | 0.000 | 0.000 | 0.000 |
| Public Realm | 1.091 | 0.225 | 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 | 9.111 | 43.760 | 0.518 | (0.865) | 1.383 | 866.922 | 869.679 | 2.757 | 0.000 | 2.757 |
| 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 | 0.015 | 0.150 | (0.049) | 0.000 | (0.049) | 0.199 | 0.150 | (0.049) | 0.000 | (0.049) |
| Metro Extension | 0.100 | 0.066 | 0.100 | 0.000 | 0.000 | 0.000 | 4.574 | 4.574 | 0.000 | 0.000 | 0.000 |
| Iron Lane | 4.990 | 1.028 | 4.990 | 0.000 | 0.000 | 0.000 | 5.977 | 6.377 | 0.400 | 0.000 | 0.400 |
| 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 | 0.303 | 0.066 | 0.322 | 0.019 | 0.000 | 0.019 | 0.303 | 0.322 | 0.019 | 0.000 | 0.019 |
| Longbridge Connectivity | 0.322 | 0.052 | 0.303 | (0.019) | 0.000 | (0.019) | 0.322 | 0.303 | (0.019) | 0.000 | (0.019) |
| A457 Dudley Road | 5.839 | 0.700 | 3.500 | (2.339) | 0.000 | (2.339) | 27.932 | 27.932 | 0.000 | 0.000 | 0.000 |
| Journey Reliability | 0.705 | 0.016 | 0.835 | 0.130 | 0.000 | 0.130 | 0.705 | 0.835 | 0.130 | 0.000 | 0.130 |
| Tame Valley Phase 2 & 3 | 4.544 | 0.163 | 1.525 | (3.019) | (2.768) | (0.251) | 87.093 | 87.093 | 0.000 | 0.000 | 0.000 |
| Selly Oak New Road Phase 1B | 3.278 | 1.037 | 3.278 | 0.000 | 0.000 | 0.000 | 3.278 | 3.478 | 0.200 | 0.000 | 0.200 |
| Wharfdale Bridge | 2.683 | 0.000 | 0.100 | (2.583) | (2.583) | 0.000 | 2.683 | 2.683 | 0.000 | 0.000 | 0.000 |
| Snow Hill Station | 5.884 | 0.575 | 2.500 | (3.384) | (2.384) | (1.000) | 6.810 | 6.810 | 0.000 | 0.000 | 0.000 |
| Other (Major Schemes) | 3.385 | 0.288 | 2.235 | (1.150) | 0.000 | (1.150) | 4.135 | 4.141 | 0.006 | 0.000 | 0.006 |
| Total Major Schemes | 32.232 | 4.006 | 19.838 | (12.394) | (7.735) | (4.659) | 144.011 | 144.698 | 0.687 | 0.000 | 0.687 |
| Inclusive & Sustainable Growth | | | | | | | | | | | |
| Walking & Cycling | 4.223 | 1.162 | 3.084 | (3.061) | 0.000 | (1.139) | 7.314 | 7.314 | 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 | 1.203 | 0.297 | 1.203 | 0.000 | 0.000 | 0.000 | 2.216 | 2.216 | 0.000 | 0.000 | 0.000 |
| Transportation & highways Funding Strat | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 14.280 | 14.280 | 0.000 | 0.000 | 0.000 |

| | | Forecast Variations | | | | | | | | | | |
|---|------|---------------------------|--------------------------|----------------|-----------------|------------------------------|--------------|---------------------------|----------------|-----------------|------------------------------|--------------|
| | | Current Year | | | | | All Years | | | | | |
| Ref. | | Quarter 2 Budget £m | Current Actuals £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m | Quarter 2 Budget £m | Forecast £m | Variation £m | Quarter 1 Variation £m | Change £m |
| Air Quality & Climate | IG6 | 52.154 | 1.433 | 24.917 | (27.237) | (30.343) | 3.106 | 53.464 | 53.464 | 0.000 | 0.000 | 0.000 |
| Emergency Active Travel Fund | | 1.467 | 0.036 | 1.467 | 0.000 | 0.000 | 0.000 | 1.467 | 1.467 | 0.000 | 0.000 | 0.000 |
| Section 278/S106 | | 0.016 | 0.087 | 0.024 | 0.008 | 0.000 | 0.008 | 0.016 | 0.024 | 0.008 | 0.000 | 0.008 |
| Total Transport Connectivity | | 104.987 | 7.837 | 54.924 | (50.063) | (45.137) | (4.926) | 254.328 | 255.033 | 0.705 | 0.000 | 0.705 |
| | | | | | | | | | | | | |
| Highways Infrastructure | | | | | | | | | | | | |
| Safer Routes to Schools | | 0.339 | 0.012 | 0.339 | 0.000 | 0.000 | 0.000 | 1.839 | 1.839 | 0.000 | (0.225) | 0.225 |
| Network Integrity and Efficiency | | 1.657 | 0.346 | 1.657 | 0.000 | 0.000 | 0.000 | 4.157 | 4.157 | 0.000 | 0.088 | (0.088) |
| S106 & S278 Schemes | | 0.126 | 0.002 | 0.126 | 0.000 | 0.000 | 0.000 | 0.126 | 0.126 | 0.000 | (0.000) | 0.000 |
| Road Safety | | 0.991 | 0.188 | 0.991 | (0.000) | 0.000 | (0.000) | 3.616 | 3.616 | 0.000 | 0.225 | (0.225) |
| District Schemes | | 0.712 | 0.006 | 0.712 | 0.000 | 0.000 | 0.000 | 0.712 | 0.712 | 0.000 | 0.000 | 0.000 |
| Total Highways Infrastructure | | 3.825 | 0.554 | 3.825 | (0.000) | 0.000 | (0.000) | 10.450 | 10.450 | 0.001 | 0.087 | (0.086) |
| | | | | | | | | | | | | |
| 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 | 0.303 | 0.701 | 0.000 | 0.000 | 0.000 | 2.419 | 2.419 | 0.000 | 0.000 | 0.000 |
| Property Strategy | IG7 | 62.958 | 0.000 | 10.500 | (52.458) | (52.458) | 0.000 | 64.458 | 64.458 | 0.000 | 0.000 | 0.000 |
| Total Property Services | | 63.823 | 0.304 | 11.365 | (52.458) | (52.458) | 0.000 | 67.041 | 67.041 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | | | | | |
| Total Inclusive Growth Directorate | | 217.095 | 17.806 | 115.091 | (102.004) | (98.461) | (3.543) | 1,206.640 | 1,210.103 | 3.463 | 0.087 | 3.376 |
| | | | | | | | | | | | | |
| DIGITAL & CUSTOMER SERVICES DIRECTORATE | | | | | | | | | | | | |
| ICT & Digital | | 10.280 | 3.440 | 9.915 | (0.365) | 0.000 | (0.365) | 16.761 | 16.761 | 0.000 | 0.000 | 0.000 |
| Total Digital & Customer Services Directorate | | 10.280 | 3.440 | 9.915 | (0.365) | 0.000 | (0.365) | 16.761 | 16.761 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | | | | | |
| FINANCE & GOVERNANCE DIRECTORATE | | | | | | | | | | | | |
| Development & Commercial | | | | | | | | | | | | |
| Gateway/Grand Central Residual Costs | FG1 | 5.233 | (0.025) | 0.165 | (5.068) | 0.000 | (5.068) | 18.347 | 18.347 | 0.000 | 0.000 | 0.000 |
| Capital Loans & Equity | | 1.991 | 1.500 | 1.991 | 0.000 | 0.000 | 0.000 | 3.983 | 3.983 | 0.000 | 0.000 | 0.000 |
| Total Development & Commercial | | 7.224 | 1.475 | 2.156 | (5.068) | 0.000 | (5.068) | 22.330 | 22.330 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | | | | | |
| Corporately Held Funds | | | | | | | | | | | | |
| Revenue Reform Projects | | 5.234 | 3.911 | 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 | 3.911 | 32.647 | 0.000 | 0.000 | 0.000 | 96.522 | 96.522 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | | | | | |
| SAP Investments | | 0.492 | 0.001 | 0.492 | 0.000 | 0.000 | 0.000 | 3.733 | 3.733 | 0.000 | 0.000 | 0.000 |
| Total Finance & Governance Directorate | | 40.363 | 5.387 | 35.295 | (5.068) | 0.000 | (5.068) | 122.585 | 122.585 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | | | | | |
| 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 | CWG1 | 279.987 | 51.073 | 273.326 | (6.661) | 0.000 | (6.661) | 410.701 | 387.130 | (23.571) | 0.000 | (23.571) |
| CWG Alexander Stadium | CWG2 | 37.134 | 5.134 | 37.634 | 0.500 | 0.000 | 0.500 | 65.832 | 67.832 | 2.000 | 0.000 | 2.000 |
| CWG Organising Cttee | | 28.445 | 0.698 | 29.656 | 1.211 | 0.000 | 1.211 | 66.488 | 64.488 | (2.000) | 0.000 | (2.000) |
| Total Commonwealth Games 2022 | | 345.566 | 56.905 | 340.616 | (4.950) | 0.000 | (4.950) | 543.021 | 519.450 | (23.571) | 0.000 | (23.571) |
| | | | | | | | | | | | | |
| Total Capital Programme | | 857.152 | 154.716 | 723.249 | (133.904) | (98.933) | (34.971) | 3,318.050 | 3,290.309 | (27.740) | 0.087 | (27.827) |

ADULT SOCIAL CARE DIRECTORATE

| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
|-------------------|---------------------|-------------------|----------------|
| | NIL change reported | | |

EDUCATION AND SKILLS DIRECTORATE

| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
|-------------------|---------------------|-------------------|----------------|
| | NIL change reported | | |

NEIGHBOURHOODS DIRECTORATE

| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
|----------------------------------|---|-------------------|----------------|
| N1 - Waste Management Services | Tyseley ERF Plant works Slippage of £(1.254)m due to site closure over Covid lockdown contractors have now re-scheduled the delayed works into next year. Perry Barr Depot Works Slippage of £(2.000)m due to the impact of COVID 19 on the programme, delays in the submission of planning (surveys were unable to be completed), this has now led to a further delay in the confirmation of the start date. Waste Depot Vehicles Slippage of £(5.905)m - The impact of Covid19 has affected the delivery of the vehicles with now only half being delivered before April. The remaining vehicles will be delivered by June 2021 | (9.159) | 0.000 |
| N2 - Parks & Nature Conservation | Grounds Maintenance Vehicles Slippage of £(6.935)m Covid 19 has led to a 6 month delay on vehicle delivery therefore only £2.5m of vehicles can be delivered before April 2020. | (6.935) | 0.000 |
| N3 - Redevelopment | Slippage (£4.1m). A large part of the slippage (£1.8m) relates to covid related delays as well as operating at 70-80% pre-covid levels once work restarted. Of this Kings Norton Phase1 (£1m) work has restarted however Monmouth Road's anticipated start is now in Quarter 4. There are procurement delays to Birchfield Phase 2 and Abbey Fields Phase 4 leading to slippage of (£2m). There is also a £1m of accelerated spend where works have completed earlier than anticipated, e.g. Pool Farm Site and The poplars and where work is starting earlier than originally anticipated e.g. Houldey Road. | (2.410) | 0.000 |
| N4 - Other Programmes | A reduction in Contingency Budget due to lower than estimated Right to Buy Resources following the effects of Covid. | (2.541) | (7.632) |

INCLUSIVE GROWTH DIRECTORATE

| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
|------------------------|---|-------------------|----------------|
| IG1 - A457 Dudley Road | The Cabinet Member for Transport and Environment has withdrawn support for the scheme unless it is modified to include more cycling, walking and bus measures. High level discussions being held between the Assistant Director of Transport and Connectivity and the LEP about securing funding in a different way, to mitigate the potential risk of the DfT withdrawing the funding for the scheme due to modifications proposed. The current forecast for this year is now £3.5m based on land acquisitions, fees and junction scheme proposed in this year. £2.339 has slipped into 21-22. | (2.339) | 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. | (3.019) | 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. | (3.384) | 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. | (9.301) | 0.010 |
| IG6 - Air Quality & Climate | The slippage of £27.235m is mainly due to the CAZ operational date being 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. Clean Air Hydrogen Bus - The contracts for the manufacture and operation of 20 Hydrogen Buses has now been signed between the Council National Express (Bus Operator) and Bamford Bus (T/A Wright Bus) (Bus Manufacture) with the deposit of being paid by the end of September, along with the claim to GBSLEP for the grant. The spend has now been accelerated from future years to 2020-21. Electric Vehicle Charging Points – The Council entered into a contract with ESB in August to deliver a total of 197 Chargers – 100 Rapid Chargers and 97 Fast Chargers over a two year period to August 2022. This has resulted in accelerating spend from 2021-22 into the current financial year. | (27.237) | 0.000 |
| Other (Major Schemes) | The variance relates to slippage for the Snow Hill Public scheme. The Colmore Row / Livery Street project was supposed to start on site in April 2020 but due to COVID-19 did not commence until June 2020. Due to social distancing regulations and enhanced pedestrian management, construction work is not progressing as fast as originally forecasted. The Cornwall Street project was originally due to start on site in summer 2020, this was delayed by. It was then decided that any construction should be delayed until January 2020 to avoid potential disruption to Christmas trade in the city centre post Covid-19. This has resulted in most of the work being carried out in 2021-22. | (1.150) | 0.000 |
| Inclusive & Sustainable Growth | The forecast variation change from quarter 1 mainly relates to slipping expenditure into 2021-22 for the HS2 Safety Fund due to further analysis/study work which is required to identify which schemes will be developed to the end of this financial year. Delivery will be carried out in future years which will incur the bulk of the expenditure. | (9.301) | 0.687 |

| | | | |
|--|--|--------------------------|-----------------------|
| IG7 - Property Strategy | Avison Young were formally appointed in Q1 to act as Investment Advisor. Having produced a review of the commercial portfolio and recommendations in terms of re-shaping the portfolio, a pipeline of disposals is being formalised to generate capital receipts to support the investment fund and limit exposure to PWLB borrowing. Opportunities to acquire and invest will be considered in the context of COVID-19 and the impact this may have on the right opportunities coming to market. The profiling at Q1 to slip £52.5m into future years remains the position at Q2. If the right opportunities to acquire and invest come forward in Q2 to Q4 2020/21, Property Investment Board is set up to consider those and determine whether to proceed and agree the appropriate source of funding. No purchase or acquisition opportunities are currently being considered. | (52.458) | 0.000 |
| DIGITAL & CUSTOMER SERVICES DIRECTORATE | | | |
| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
| | | | |

| | | | |
|---|---|--------------------------|-----------------------|
| FINANCE & GOVERNANCE DIRECTORATE | | | |
| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
| FG1 Gateway/Grand Central Residual Costs | £0.165m forecast for 20/21 with (£5.068m) slipped into 2021/22. There is a mediation process in progress, and that any settlement is not anticipated until 2021/22 at the earliest. | (5.068) | 0.000 |

| | | | |
|--------------------------------|--|--------------------------|-----------------------|
| COMMONWEALTH GAMES 2022 | | | |
| Project/Programme | Comments | Current Year (£m) | All Years (£m) |
| CWG 1 CWG Village | The 20/21 budget was increased by £120.9m as part of a rephasing of expenditure between years to reflect the revised Full Business Case approved by Cabinet in March 2020 and slippage from 19/20. Covid has subsequently impacted on the works and the scheme will no longer form part of the CWG but will continue to be delivered for Perry Barr as a legacy regeneration and housing programme. A detailed review is under way to consider the costs and delivery timelines including potential mitigation plans. Early impacts have been identified including scope reductions offset by costs of enhanced welfare provisions in response to the Covid pandemic, resulting in a net forecast reduction in expenditure of £23.6m over all years (£6.7m in 2020/21). The scope and forecast spend is likely to change further as a result of this ongoing review and will be reported as and when quantified, with an update on the current approved FBC currently scheduled for consideration by Cabinet in December 2020. | (6.661) | (23.571) |
| CWG 2 Alexander Stadium | | | |
| | | | |

Prudential Borrowing - Additions or Reductions Quarter 2 (July to September) 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 | Later Years £'000 | Total £'000 |
|--|---|------------------|------------------|----------------------|-----------------|
| Borrowing Needing Budget Support | | | | | |
| Neighbourhoods: | | | | | |
| Waste Management Services | A | (9,159) | 7,159 | 2,000 | 0 |
| TOTAL BORROWING NEEDING BUDGET SUPPORT | | (9,159) | 7,159 | 2,000 | 0 |
| SELF SUPPORTED | | | | | |
| Education & Skills: | | | | | |
| Capital Maintenance Grant | A | (4,000) | (4,414) | 0 | (8,415) |
| Basic Need | N | 4,000 | 4,414 | 0 | 8,415 |
| Neighbourhoods: | | | | | |
| Parks & Nature | A | (6,935) | 6,935 | 0 | 0 |
| HRA | A | 180 | 3,533 | 5,966 | 9,679 |
| Inclusive Growth: | | | | | |
| Enterprise Zone Investment Plan Phases 1 & 2 | A | 448 | 431 | 943 | 1,822 |
| Transportation | A | (839) | (1,013) | 2,052 | 200 |
| Digital & Customer Services: | | | | | |
| ICT Infrastructure | A | (1,069) | 1,069 | 0 | 0 |
| Finance & Governance | | | | | |
| Major Projects | A | (5,068) | 5,068 | 0 | 0 |
| Commonwealth Games | | | | | |
| Village | A | (6,661) | (16,400) | (510) | (23,571) |
| Organising Committee | A | (300) | 300 | 0 | 0 |
| TOTAL SELF SUPPORTED BORROWING | | (20,244) | (77) | 8,451 | (11,870) |
| TOTAL ADDITIONS / (REDUCTION) IN PRUDENTIAL BORROWING | | (29,403) | 7,082 | 10,451 | (11,870) |

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 - QUARTER 2 2020/21 - 10 YEAR CAPITAL EXPENDITURE PLAN 2020/21 to 2029/30

Appendix 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 |
| ADULT SOCIAL CARE DIRECTORATE | 12.751 | 5.500 | - | - | - | - | - | - | - | - | 18.251 |
| EDUCATION & SKILLS DIRECTORATE | 71.514 | 38.094 | 4.313 | - | - | - | - | - | - | - | 113.921 |
| NEIGHBOURHOODS DIRECTORATE | | | | | | | | | | | |
| Other - General Fund | 28.320 | 27.303 | 25.958 | 27.268 | - | - | - | - | 0.329 | 1.693 | 110.871 |
| HRA | 109.496 | 141.911 | 157.507 | 136.481 | 110.248 | 95.947 | 99.639 | 101.212 | 105.821 | 119.857 | 1,178.118 |
| TOTAL CAPITAL - NEIGHBOURHOODS DIRECTORATE | 137.816 | 169.214 | 183.465 | 163.748 | 110.248 | 95.947 | 99.639 | 101.212 | 106.150 | 121.550 | 1,288.989 |
| INCLUSIVE GROWTH DIRECTORATE | | | | | | | | | | | |
| Planning and Development | | | | | | | | | | | |
| 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 | 2.465 | 4.066 | 0.262 | - | - | - | - | - | - | 2.267 | 9.060 |
| LEP Investment Fund | - | - | - | - | 5.000 | 5.000 | 5.000 | 5.000 | - | - | 20.000 |
| HS2 - Interchange Site | - | - | - | - | - | - | - | - | - | 20.000 | 20.000 |
| HS2 Station Environment | 1.210 | 0.156 | 0.159 | 0.250 | 13.749 | 26.809 | 6.848 | - | - | 9.325 | 58.506 |
| Site Enabling Works | 0.000 | 2.000 | - | - | - | - | - | - | - | 99.500 | 101.500 |
| Local Transport Improvements | - | - | - | - | - | - | - | - | - | 104.800 | 104.800 |
| 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 | 10.510 | 3.254 | 0.440 | 1.144 | - | - | - | - | - | - | 15.348 |
| Total Planning & Development | 43.760 | 29.432 | 31.542 | 29.169 | 51.735 | 47.764 | 86.467 | 69.999 | 54.964 | 424.848 | 869.680 |
| | 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 | 54.924 | 68.666 | 51.314 | 42.257 | 23.704 | 14.167 | - | - | - | - | 255.032 |
| Total Highways | 3.824 | 1.325 | 1.325 | 1.325 | 1.325 | 1.325 | - | - | - | - | 10.449 |
| Total Property Services | 11.365 | 38.218 | 17.458 | - | - | - | - | - | - | - | 67.041 |
| TOTAL CAPITAL - INCLUSIVE GROWTH DIRECTORATE | 115.091 | 141.888 | 104.074 | 72.751 | 76.764 | 63.256 | 86.467 | 69.999 | 54.964 | 424.848 | 1,210.102 |
| COMMONWEALTH GAMES 2022 | 340.616 | 146.935 | 31.899 | - | - | - | - | - | - | - | 519.450 |
| FINANCE & GOVERNANCE DIRECTORATE | 35.295 | 41.111 | 46.178 | - | - | - | - | - | - | - | 122.584 |
| DIGITAL & CUSTOMER SERVICES DIRECTORATE | 9.915 | 6.846 | - | - | - | - | - | - | - | - | 16.761 |
| PARTNERSHIPS, INSIGHT & PREVENTION DIRECTORATE | 0.250 | - | - | - | - | - | - | - | - | - | 0.250 |
| TOTAL CAPITAL PROGRAMME | 723.248 | 549.588 | 369.929 | 236.499 | 187.012 | 159.203 | 186.106 | 171.211 | 161.114 | 546.398 | 3,290.308 |

Resources

Use of Specific Resources

| | | | | | | | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|--------|---------|---------|---------|-----------|
| Grants & Contributions | 227.440 | 164.557 | 73.004 | 42.608 | 28.912 | 11.132 | 5.480 | 0.250 | 0.250 | 0.250 | 553.883 |
| Use of earmarked Capital Receipts | 60.391 | 58.622 | 68.517 | 32.014 | 23.363 | 23.103 | 20.515 | 19.450 | 19.230 | 29.486 | 354.691 |
| Revenue Contributions - Departmental | 17.141 | 11.582 | 8.947 | 6.350 | 3.977 | 8.794 | | | 0.329 | 1.693 | 58.813 |
| - HRA (incl reserves & S106) | 66.560 | 75.370 | 70.171 | 76.470 | 70.662 | 68.410 | 73.644 | 81.512 | 84.752 | 90.121 | 757.672 |
| Total Specific Resources | 371.532 | 310.131 | 220.639 | 157.442 | 126.914 | 111.439 | 99.639 | 101.212 | 104.561 | 121.550 | 1,725.059 |

Use of Corporate or General Resources

| | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Corporate Resources | 23.439 | 1.756 | 0.434 | - | - | - | - | - | - | - | 25.629 |
| Unsupported Prudential Borrowing - Corporate | 73.328 | 65.162 | 59.891 | 12.120 | - | - | - | - | - | - | 210.501 |
| Unsupported Prudential Borrowing - Directorate | 254.949 | 172.539 | 88.965 | 66.937 | 60.098 | 47.764 | 86.467 | 69.999 | 56.553 | 424.848 | 1,329.119 |
| Total Corporate Resources | 351.716 | 239.457 | 149.290 | 79.057 | 60.098 | 47.764 | 86.467 | 69.999 | 56.553 | 424.848 | 1,565.249 |
| Forecast Use of Resources | 723.248 | 549.588 | 369.929 | 236.499 | 187.012 | 159.203 | 186.106 | 171.211 | 161.114 | 546.398 | 3,290.308 |

INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 2 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 | -20.53 | 2.47 |
| Loans on property | | | |
| less portfolio prudential borrowing | 4.40 | 4.90 | 0.50 |
| less management costs | 5.64 | 11.00 | 5.36 |
| net total | -12.96 | -4.63 | 8.33 |

3 Limit on borrowing for Investment property portfolio

| | value £m | limit £m | variance £m |
|--|-------------|-------------|----------------|
| prudential borrowing from 1 April 2019 onwards | 7.91 | 50.00 | 42.09 |
| borrowing repaid from sale proceeds | -5.86 | 0.00 | 5.86 |
| | 2.05 | 50.00 | 47.95 |

4 Portfolio completions in the quarter (acquisitions and disposals)

| | £m |
|------------------------------|------|
| Sales completed in quarter 2 | |
| Sales | 0.00 |
| Purchase | 0.00 |

Commentary:

Sale of 50, Severn Street £0.36m in quarter 2 ring-fenced to Property Strategy.

5 Planned activity in the coming quarter

Proposed sales with anticipated completion:
 Coleridge Chambers & Ruskins Chambers potential deposit £0.8m in Quarter 3
 Unit 4 Small Heath Business Park £0.919m now Quarter 4
 Freehold reversions = £0.1 million possible in Quarter 3
 Lease regears = £0.174 million likely 2021/22

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.

Birmingham City Council
Report to Cabinet
10 NOVEMBER 2020



Subject: Medium Term Financial Plan (MTFP) refresh
Report of: Chief Executive and Interim Chief Finance Officer
Relevant Cabinet Member: Councillor Ian Ward – Leader of the Council
Relevant O &S Chair(s): Councillor Sir Albert Bore – Resources
Report author: Chief Finance Officer – Rebecca Hellard

| | | |
|---|---|---|
| Are specific wards affected? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s): | | |
| Is this a key decision? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, add Forward Plan Reference: | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, provide exempt information paragraph number or reason if confidential: | | |

1. Executive Summary

- 1.1. This report provides an update on the Council's medium-term financial position which was reported to Full Council in February 2020. In February 2020, the Council set a balanced budget for 2020/21 and had anticipated a balanced position across the 4 years within the planning horizon (2020-2024). However, this pre-dated the COVID-19 pandemic which has had a significant financial impact on the Council.
- 1.2. The most significant impact of COVID-19 has been felt in 2020 and despite Government financial support the Council has been regularly reporting a net projected overspend on its 2020/21 budget. This report seeks to agree budget measures to achieve a balanced budget for 2020/21 based on current forecasts and set out financial contingencies that could be utilised should there be further

pressure from COVID-19 on the budget which is not financially supported by the Government.

1.3. Looking beyond this financial year COVID-19 has forced the Council to review and revise where necessary its planning assumptions. As normal the Council rolls forward its planning horizon a further year to 2024/25. The current financial and economic conditions continue to change along with Central Government's response to it. This leads to a significant degree of uncertainty and challenges to producing forecasts with a high degree of confidence. Therefore, the position set out should be seen as provisional with a further report on the Medium Term Financial Plan due in February 2021 which will be informed by the further development of proposals under the Council's Delivery Plan and the outcome of the Local Government Financial Settlement.

1.4. To inform discussion about the budget position, the report also:

- sets out details of the latest information about the wider financial context for the Council, including the anticipated impact of the Government's Provisional Local Government settlement announcements in December 2020.
- assesses the current financial impact of Covid-19
- reviews other key financial assumptions which are shaped by local or national policies.
- summarises the position on emerging and existing service budget pressures, the delivery of existing savings
- highlights key areas of risk and uncertainty in the planning of the budget.
- describes the overall approach to business planning for 2021-22 and a summary of the budget strategy for the medium term.

1.5. The indicative provisional funding gap at this stage is as shown in the table below:

| | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|-----------------------------|---------------|---------------|---------------|----------------|----------------|
| Projected Budget Gap | 10.816 | 92.903 | 94.481 | 113.457 | 109.887 |

2. Recommendations

That the Cabinet:-

- 2.1. Approves the recommended actions set out for closing the gap for 2020/21
- 2.2. Considers the latest assumptions around resourcing, expenditure and income
- 2.3. Notes the revised medium-term financial forecast to 2024/25, and
- 2.4. Notes how the development of the Medium Term Financial Plan is linked to the Council's Delivery Plan and achievement of its priorities and vision

3. Background

National Context

- 3.1. The Covid-19 pandemic has had a considerable impact on the UK economy, and consequently on public sector finances.
- 3.2. Data from the OECD September report suggests that the UK economy is forecast to see a 10.1% reduction in GDP in 2020, with growth of 7.6% in 2021. However, the forecasts will depend on the nature and length of any restrictions and lockdowns in response to the pandemic.
- 3.3. At a national level, Government has put in place a number of schemes to support businesses and individuals in responding to the pandemic for example the Job Retention Scheme, Business Rates grants, etc. At the same time tax revenue has been declining. Both scenarios have significantly increased government borrowing. The latest OBR forecasts are that the UK's borrowing is likely to reach around £300bn this year, more than five times the £55bn predicted at the budget in March. This will increase the Government's debt servicing by around £3.5bn per year. The Institute for Fiscal Studies in its September 2020 report on the outlook for English council funding forecast that financial pressures would exceed available funding this year by around £3.1 billion and over the medium-term by up to £7.7 billion in cash terms.
- 3.4. The outcome of the Brexit negotiations may also create additional shocks to the UK economy within the current year and the next. The Council will continue to review and monitor costs associated with the impact of the Brexit outcome and will reflect in future updates of the MTFP.
- 3.5. As a result of the above, the Council faces significant uncertainty around the level of national funding. On 21 July, the Government announced a consultation on the next Comprehensive Spending Review (CSR) which will cover the three financial years to 2023/24 for revenue and four financial years for capital allocations. Whilst welcomed from a financial planning perspective, a rushed CSR may not give the best solution for local government, particularly when other key reforms around Business Rate Retention and the Fair Funding Review are delayed. However, the Chancellor on 21 October announced that the government would be conducting a one-year spending review setting government department resource and capital budgets for 2021/22. Multi-year NHS and schools resource settlements will be funded as will priority infrastructure projects. The Review is promised to be in the last weeks of November. Birmingham has made representations as part of the consultation response, namely:
 - A significant increase in the allocation of revenue funding for local government. Birmingham has supported the West Midlands region in requesting an additional £1bn of additional resources over a 3 year period for the seven local authorities. The request for increased funding has also been supported by the LGA in its submission to the CSR consultation. The LGA has called on Government to provide an extra £10.1bn of core funding

to councils by 2023/24 made up of £5.3bn to maintain services, £1.9bn for services struggling with increased demand e.g. Children's social care and homelessness and £2.9bn to help improve services and reduce inequalities.

- Additional capital funding to support post Covid transition and transformation and investment in housing and other priorities.
- Completion of Fair Funding in a way that ensures the distribution of local government funding is fair and takes account of deprivation and not just population.
- Additional support and flexibilities, including opportunity to spread Collection Fund deficits over a longer period, freedom to undertake commercial activity to achieve better outcomes for residents, the power to implement a visitor levy at a later date and support for preventative services

3.6. The recovery from this pandemic presents the Council with an opportunity to develop strategies for dealing with longstanding issues, for example rough sleeping. With the support of Government funding, rough sleepers have been temporarily accommodated for an extensive period, and there are opportunities to assess and deliver sustainable options for this group beyond 31 March 2021. There are also opportunities for the Council to review how and what services it provides in light of residents' priorities and to harness new and better ways of working as it establishes the new business as usual for Council services.

3.7. The pandemic has also provided increased opportunities to forge closer links with health and joint responses around discharge from hospital, but the longer term national plans for intermediate care post discharge is not certain. Government has recently confirmed that there will be ringfenced funding for those discharged up to 31 August with a care package and those discharged from 1 September to 31 March 2021, which removes the pressure from local authorities albeit temporarily. Nationally, the plans for the funding of adult social care are still being developed.

MTFP 2020/21 to 2023/24

3.8. The Council approved its 2020/21 Budget and MTFP in February 2020. This was based on a one-year funding allocation for 2020/21 which was confirmed by the Final Local Government Settlement in January 2020. Funding for 2021/22 onwards remains a subject of uncertainty, with the Government undertaking consultations on the Comprehensive Spending Review in September 2020. It is not yet clear the level of resources that will be made available to local government or whether they will be confirmed beyond 2021/22.

3.9. The MTFP approved by Council in February 2020-2024 was fundamentally robust. The Plan included the requirement to deliver savings of £56.1m from the General Fund budgets by 2023/24, approximately 6.6% of the total General Fund budget. Savings totalling £56.0m were proposed, leaving a minor gap of

£0.128m. This means that the budgets were effectively balanced in each of the financial years. This is summarised in the table below.

| | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|---|------------------|------------------|------------------|------------------|
| Base Budget 2019/20 | 851.590 | 851.590 | 851.590 | 851.590 |
| Pay & Price Inflation | 21.493 | 42.211 | 65.576 | 87.503 |
| Meeting Budget Issues and Policy Choices | 41.874 | 51.955 | 97.387 | 52.506 |
| Savings Plans | (22.066) | (50.295) | (54.682) | (55.965) |
| Corporate Adjustments: | | | | |
| Net change in use of / contribution to reserves to balance budget | 0.000 | 0.910 | 1.910 | 2.910 |
| Other net change in use / contribution to reserves | (22.658) | 4.055 | (29.930) | 9.476 |
| Corporately Managed Budgets | 19.204 | 4.394 | (7.068) | 7.231 |
| Changes in Corporate Government Grants | (36.504) | (40.118) | (42.293) | (45.303) |
| Total Net Expenditure | 852.933 | 864.702 | 882.490 | 909.948 |
| Business Rates | (425.844) | (454.655) | (466.218) | (478.484) |
| Top Up Grant | (55.334) | (37.844) | (33.986) | (30.013) |
| Council Tax | (371.755) | (379.932) | (390.479) | (401.323) |
| Total Resources | (852.933) | (872.431) | (890.683) | (909.820) |
| Gap | 0.000 | (7.729) | (8.193) | 0.128 |

4. Key Issues

2020/21 Financial Position

- 4.1. The current financial year has been particularly challenging for the Council, mainly as a result of having to respond to the pandemic. There have been material expenditure pressures, losses of general income and an impact on the Council's business rates and council tax income.

General Fund

- 4.2. The 2020/21 net budget is **£852.9m** which is inclusive of **£22.1m** of savings that were identified for this year.
- 4.3. As reported in the financial report for Quarter 2 there is a forecast overspend for the financial year of **£10.8m**. This overspend is, after taking account of the four tranches of emergency unringfenced funding provided by Government (**£128.5m**), and a forecast claim the Council can make under the income compensation scheme (**£19.6m**). The Government on 22 October confirmed that Birmingham had been allocated £44.2m for the fourth tranche of the unringfenced

funding. It is proposed that this £44.2m will be held in a specific Covid reserve to manage the ongoing pandemic through the higher risk winter months. As has been reported in previous financial reports the forecast overspend has come down in recent months following action by Directors to review COVID-19 emergency decisions with financial consequences and further government support provided.

- 4.4. The Government has also provided a number of ringfenced grants, totalling £33.6m to date. The grants will be committed to meeting response and recovery costs in line with the grant conditions.
- 4.5. While it is difficult to forecast with any precision the future financial implications of Government restrictions or local lockdowns through to the end of the financial year it is prudent to take decisions at this point in the financial year to balance the budget based on current forecasts and set out reasonable financial measures that could be called upon if further COVID-19 financial impacts are experienced by the Council beyond those currently forecast.
- 4.6. A review has taken place of the financial options available to balance the budget in 2020/21. The following are the financial options recommended for approval:

Table 1: Balancing the 2020/21 Budget Proposals

| | Proposal | £m |
|----|--|-------------|
| 1. | Eligible additional food and school meal costs to be recovered from uncommitted balance on the Hardship Fund. (The use of the Hardship Fund has been forecast through to the end of 2020/21 and sufficient uncommitted funding remains on the £17m grant) | 6.4 |
| 2. | Release the sum earmarked in the Policy Contingency Budget for Modernisation Fund – Other. Note that there are no modernisation funding bids against this sum. | 3.9 |
| 3. | Release the sum earmarked in the Policy Contingency Budget based on an estimate of additional employee costs relating to the National Living Wage. Note this is not related to the Birmingham Living Wage and actual costs will be already reflected in the financial forecast for the year. | 0.4 |
| 4. | Release £0.1m of the £0.3m earmarked in the Policy Contingency Budget for Superannuation – Auto-enrolment Pension Fund costs. – Other funding. Note there are no costs forecast for 2020/21 | 0.1 |
| | Total | 10.8 |

- 4.7. The following sums will remain uncommitted in the budget to provide a measure of financial resilience should there be further financial pressures stemming from COVID-19.

Table 2: Further Financial Resilience Measures Available

| Measure | £m |
|---|-------------|
| Of the £18m in the Policy Contingency Budget relating to the Modernisation Fund – Social Care. there remains an uncommitted sum of £10.7m This is ringfenced for social care spending However it can be used to fund unfunded social care pressures incurred in the year. | 10.7 |
| The Corporate Budget contains three contributions relating to increasing maintenance reserves. These reserve contributions could be suspended for the year. | 5.1 |
| There is £5.2m of ringfenced Public Health Grant that has been carried forward from previous years that could be utilised to fund eligible expenditure | 5.2 |
| Total | 21.0 |

- 4.8. In addition to the proposals set out and with the exception of key frontline services, workforce controls have been introduced, to stop vacant roles being filled this year, and alongside this reduce agency spend by 10%. The expectation is that this can provide further budget resilience.

Council Tax

- 4.9. 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.
- 4.10. There is a deficit forecast for the year of which the Council's share is £19.1m. 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 £16.4m. This in year deficit is primarily due to a forecast deficit of £13.9m in Council Tax Support of which £8.7m is funded from Hardship Fund. In addition, there is forecast of higher non collection rate as a result of COVID 19. This position may change and will be kept under close review in light of the announced end to the furlough scheme. The total net deficit for the year including brought forward deficit from 2019/20 is, therefore, forecast to be £10.4m. (forecast deficit of £19.1m less £8.7m funded from Hardship Fund)

Business Rates

- 4.11. 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 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.

- 4.12. There is a deficit anticipated, in year, of which the Council's share is £211.5m. This is mainly due to reliefs of £182.7m of which primarily relates to Small Business Reliefs 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 £14.0m lower than the budget relating to a lower growth in businesses. To be prudent the original growth which was assumed 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 £10.0m is forecast as a result of COVID 19.
- 4.13. The total additional grants compare to budget anticipated to offset this deficit is £176.8m, which will be received in the General Fund in 2020/21. This will be required to be set aside as a contribution to reserves in the current year to be used to offset the £211.5m forecast deficit in the Collection Fund.
- 4.14. Government has announced that any residual deficits on a council's Collection Fund (the fund through which business rates and council tax is accounted for) for 2020/21 can be paid over three years rather than all in one year. Normally the deficit (or surplus) has to be taken fully into account when setting the following years budget. The Government measure will allow the Council to spread the forecast deficit of £42.3m over the years 2021/22, 2022/23 and 2023/24 at £14.1m per annum instead of a one-off cost in 2021/22.
- 4.15. Government also committed to sharing the burden of lost council tax and business rates income as part of the Communities Secretary, Robert Jenrick's comprehensive package for council finances announced in July 2020, with details to follow in the Spending Review. It is not yet clear what this commitment amounts to as no details have yet been released.

Medium Term Financial Plan 2021/22 to 2030/31

- 4.16. The Council is rolling forward its financial plan to cover the period 2021-2031. As part of this process the financial assumptions for 2020-2031 are revisited. The COVID-19 pandemic has made it difficult to forecast the financial impact on some areas of the assumptions. Modelling has been done in those cases and the position outlined in this report is a provisional central case scenario. However, there is still a significant degree of uncertainty around many of the assumptions and the position presented should be seen as a provisional early indication. The assumptions will be updated February 2021 following the Local Government Finance Settlement due normally in December and the availability of worked up Delivery Plan proposals.
- 4.17. Detailed below are the main provisional assumptions that have currently been made:

Key Funding Assumptions

Settlement from Central Government

- 4.18. The 2020/21 Local Government Finance Settlement was for one year only. Whilst the outcome of the Comprehensive Spending Review is not known, it would be

imprudent for Local Government to assume a significant improvement to recent funding settlements. Therefore, it has been assumed that the resources from Government will increase in line with inflation from the 2020/21, including an assumption that grants which were previously announced on a one – off basis for example the Social Care Support Grant (£36.7m) and the Homelessness Grant (£1.4m) would continue or be replaced by a grant of a similar value. It has also been assumed the New Homes Bonus Grant will continue to be provided to local authorities to incentivise house building.

- 4.19. If indicative funding anticipated to be announced in December 2020 is worse than these planning assumptions this could pose a material risk to the Council's financial resilience.

Local Resources

- 4.20. The figures currently assumed in the MTFP are based on the latest likely position after analysis of five months of data. There are significant uncertainties around each income stream and therefore forecasts will be reviewed and refined up to January 2021.

Business Rates

- 4.21. In respect of Business Rates, the Council has entered into an agreement with Government to Pilot 100% business rates retention locally. This means that all business rates generated in Birmingham support local investment, providing a greater financial incentive to grow businesses. Historical trends have indicated that the pilot has been successful in returning growth above the baseline. However, Government has confirmed its intention to allow Councils to only retain 75% of Business Rates, which may potentially impact on the pilot, meaning that around 25% of currently retained Business rates are at risk of being subject to national redistribution. These plans have been delayed due to Covid. The MTFP assumption for now is that the pilot continues indefinitely.
- 4.22. There are also plans to reset Business Rates growth which will redistribute real terms growth in Business Rates amongst local authorities based on need. The MTFP assumes that this reset will now take place in 2022/23 and estimates that the Council could lose £12.3m from such a reset. The previous assumption was this reset took place in 2021/22.
- 4.23. The current Central Case assumption is that available income from business rates will be around £422.6m, a reduction of around £32.1m since the budget was approved in February 2020. Combined with the deficits for prior years, the overall reduction in Business Rates for 2021/22 is £45.1m since February 2020. The forecast of Business Rates income is based on several variables which will be kept under constant review during the next few months.

Table 3: Business Rates

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|---|------------------|------------------|------------------|------------------|
| Business Rates as per Financial Plan 2020-2024 | (454.655) | (466.218) | (478.484) | (491.053) |
| Business Rates Forecast as at Quarter 2 | (422.558) | (434.060) | (447.127) | (458.899) |
| Business Rates collection fund deficit 2020/21 & Reallocation | 11.547 | 11.547 | 11.546 | 0.000 |
| Business Rates collection fund deficit 2019/20 | 1.435 | 0.000 | 0.000 | 0.000 |
| Latest Business Rates Forecast | (409.576) | (422.513) | (435.581) | (458.899) |
| Reduction to Business Rates Income Forecast | 45.079 | 43.705 | 42.903 | 32.154 |

Council Tax

- 4.24. The MTFP includes an increase in Council Tax of 1.99% across all years, which is the current maximum increase allowed without a referendum. It has been assumed that there will be no Social Care Precept. It should be noted that this is a planning assumption. The actual increase in Council Tax will be subject to Council approval in February 2021.
- 4.25. The budget approved in February 2020 included an assumption that there would be a £4m annual budget reduction arising from the Council's review of the amount of Council Tax Support awarded. In light of the impact COVID-19 has had this budget reduction has been written out of the plans, and it is assumed that no changes will be made to the Council Tax Support system.
- 4.26. Council Tax income is estimated to be £369.4m in 2021/22, a reduction of £10.6m lower than the estimate at the time the budget was approved in February 2020. This is largely as a result of changes to the taxbase from an increase in Council Tax Benefit caseload due to the impact of COVID and the £4m adjustment as a result of the changes to the Council Tax Support Scheme not progressing. Combined with the deficits brought forward from prior years of £5.3m, the overall reduction in the forecast Council Tax income is £15.9m.

Table 4: Council Tax

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|--|------------------|------------------|------------------|------------------|
| Council Tax as per Financial Plan 2020-2024 | (379.932) | (390.479) | (401.323) | (412.472) |
| Council Tax Forecast as at Quarter 2 | (369.354) | (379.089) | (391.005) | (403.284) |
| Council Tax collection fund deficit 2020/21 & Reallocation | 2.567 | 2.569 | 2.569 | 0.000 |
| Council Tax collection fund deficit 2019/20 | 2.707 | 0.000 | 0.000 | 0.000 |
| Latest Council Tax Forecast | (364.080) | (376.520) | (388.436) | (403.284) |
| Additional Reduction to Council Tax Income Forecast | 15.852 | 13.959 | 12.887 | 9.188 |

Expenditure Assumptions**Pay pressures**

- 4.27. There are no agreed pay awards beyond 2020/21. The national pay award for 2020/21 was 2.75%. In the absence of any long term agreed pay awards, annual uplifts of 2.5% are assumed for all staff, in line with previous planning assumptions. In recent months, the Chancellor has been signalling that some pay restraint for the public sector may be on the agenda in the future, so this area will be kept under review. It is anticipated that there will be no material changes in the levels of National Insurance rates or thresholds. An actuarial review of the Local Government Pension Scheme (LGPS) took place during 2019/20, and employer contributions totalling £369.2m for the period 2020/21 to 2022/23 were paid in advance to WMPF in accordance with the Cabinet decision of 21 January 2020, securing an early payment discount of £25.8m from the normal monthly payments.
- 4.28. It is assumed that any costs associated with staff progression will be met within existing service budgets.
- 4.29. Forecast pay pressures also allow the Council's Apprenticeship Levy to increase in line with general pay uplifts. Apprenticeship Levy costs are estimated to be in the region of £1.1m.

Price Inflation

- 4.30. The Council's approach is that 2% uplift would be applied to general expenditure and income. Wherever there are specific contractual arrangements, inflation has been provided for in line with contract specifications. Reflecting the impact COVID-19 is having on the care market the assumptions now allow for higher levels of inflation for the care packages within social care.

- 4.31. Whilst there is a planning assumption that income will rise in line with inflation, the actual fees and charges will be subject to a market review and separate approval by Cabinet.

Table 5: Inflation Rates

| Category of expenditure/income | % rate applicable in 21/22 |
|--|----------------------------|
| Employees | 2.50% |
| Premises | 2.00% |
| Transport | 2.00% |
| Supplies & Services | 2.00% |
| Grants to Voluntary Organisations | 2.50% |
| Third Party Payments | 2.00% |
| Transfer Payments | 2.00% |
| Capital Financing/Recharges/Appropriations | 0.00% |
| Grants & Contributions | 2.29% |
| Fees & Charges | 2.00% |
| Rents | 2.00% |
| Other Income | 2.29% |

Table 6: Inflation Assumptions

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|--|---------------|---------------|---------------|----------------|
| Inflation in Financial Plan 2020-24 | 20.718 | 44.083 | 66.010 | 88.617 |
| Increase in provision | 5.202 | 12.868 | 21.036 | 29.852 |
| Revised Inflation Provision | 25.920 | 56.951 | 87.046 | 118.469 |

Demographic Pressures

- 4.32. Birmingham is growing rapidly. The ONS 2016 Population Projections estimate a population of 1.16 million in 2020, increasing by 7.7% to 1.25 million by 2032, leading to a continued increase in demand for services. The key areas of forecast additional demographic growth, and the associated financial impact over the period 2021/22 – 2024/25 are summarised in the following table. Work will be ongoing to review and justify demographic pressures with the final position presented in the February 20021 budget.

Table 7: Changes in Demography Pressures

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|----------------------------------|---------------|---------------|---------------|---------------|
| Children's Social Care | 0.200 | 0.400 | 0.600 | 1.000 |
| New Demographic Pressures | 0.200 | 0.400 | 0.600 | 1.000 |

Existing Savings Programme

- 4.33. As set out earlier in the report the Financial Plan 2020-2024 approved by the Council in February 2020 included savings of £22.066m in 2020/21 rising to £55.965m by 2023/24

Table 8: Savings Plans 2020-2024

| | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m |
|---------------|---------------|---------------|---------------|---------------|
| Savings Plans | (22.066) | (50.295) | (54.682) | (55.965) |

- 4.34. The Quarter 2 financial report sets the position on savings delivery for 2020/21. Directorates have undertaken an initial assessment of the deliverability of savings planned for future years and the impact COVID-19 has had on these plans. The table below sets out the results of the initial assessment of savings non-delivery from Directorates.

Table 9: Savings Non-Delivery

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Prior Year savings non-delivery | 2.430 | 4.155 | 3.549 | 3.655 |
| 2021/22+ savings non-delivery | 15.370 | 13.974 | 14.604 | 12.337 |
| Total Savings non-delivery | 17.800 | 18.129 | 18.153 | 15.992 |

- 4.35. These assessments will be subject to rigorous challenge and scrutiny as part of the budget process. Given the financial pressures faced by the Council there will be a strong emphasis on directorates producing proposals for alternative savings where existing savings are non-deliverable. The updated position and alternative proposals will be presented in the February budget report.

Service Pressures

- 4.36. Despite the financial challenges, the Council intends to invest in its services in order to ensure that sufficient resources are available to improve the outcomes for residents.
- 4.37. This will include rebasing of budgets for historic shortfalls, costs of responding to new legislative requirements or adjustments to changing operations.
- 4.38. The figures included the table below makes various assumptions, including that:
- the Early Help project with the Birmingham Children's Partnership will be a one-year pilot in 2020/21 only. Therefore, the MTFP assumes that no additional resources will be provided to support this project.

Table 10: New Pressures

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|---------------|---------------|---------------|---------------|---------------|
| New Pressures | 37.097 | 23.905 | 27.197 | 26.878 |

Corporate Costs

- 4.39. The Council has a number of costs which are not Directorate specific and are managed corporately. These include, but are not limited to, costs of Treasury Management, redundancy, superannuation, Airport dividends and Equal Pay. The table below summarises the changes in corporate costs up to 2024/25 from the approved 2020/21 base budget.

Table 11: Changes in Corporately Managed Budgets

| | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|---|---------------|---------------|---------------|---------------|
| Movement in Corporately Managed Budgets | (2.831) | (0.850) | (0.255) | (2.398) |

Provisional Financial Position 2021/22 – 2024/25

- 4.40. Bringing together the current financial assumptions into an overall summary position results in a provisional financial gap for 2021/22 £93m, representing 10% of the 2020/21 base budget. It should be noted that this in advance of the Local Government Finance Settlement expected in December, worked up proposals from the Delivery Plan and scrutiny and challenge of directorates indicated savings non-delivery and service pressures.
- 4.41. The Budget gap is set out below.

Table 12: Provisional Updated Financial Position

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m |
| Gap as per Financial Plan 2020-2024 | (7.729) | (8.193) | 0.128 | 2.547 |
| Business Rates | 45.079 | 43.705 | 42.903 | 32.154 |
| Council Tax | 15.852 | 13.959 | 12.887 | 9.188 |
| Top Up Grant | 0.775 | 0.790 | 0.806 | 0.821 |
| Business Rates reset/spending review delays | (18.542) | (10.232) | (9.998) | (6.147) |
| Net Resourcing Reductions | 43.164 | 48.222 | 46.598 | 36.016 |
| Additional Inflation | 5.202 | 12.868 | 21.036 | 29.852 |
| Non delivery of prior year savings | 2.430 | 4.155 | 3.549 | 3.655 |
| Step up savings non-delivery | 15.370 | 13.974 | 14.604 | 12.337 |
| New pressures (incl. demography) | 37.297 | 24.305 | 27.797 | 27.878 |
| Corporately Managed Budgets | (2.831) | (0.850) | (0.255) | (2.398) |
| Total Pressures and risks | 57.468 | 54.452 | 66.731 | 71.324 |
| Budget Gap per MTFP | 92.903 | 94.481 | 113.457 | 109.887 |

Reserves

- 4.42. To ensure that the MTFP considers the full financial picture, it is important to set out the expected position on Reserves and the General Fund Balance.
- 4.43. The Council has a number of reserves that have been set aside for specific reasons. These reserves can be split into three categories:
- Those required to be kept by statute or accounting guidance. For example, revenue grants reserve, school balances etc. These reserves can only be utilised for the purpose for which they have been set aside.
 - Those set aside for a future event that has a high probability of occurring. For example, the Highways PFI Reserve;
 - Those useable reserves held for non-specific events that cannot yet be foreseen.
- 4.44. In light of the increasing level of risk and uncertainty identified within the MTFS and the need to finance the COVID pressures, a full review of useable reserves and provisions was undertaken in recent months. That review identified £50m of ringfenced reserves that are not needed in the short term and therefore available to support the budget. Any use being repaid in future years.
- 4.45. The table below shows the forecast position over the MTFS period in relation to reserves which are not held for specific purposes is as follows:

Table 13: Unringfenced Reserves – Current Forecast

| | 31/03/2021 | 31/03/2022 | 31/03/2023 | 31/03/2024 | 31/03/2025 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £m | £m | £m | £m | £m |
| General Fund Balance | 32.3 | 32.3 | 32.3 | 32.3 | 32.3 |
| Invest to Save Reserve | 10.6 | 13.8 | 20.2 | 26.2 | 27.6 |
| Financial Resilience Reserve | 80.2 | 69.5 | 65.3 | 67.3 | 69.8 |
| General Reserves | 123.1 | 115.7 | 117.8 | 125.8 | 129.8 |

- 4.46. The non-earmarked balances are forecast to be £123m at the end of 2020/21 providing the current year financial overspend is addressed. The required level of balance is determined by assessing the level of risk the Council faces.
- 4.47. As the Council is increased demand for key services and uncertainties around its funding position for the medium term, the level of risk is heightened. The assessed minimum balance will be reviewed for the MTFS update in February 2021, taking into consideration both quantification of risk and affordability. However, in light of the growing uncertainty about public finances, it is recommended that for prudence, the general reserves are increased to 4.5% of its net budget. As a consequence it is recommended that the Council's General Fund Reserve is increased to £38.4m representing 4.5% of the Council's net General Fund Budget and that this increase is funded from a transfer from the Financial Resilience Reserve.
- 4.48. If the transfer is agreed the unringfenced reserves will be as set out below.:

Table 14: Unringfenced Reserves – Revised

| | 31/03/2021 | 31/03/2022 | 31/03/2023 | 31/03/2024 | 31/03/2025 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £m | £m | £m | £m | £m |
| General Fund Balance | 38.4 | 38.4 | 38.4 | 38.4 | 38.4 |
| Invest to Save Reserve | 10.6 | 13.8 | 20.2 | 26.2 | 27.6 |
| Financial Resilience Reserve | 74.2 | 63.5 | 59.3 | 61.3 | 63.8 |
| General Reserves | 123.1 | 115.7 | 117.8 | 125.8 | 129.8 |

Budget Strategy

- 4.49. The Council's Delivery plan presents a joined up and comprehensive plan for establishing how we can make change happen; and, ensuring we deliver proposals which over the medium-term delivers an ongoing balanced base budget
- 4.50. The Delivery Plan outlines the council's improvement journey to date and clearly sets out how we will centre equality and aspiration in our long-term vision and in what we do as a council to create a more inclusive, more resilient, and more

sustainable city. The plan describes two types of activity which will be delivered in parallel through to May 2022, ensuring we deliver our short and medium-term commitments alongside shaping our approach for realising our longer-term goals. The plan sets out specific commitments we will achieve over the next 18 months and how we will do this, aligned to our finances and accompanied by our revised Performance Management Framework. It also outlines longer term work and plans that will be undertaken over the next 18 months and beyond which will seek to tackle inequality and address long-standing challenges facing the city.

- 4.51. 2020/21 will be a transitional year while longer-term proposals in the Delivery Plan are worked up. The provisional financial position set out in this report can be managed through a combination of releasing assets to bring forward revenue benefits, establishment controls that don't impact service delivery and the limited use of reserves. Alongside these proposals as soon as COVID allows the Council will look to deliver already agreed savings and where these do not prove deliverable, recovery proposals will be brought forward.
- 4.52. As set out in paragraph 4.8 workforce controls have been introduced across services, with the exception of key frontline services. It is proposed to replicate this in 2021/22 to deliver further savings. This means, maintaining establishment controls, undertake necessary restructures to permanently reduce the establishment without impacting services. There will be no compulsory redundancies as natural turnover is 7.5% and there is a high use of agency staff.
- 4.53. Proposals will be brought forward to make better use of Council assets to enable Council led growth and bring forward revenue benefits. There are opportunities where the Council can potentially develop sites to create new homes or employment spaces which can generate rents or a disposal surplus on completion. Additional capital receipts can enable the Council to utilise the current flexibility to capitalise transformation activity.
- 4.54. While some of the 2021/22 budget measures are one-off in nature the strategy is to have a three-year approach to balancing the budget which over the medium-term delivers an ongoing balanced base budget and the paying back of any reserves used.

Timetable

- 4.55. A budget timetable is set out below. Final reports will be brought back to Cabinet and full Council in February 2021.

| | | |
|----------|---|-------------------------------|
| November | MTFP Refresh Report Delivery Plan Quarter 2 Finance Report | Cabinet Cabinet Cabinet |
| December | Provisional Local Government Finance Settlement (estimate) | |
| January | Council taxbase, Business Rates baseline and Collection Fund estimate Final Local Government Finance Settlement (estimate) | Cabinet |
| February | Council Budget 21/22 and Medium Term Financial Strategy Council Budget 21/22 and Medium Term Financial Strategy | Cabinet Council |

5. Options considered and Recommended Proposal

- 5.1. This report forms part of a framework for developing proposals for balancing the General Fund budget for 2021/22 and creating a sustainable financial strategy for the medium term. At this stage, no proposals have been agreed, and therefore a range of options remain open, including changing assumptions within the MTFP, changing allocation of funding and savings between services or consideration of alternative budget proposals, having due regard to the time constraints needed to fully develop proposals and undertake the necessary consultations and assessments.
- 5.2. Final decisions on the budget will need to be taken in February 2021. These decisions will be informed by the Local Government settlement figures.

6. Consultation

Internal

- 6.1. Cabinet Members, Directors, the City Solicitor, and Assistant Directors of Finance have been consulted in the preparation of this report.

External

- 6.2. In previous years, budget proposals will have been formulated in the Autumn and the Council has engaged in a large-scale public consultation. The impact of the COVID-19 pandemic and the new Delivery Plan approach has forced a change to this approach and a broader consultation will take place on the Delivery Plan and resourcing priorities.

7. Risk Management

- 7.1. The Council continues to plan its budget in a period of uncertainty. There remains considerable uncertainty about reforms to local government finance and any funding changes that will be faced in 2021/22 and beyond as a result of the Comprehensive Spending Review.
- 7.2. The impact and financial costs of the Covid-19 outbreak will be highly dependent on the length of time that the pandemic continues, the impact of any local

lockdowns, the severity of any second wave and the actions taken by Government nationally in response. There will be a need to operate with some flexibility in the Council's response to the emerging situation, and therefore pressures in relation to Covid may change.

- 7.3. It is also possible that the other non-Covid cost pressures may materialise during the 2021/22 budget planning process, which could increase the gap to be closed. Similarly, other information may arise that may require planning assumptions to be varied. Government funding decisions may also impact on the level of the budget gap that will need to be addressed
- 7.4. Assumptions made in the MTFP have been examined for risks and estimates of expenditure and income have been made on a prudent/most likely occurrence. This has been informed by previous experience, evidence in the current financial year, market factors and service intelligence known at the time of drafting this report.
- 7.5. The overall budget gap position will be kept under constant review throughout the budget planning process to inform changes to the MTFP position. Final updates will be taken to Cabinet in February 2021.

8. Compliance Issues:

How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 8.1. The budget is integrated with the Council's Delivery Plan, and resource allocation is directed towards policy priorities.

Legal Implications

- 8.2. Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. This report forms part of the process that will enable the Council to set a balanced budget for 2021/22 in line with statutory requirements, including those relating to setting council tax.

Financial Implications

- 8.3. This report sets out the proposed approach for addressing the budgetary gap that has emerged due to the COVID-19 pandemic for the current financial year, 2020/21. A provisional update has been made to the forecasts in the Medium Term Financial Plan which will continue to be reviewed through to the finalisation of the budget in February 2021. The Council is legally required to set a balanced budget annually and should plan to achieve this using a prudent set of assumptions. It should be recognised that this planning is being done against a backdrop of uncertainty around the funding that will be available to the local government sector, the ongoing impact of Covid-19 and the resultant increase in demand for the Council's services. The Delivery Plan proposals will require time to be worked up and the financial impacts understood. As a result, the final budget proposals will be presented in February 2021.

Procurement Implications (if required)

- 8.4. N/A

Human Resources Implications (if required)

- 8.5. There are no direct staffing implications arising from this report. Any Human Resources impact will be evaluated once final proposals for balancing the budget are brought back to Cabinet in February 2021.

Public Sector Equality Duty

- 8.6. There are no additional Equality Duty or Equality Analysis issues as a result of this report. Equality issues will be given full consideration as budget proposals are developed.

9. Background Documents

- 9.1. City Council Financial Plan 2020-2024 approved at Council 25th February 2020
- 9.2. Delivery Plan
- 9.3. Quarter 2 Financial Monitoring Report

Birmingham City Council

Report to Cabinet

Date: 10th November 2020



Subject: **PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2020 – FEBRUARY 2021)**

Report of: **ASSISTANT DIRECTOR DEVELOPMENT & COMMERCIAL FINANCE**

Relevant Cabinet Member: **Councillor Tristan Chatfield, Finance and Resources**

Relevant O &S Chair(s): **Councillor Sir Albert Bore, Resources**

Report author: Richard Tibbatts, Head of Contract Management
Telephone No: 0121 303 6610
Email Address: richard.tibbatts@birmingham.gov.uk

| | | |
|---|---|---|
| Are specific wards affected? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s): | | |
| Is this a key decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, add Forward Plan Reference: | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, provide exempt information paragraph number or reason if confidential : | | |
| 3. Information relating to the financial or business affairs of any particular person (including the council) | | |

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period December 2020 – February 2021. Planned procurement activities reported previously are not repeated in this report.

- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

2 Recommendations

- 2.1 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period December 2020 – February 2021 as detailed in Appendix 1.

3 Background

- 3.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to inform Cabinet and the Resources Overview & Scrutiny Committee of planned procurement activities over the following quarter and to act as a sounding for Members for the planned activities where decisions are delegated to Chief Officers/Directors.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the EU threshold (£181,302) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.4 It should be noted that the EU threshold has changed from £164,176 to £189,330 and will apply from 1st January 2020 for a period of 2 years.
- 3.5 Requests for individual procurements decision reports will be determined by Cabinet. Requests for an individual decision can be made by Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where they believe that there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.6 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.7 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

4 Options considered and Recommended Proposal

4.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The options considered are:

- To refer the procurement strategy and contract award of individual procurements to Cabinet for decision.
- To continue with the existing process – this is the recommended option

5 Consultation

5.1 Internal

This report to Cabinet is copied to Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

5.2 External

None.

6 Risk Management

6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

7.2 Legal Implications

7.2.1 Details of all relevant implications will be included in individual reports.

7.3 Financial Implications

7.3.1 Details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

7.4 Procurement Implications (if required)

7.4.1 This is a procurement report and the implications are detailed in the appendices

7.5 Human Resources Implications (if required)

7.5.1 None.

7.6 Public Sector Equality Duty

7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

8 Background Documents

8.1 List of Appendices accompanying this Report (if any):

- 1. Appendix 1 - Planned Procurement Activity December 2020 – February 2021
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2020 – FEBRUARY 2021)

| Type of Report | Title of Procurement | Ref | Brief Description | Contract Duration | Directorate | Portfolio Finance and Resources Plus | Finance Officer | Contact Name | Planned CO Decision Date |
|------------------|--|-------------|---|--|-------------------------------|--------------------------------------|-----------------|---------------------------------|--------------------------|
| Strategy / Award | Provision of Cleaning Services for Temporary and Shelter Accommodation | P0254 | The service is for cleaning services (including out of hours cleaning for housing management) for sheltered housing blocks, low rise blocks, and homeless disbursed temporary accommodation sites around the city. The requirement will be tendered by lot by geographical area: • South and East Quadrants and • North and West Quadrants | 1 year, 6 months | Neighbourhoods | Homes and Neighbourhoods | Carl Tomlinson | Andrea Webster | 08/01/2021 |
| Strategy / Award | Office Supplies | F0162R_2020 | The supply and delivery of office and stationery products including: • Stationery • Reprographic paper • Ink cartridges | 4 years | Finance and Governance | Finance and Resources | Lee Bickerton | Raja Chowdhury / Andrea Webster | 04/01/2021 |
| Strategy / Award | Provision of IT Hardware and Software Solution | TBC | Provision of IT hardware equipment (laptops, Monitors)and software licencing to enable the council to have an e-catalogue of standard approved equipment items. | 5 years with a break clause in Years 3 and 4 | Digital and Customer Services | Deputy Leader | Lee Bickerton | Rhona Bowditch | 04/01/2021 |
| Strategy / Award | Relocation Works for the Wholesale Market | TBC | For the supply and installation of storage cases for the retail market traders and for building works within the complex to enable these parts of the Birmingham Smithfield Development site to be cleared. The works are: •Supply and installation of 30 storage cages •Building Works □Ground levelling to Rag Market car park □Installation of frozen storage units □Refrigerated storage units □Two outdoor goods lift □Fork lift truck parking space and charging point | 2 months | Inclusive Growth | Leader | Guy Olivant | Marlene Slater / Charlie Short | 04/01/2021 |

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 10TH NOVEMBER 2020**

| | |
|---|---|
| Title of Contract | Provision of Cleaning Services for Temporary and Shelter Accommodation (P0254) |
| Director / Assistant Director | Robert James - Director, Neighbourhoods |
| Briefly describe the service required | <p>The service is for cleaning services (including out of hours cleaning for housing management) for sheltered housing blocks, low rise blocks, and homeless disbursed temporary accommodation sites around the city.</p> <p>The requirement will be tendered in lots by geographical area:</p> <ul style="list-style-type: none">• South and East Quadrants and• North and West Quadrants |
| How will this service assist with the Council's commitments to Route to Zero? | The tender specification and evaluation process will incentivise the use of low emission vehicles and cleaning materials that are certified as environmentally-friendly. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | There is not a statutory duty for this service. However, the service supports the Council duty to provide accommodation to persons within the city and for Housing Revenue Account (HRA) dwellings under the powers in Part II Housing Act 1985 |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The existing framework agreement expires on 19 th April 2021. The value of the previous call-off approval under the Council's governance has become exhausted and therefore a further approval is required for the latest contract. |
| What budget is the funding from for this service? | <p>The budget for the cleaning of low rise and sheltered accommodation is contained within the Housing Revenue Allocation (HRA). This cleaning service is recoverable from the service charge payable by tenants and leaseholders living in the accommodation.</p> <p>The budget for the cleaning of temporary accommodation forms part of the overall homelessness budget provision and represents a direct cost to the Council.</p> |
| What is the proposed procurement route? | To call off the Council's existing Cleaning Services (Housing) Framework Agreement. |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable. |
| Proposed start date and duration of the new contract | The proposed call off contracts will commence 20 April 2021 for a duration of 18 months. |

| Title of Contract | Office Supplies (F0162R_2020) |
|---|---|
| Director / Assistant Director | Alison Jarratt – Assistant Director, Development and Commercial |
| Briefly describe the service required | The supply and delivery of general office stationery, office paper and equipment. The direct award is in line with the framework agreement's call off direct award criteria with the most economically advantageous solution being recommended for award. An assessment of framework prices of all suppliers using the Council's current basket of items purchased and contract prices was undertaken and Banner Group Ltd was the most competitive. The value of the contract is below the contract for the BBC4SR. |
| How will this service assist with the Council's commitments to Route to Zero? | Under the call off contract, the supplier is required to reduce environmental impact within the lifecycle of the arrangement Contract. The supplier shall be required to provide information on new or improved environmentally preferable products and demonstrate their measured progress against the Council's commitments to Route to Zero. This will be monitored through contract management activities. |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it? | There is not statutory duty for these products. However, there is need for the Council to purchase office supplies to support its day to day operations and services. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The existing contract with Banner Group Limited expired on 31 st March 2020. This is due to the lack of available procurement resource to undertake the tendering activity and the prioritisation on key Council projects. Banner Group Limited has continued to provide the service in line with the terms and conditions of this contract. |
| What budget is the funding from for this service? | The cost of the products purchased will be met from individual Directorate's approved budgets. |
| What is the proposed procurement route? | To award a call off contract by direct award using the Crown Commercial Service Office Supplies framework agreement. |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable. |
| Proposed start date and duration of the new contract | The proposed start date is 1 st February 2021 for a period of 4 years. |

| Title of Contract | Provision of IT Hardware and Software Solution |
|---|---|
| Director / Assistant Director | Peter Bishop – Director, Digital and Customer Services |
| Briefly describe the service required | Provision of IT hardware equipment (laptops, monitors) and software licencing to enable the council to have an e-catalogue of standard approved equipment items. The requirements of the Birmingham Business Charter for Social Responsibility will be incorporated with commitments proportionate to the value of the contract. |
| How will this service assist with the Council's commitments to Route to Zero? | The equipment supplied will meet the latest environmental standards and seek to minimise the carbon footprint in transportation. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | There is not a statutory duty for this service. However, the service supports the Council Standard support of all IT end user equipment and devised via a preferred supplier and product set. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The existing arrangements are through the Capita Retained Services contract, following transition of the outsourcing contract back into BCC in August 2019. Service commenced 1 st April 2006 as part of the JV with Service Birmingham. It is due to expire 31 st March 2021. |
| What budget is the funding from for this service? | This is funded from internal directorate charging, following a monthly ICT invoice from the vendor. |
| What is the proposed procurement route? | The service will be procured through the Crown Commercial Service: Technology Products and Associated Service (RM6068) via a Further Competition. |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable. |
| Proposed start date and duration of the new contract | Proposed start date is 1 st April 2021 for a duration of 5 years with a break clause in 4 th and 5 th year. (3+1+1). |

| | |
|--|--|
| Title of Contract | Relocation Works for the Wholesale Market |
| Director / Assistant Director | Ian MacLeod – Director, Inclusive Growth |
| Briefly describe the service required | <p>Cabinet approved the Wholesale Market and Adjacent Area Asset Management – Procurement Strategy report dated 8th September. Part of the works required was for the supply and installation of storage cages for the retail market traders and for building works within the complex to enable these parts of the Birmingham Smithfield Development site to be cleared. The works are:</p> <ul style="list-style-type: none"> • Supply and installation of 30 storage cages • Building Works <ul style="list-style-type: none"> ➢ Ground levelling to Rag Market car park ➢ Installation of frozen storage units ➢ Refrigerated storage units ➢ Two outdoor goods lift ➢ Fork lift truck parking space and charging point <p>There are 6 less storage cages and no polystyrene waste recycling facility required by the Markets Team from the original approval.</p> <p>The technical advisory services are being delivered by Acivico Ltd and at the commencement of the project, the recommended procurement route was for individual tender exercises to be undertaken. However, on review and to ensure the fixed deadline is achieved, a revised procurement route is required. This approach will enable the works to be delivered concurrently with one contractor managing the sub-contractors.</p> |
| How will this service assist with the Council's commitments to Route to Zero? | The equipment to be installed will be to the latest environment standards. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | There is not a statutory duty for these works to be delivered. However, these works are necessary to facilitate the clearance of the site for the use as a venue for the Commonwealth Games 2022 and for the development of the Smithfield site. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | This is a new requirement. |
| What budget is the funding from for this service? | This cost forms a part of the anticipated costs of the Smithfield regeneration project but are being accelerated in order to accommodate the requirement to utilise the site for the Commonwealth Games 2022. The expenditure will be funded from prudential borrowing, the interest on which will be repaid by Commonwealth Games Organising Committee, with the principal repayment being funded as a part of the overall funding package for the Smithfield redevelopment project. |
| What is the proposed procurement route? | It is proposed to carry out a further competition using the Acivico Ltd's Constructing West Midlands 2 Repair and Maintenance framework agreement. |
| If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | N/A |
| Proposed start date and duration of the new contract | The proposed start date is February 2021 for a period of 2 months. |



Resources O&S Committee: Work Programme 2020/21

| | |
|---------------------------|---|
| Chair | Councillor Sir Albert Bore |
| Deputy Chair | Councillor Lisa Trickett |
| Committee Members: | Councillors Muhammad Afzal, David Barrie, Meirion Jenkins, Yvonne Mosquito, Brett O'Reilly and Paul Tilsley |
| Committee Support: | Scrutiny Team: Emma Williamson (464 6870) and Jayne Bowles (303 4810) Committee Manager: Marie Reynolds (464 4104) |

1 Meeting Schedule

| Date | Item | Officer contact |
|--|---|---|
| 18 June 2020 1430 hours Deadline for reports: 9 June | Financial Outturn 2019/20 | Rebecca Hellard, Interim Chief Finance Officer |
| | Birmingham Children's Trust Outturn 2019/20 | Andy Couldrick, Chief Executive/Andrew Christie, Chair, Birmingham Children's Trust |
| | Budget Implications of Covid-19 Activity | Rebecca Hellard, Interim Chief Finance Officer |
| 23 July 2020 1200 hours Deadline for reports: 14 July | Quarter 1 Financial Outturn 2020/21 | Rebecca Hellard, Interim Chief Finance Officer |
| | Neighbourhoods Directorate (deferred) | Rob James, Acting Director, Neighbourhoods/Darren Share, AD, Street Scene |
| 10 September 2020 1300 hours Deadline for reports: 1 September | Neighbourhoods Directorate | Rob James, Acting Director, Neighbourhoods/Julie Griffin, Acting AD, Housing/Darren Share, AD, Street Scene |
| | CWG Athletes Village | Rebecca Hellard, Interim Chief Finance Officer/Craig Cooper, Programme Director, CWG/Guy Olivant, Major Developments Lead |
| | Financial Monitoring 2020/21 – Month 4 | Rebecca Hellard, Interim Chief Finance Officer |



| | | |
|--|--|--|
| 15 October 2020 1400 hours Deadline for reports: 6 October | Financial Monitoring 2020/21 – Month 5 | Rebecca Hellard, Interim Chief Finance Officer |
| | In-Reach – Financial Issues | Colette McCann, Head of Housing Development/Aniekan Umoren, Interim AD Housing Development |
| 12 November 2020 1000 hours Deadline for reports: 3 November | Financial Monitoring 2020/21 – Quarter 2/Month 6 | Rebecca Hellard, Interim Chief Finance Officer |
| | Medium Term Financial Plan Refresh | |
| 10 December 2020 1400 hours Deadline for reports: 1 December | Financial Monitoring 2020/21 – Month 7 | Rebecca Hellard, Interim Chief Finance Officer |
| 14 January 2021 1400 hours Deadline for reports: 5 January | Financial Monitoring 2020/21 – Month 8 | Rebecca Hellard, Interim Chief Finance Officer |
| 11 February 2021 1400 hours Deadline for reports: 2 February | Financial Monitoring 2020/21 – Quarter 3/Month 9 | Rebecca Hellard, Interim Chief Finance Officer |
| 11 March 2021 1400 hours Deadline for reports: 2 March | Financial Monitoring 2020/21 – Month 10 | Rebecca Hellard, Interim Chief Finance Officer |
| 8 April 2021 1400 hours Deadline for reports: 30 March | | |

2 Items to be programmed

- 2.1 Planned Procurement Activities Report to be a standing item on all meeting agendas
- 2.2 Update on Implementation of ERP System
- 2.3 Neighbourhoods Directorate – results of CIPFA “deep dive”
- 2.4 CityServe – Review
- 2.5 Update - Athletes Village Revised Full Business Case



3 Other Meetings

Call in

| | | |
|----------------|--|-----------|
| 25 August 2020 | Birmingham Clean Air Zone (CAZ): Implementation of Main CAZ Infrastructure – Civil Engineering and Cameras Solution – Full Business Case (FBC) | Called in |
|----------------|--|-----------|

Petitions

None scheduled

Councillor Call for Action requests

None scheduled

4 Forward Plan for Cabinet Decisions

| | | |
|-------------|--|-----------|
| 007928/2020 | Medium Term Financial Plan Refresh | 10 Nov 20 |
| 008118/2020 | Council Delivery Plan | 10 Nov 20 |
| 008120/2020 | Workforce Race Equity Review 2019-2020 | 10 Nov 20 |
| 007927/2021 | Business Plan 2021-2025 | 09 Feb 21 |

| Leader | | |
|-------------|--|-----------|
| 007785/2020 | Financial Monitoring Quarter 2 2020/21 | 10 Nov 20 |
| 008157/2021 | Council Tax Tax-base for 2021/22 | 19 Jan 21 |
| 008158/2021 | Business Rates Income 2021/22 | 19 Jan 21 |
| 007786/2021 | Financial Monitoring Quarter 3 2020/21 | 09 Feb 21 |
| 008006/2020 | Update – Athletes Village Revised Full Business Case | 09 Feb 21 |

| Cabinet Member for Finance and Resources | | |
|--|--|-----------|
| 007787/2020 | Procurement Strategy for supply of Non-permanent workers & permanent recruitment solutions | 15 Dec 20 |
| 008178/2020 | Change to IT&D Telephony approach | 15 Dec 20 |
| 007223/2020 | Cityserve – Review | 15 Dec 20 |

| Cabinet Member for Street Scene and Parks | | |
|---|-------------------------------------|-----------|
| 007349/2020 | Waste Vehicle Replacement Programme | 20 Apr 21 |

| Cabinet Member for Transport and Environment | | |
|--|---|-----------|
| 006832/2019 | Highway Maintenance and Management PFI Contract | 15 Dec 20 |

