

Report to:	CABINET
Report of:	Corporate Director Finance & Governance
Date of Decision:	27th March 2018
SUBJECT:	CAPITAL AND TREASURY MANAGEMENT MONITORING QUARTER 3 (OCTOBER TO DECEMBER 2017)
Key Decision: Yes	Relevant Forward Plan Ref: 003707/2018
If not in the Forward Plan: (please "tick" box)	Chief Executive approved <input type="checkbox"/> O&S Chair approved <input type="checkbox"/>
Type of decision:	Executive
Relevant Cabinet Member:	Councillor Ian Ward
Relevant O&S Chair:	Councillor Mohammed Aikhlaq
Wards affected:	All

1. Purpose of report:

- 1.1 The report notes developments in relation to Birmingham City Council's medium term capital programme up to 31st December 2017.
- 1.2 The report also monitors the treasury management portfolio and actions taken during the quarter under delegations.

2. Decision(s) recommended:

- 2.1 Cabinet is requested to:
- (i) Approve the revised multi-year capital programme of £3,119.581m.
 - (ii) Approve the reallocation of Capital Programme resources of £15.362m to support the funding of the Commonwealth Games (see Appendix 12).
- 2.2 Cabinet is requested to note that:
- (i) Forecast capital expenditure in 2017/18 is £387.805m.
 - (ii) Actual capital expenditure as at 31st December 2017 was £205.818m, representing 53.1% of the forecast outturn for 2017/18.
 - (iii) The prudential indicator monitoring is presented at Appendix 11.

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<p>3. Consultation</p> <p>Consultation should include those that have an interest in the decisions recommended.</p> <p>3.1 <u>Internal</u></p> <p>Relevant Members and officers have been consulted in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.</p>
<p>4. Compliance Issues:</p> <p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The capital expenditure programme and the treasury management policy and strategy are part of the Financial Plan 2017+, and resource allocation is directed towards Council priorities.</p> <p>4.2 <u>Financial Implications.</u> <u>(Will decisions be carried out within existing finances and Resources?)</u></p> <p>The corporate capital budget monitoring documents attached give details of service delivery within available resources.</p> <p>The capital budget is a resource and expenditure planning tool and does not confer approval for individual budget items to proceed. Individual approvals are sought through the Business Case reports under the 'Gateway' Process.</p> <p>4.3 <u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on directorates and members of Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on control of the capital budget. It also reports on the exercise of treasury management delegations and the management of treasury risks in accordance with the Council's treasury management policy and strategy.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>There are no additional specific Equality Duty or Equality Analysis issues beyond any already assessed and detailed in the budget setting process and monitoring issues that have arisen in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.</p>

5. Relevant background/chronology of key events:

- 5.1 The City Council's Capital Programme and the Treasury Management Policy and Strategy for 2017/18 was approved by the City Council on 28th February 2017.
- 5.2 A Capital Programme of £1,658,559m was approved by the City Council on 28th February 2017.
- 5.3 During Quarters 1 & 2 the programme increased by a further £1,195.638m to £2,854.197m.
- 5.4 On 27th February 2018, City Council approved the capital budget for 2018/19 to 2021/22 which is reflected in the numbers contained within this report.

5.5 Addition / Reduction in Resources

During Quarter 3 the programme increased by a further £265.384m to £3,119.581m and is summarised in the table below.

	2017/18	2018/19	2019/20	Later Years	Total
	£m	£m	£m	£m	£m
Approved Capital Budget Q2	506.479	358.804	230.678	1,758.236	2,854.197
Addition or (Reduction) in Resources	11.718	43.132	57.000	153.534	265.384
Revised Capital Budget Quarter 3	518.197	401.936	287.678	1,911.770	3,119.581

The majority of the additional resources relate to £128m for an additional year of the HRA business plan (including £31m for the installation of sprinklers in tower blocks) , £46.0m for the Waste Management Strategy Framework 2017-2040, £44.9m for the development and site acquisition costs for the Commonwealth Games 2022 and £13.3m for Clean Air & Hydrogen Buses. Further narrative explaining the major variations is provided in Appendix 2.

5.6 Forecast Budget Variations

At Quarter 3 further net slippage of £(92.588)m and a net underspend of £(3.703)m is forecast for the financial year 2017/18. The forecast expenditure for the year therefore decreases to £387.805m. This is summarised in the table below.

	2017/18	2018/19	2019/20	Later Years	Total
	£m	£m	£m	£m	£m
Revised Capital Budget Quarter 3	518.197	401.936	287.678	1,911.770	3,119.581
Forecast Slippage at Quarter 2	(34.101)	35.501	(3.686)	2.286	0.000
Forecast Slippage at Quarter 3	(92.588)	39.992	29.345	23.251	0.000
Add overspends (less underspends)	(3.703)	(0.547)	1.187	(2.414)	(5.477)
Forecast Outturn Q3	387.805	476.882	314.524	1,934.893	3,114.104

The reasons for the major variations regarding forecast slippage and overspends at Quarter 3 are provided in Appendix 2.

5.7 Expenditure to Date

Actual expenditure on Voyager for the quarter ending 31st December 2017 is £205.818m. This represents 53.1% of the forecast outturn for 2017/18 and compares with 55.0% in 2016/17 financial year.

Capital expenditure on a scheme by scheme basis is detailed in Appendix 1.

5.8 10 – Year Capital Programme

The quarterly Capital & Treasury Management Monitoring report includes an additional appendix (Appendix 5) that reports the longer term 10-year view of the capital programme, which goes beyond the 4-year view currently reported on Voyager. Forecast budget figures have been included where sufficient proposals are in place and resources are reasonably certain. Many projects do not have such long term planning horizons, and the absence of forecasts does not mean that there is no spend anticipated, just that it cannot yet be reasonably quantified. A number of forecast expenditure plans are only indicative allocations and subject to further approval through the City Council's Gateway business case appraisal process. Additional projects and programmes will be added as and when planning information becomes available and resource allocations are notified.

The appendix includes programmes such as the HRA capital programme, Housing Private Sector schemes, the Transportation & Highways programme, the Enterprise Zone and the Curzon Street Master Plan (Enterprise Zone Phase 2).

5.9 Treasury Management Monitoring

Summaries of the City Council's borrowing and treasury investment are contained within Appendices 6 to 11.

5.10 Prudential Indicator Monitoring

Appendix 11 monitors the forecast position at Quarter 1 against the Council's approved prudential indicators and limits.

No prudential limits have been breached in the quarter or are forecast to be breached.

5.11 Commonwealth Games 2022

Appendix 12 details the re-allocation of Capital Programme resources to support the funding of the Commonwealth Games.

6. Evaluation of alternative option(s):

- 6.1 No alternative options are relevant for the purposes of this monitoring report. The evaluation of options is contained in individual investment proposals.

7. Reasons for Decision(s):

- 7.1 To inform Cabinet of the latest projected position on the City Council's capital programme against the approved budget, and to monitor treasury management activity and risks.
- 7.2 To seek approval to the revised capital budget at 31st December 2017.

Signatures (or relevant Cabinet Member approval to adopt the Decisions recommended):

Chief Officer(s):

Cabinet Member:.....

Dated:

List of Background Documents used to compile this Report:28th February 2017 Council Report – Financial Plan 2017+

Financial Outturn Report – 16th May 2017.

13th September 2017 – Capital & Treasury Management Monitoring Report Quarter 1 (April to June 2017)14th November 2017 – Capital & Treasury Management Monitoring Report Quarter 2 (July to September 2017)27th February 2018 – Council Plan and Budget 2018+**List of Appendices accompanying this Report:**

1. Appendix 1 – High level summary of the Capital Programme as at Quarter 3 2017/18
2. Appendix 2 – Review of major capital monitoring variations at Quarter 3 2017/18
3. Appendix 3 – Development and Funding of the Capital Programme at Quarter 3 2017/18
4. Appendix 4 – New Prudential Borrowing Capital Schemes in Quarter 3 2017/18
5. Appendix 5 – 10-Year Capital Programme as at Quarter 3 2017/18
6. Appendix 6 - Summary Debt and Investment Portfolio
7. Appendix 7 - Long Term Transactions in the Quarter
8. Appendix 8 - Treasury Investments Outstanding at 31st December 2017
9. Appendix 9 - Treasury Investments made in October to December 2017
10. Appendix 10 - Accountable Body Investments
11. Appendix 11 - Prudential Indicators
12. Appendix 12 – Commonwealth Games

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3
Appendix 1

This Appendix summarises all the projects in the capital programme, showing changes in the budgets and forecasts since the previous quarter, both for the current financial year and in total for all years.

* Ref Appendix 2 - narrative explaining the major variations (>£200k) are reported in Appendix 2 (as numbered).

	2017/18										All Years			
	Ref App 2*	Quarter 2 Budget £'000's	Qtr 3 New Schemes £'000's	Revised Quarter 3 Budget £'000's	Forecast Slippage / Acceleration Qtr 2 £'000's	Forecast Slippage / Acceleration Qtr 3 £'000's	Forecast Over/under spend Qtr 3 £'000's	Year End Forecast at Quarter 3 £'000's	Actual Spend at Quarter 3 £'000's	Actual to Date as % of Forecast %	All Years Quarter 2 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All Years Quarter 3 Forecast £'000's
ADULT SOCIAL CARE & HEALTH DIRECTORATE														
Property Schemes		2,052	0	2,052	(1,902)	0	0	150	6	4.0	2,352	0	0	2,352
IT Schemes	1	566	0	566	0	(546)	0	20	38	190.0	666	0	0	666
Adults Carefirst Replacement Scheme		944	0	944	(551)	0	0	393	0	0.0	1,223	0	0	1,223
Improvements to Social Care Delivery		2,736	0	2,736	(800)	(107)	0	1,829	1,397	76.4	7,822	0	0	7,822
Independent Living		4,603	0	4,603	0	0	0	4,603	2,982	64.8	9,204	0	0	9,204
TOTAL CAPITAL - ADULT SOCIAL CARE & HEALTH DIRECTORATE		10,901	0	10,901	(3,253)	(653)	0	6,995	4,423	63.2	21,267	0	0	21,267
CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE														
Aiming Higher for Disabled Children		183	0	183	0	0	0	183	183	100.0	183	0	0	183
Devolved Capital Allocation to Schools		2,804	0	2,804	0	0	0	2,804	1,826	65.1	4,593	0	0	4,593
Schools Condition Allowance		19,447	0	19,447	(2,953)	0	0	16,494	8,215	49.8	24,975	0	0	24,975
Additional Primary Places - Basic Needs	2	38,641	0	38,641	(8,000)	(5,600)	0	25,041	16,799	67.1	101,437	0	0	101,437
Early Years	3	2,773	0	2,773	0	(1,300)	0	1,473	462	31.4	2,773	0	0	2,773
IT Investment	4	1,989	0	1,989	0	(1,118)	0	871	574	65.9	4,223	0	0	4,223
Universal Infant Free School Meals		0	0	0	0	0	0	0	1	0.0	0	0	0	0
Other Minor Schemes		52	0	52	0	0	0	52	27	51.9	52	0	0	52
TOTAL CAPITAL - CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE		65,889	0	65,889	(10,953)	(8,018)	0	46,918	28,087	59.9	138,236	0	0	138,236

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3

Appendix 1

	2017/18										All Years			
	Ref App 2	Quarter 2 Budget £'000's	Qtr 3 New Schemes £'000's	Revised Quarter 3 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	Forecast Slippage / Acceleration Qtr 3	Forecast Over/under spend Qtr 3 £'000's	Year End Forecast at Quarter 3 £'000's	Actual Spend at Quarter 3 £'000's	Actual to Date as % of Forecast %	All Years Quarter 2 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All Years Quarter 3 Forecast £'000's
PLACE DIRECTORATE														
Other - General Fund														
Sport & Swimming Pool Facilities	5	10,098	300	10,398	0	(887)	1,051	10,562	8,858	83.9	16,974	300	1,051	18,325
Waste Management Services	6	5,387	0	5,387	(2,502)	(228)	0	2,657	1,004	37.8	8,939	46,000	0	54,939
Parks	7	5,048	346	5,394	(1,450)	(1,281)	(35)	2,628	1,298	49.4	5,525	457	(35)	5,947
Bereavement Services		5,636	0	5,636	0	0	0	5,636	4,970	88.2	5,636	0	0	5,636
Markets		5,088	0	5,088	(440)	0	98	4,746	345	7.3	5,238	0	98	5,336
Community Initiatives	8	392	0	392	0	(392)	0	0	0	0.0	392	0	0	392
Regulation and Enforcement	9	368	0	368	0	(361)	0	7	6	85.7	368	0	0	368
Highways - Land Drainage and Flood Defences		1,105	72	1,177	(1,105)	15	0	87	100	114.9	1,105	72	0	1,177
Adult Education & Youth	10	207	550	757	0	0	0	757	531	70.1	207	551	0	758
Strategic Libraries		570	0	570	0	0	0	570	102	17.9	570	0	0	570
Museums & Arts		0	0	0	0	0	0	0	35	0.0	0	0	0	0
Community Libraries	11	1,372	110	1,482	(366)	(739)	0	377	200	53.1	1,372	120	0	1,492
Community Development & Play		48	0	48	0	(28)	0	20	3	15.0	48	0	0	48
Community Chest		1	0	1	0	0	0	1	0	0.0	1	0	0	1
Neighbourhood & Community Services Other		6	0	6	0	0	0	6	7	116.7	6	0	0	6
Total Place Other GF		35,326	1,378	36,704	(5,863)	(3,901)	1,114	28,054	17,459	62.2	46,381	47,500	1,114	94,995
Private Sector Housing														
Empty Homes		550	0	550	0		0	550	(207)	(37.6)	1,797	0	0	1,797
Housing Related Loans	12	36,584	0	36,584	0	(17,850)	270	19,004	7,189	37.8	268,128	0	270	268,398
Housing Options	13	12,868		12,868	0	(7,500)	0	5,368	1,551	28.9	12,868	0	0	12,868
Other Programmes		15	0	15	0		0	15	0	0.0	160	0	0	160
Total Private Sector Housing GF		50,017	0	50,017	0	(25,350)	270	24,937	8,533	34.2	282,953	0	270	283,223
HRA														
Housing Improvement Programme	14	58,439	0	58,439	203	4,506	1,759	64,907	32,014	49.3	587,395	83,331	1,759	672,485
Redevelopment	15	63,282	0	63,282	(6,689)	(6,721)	(236)	49,636	30,692	61.8	454,700	41,133	(431)	495,402
Other Programmes	16	4,880	0	4,880	0		752	5,632	3,193	56.7	48,355	3,428	752	52,535
Total HRA		126,601	0	126,601	(6,486)	(2,215)	2,275	120,175	65,899	54.8	1,090,450	127,892	2,080	1,220,422
TOTAL CAPITAL - PLACE DIRECTORATE		211,944	1,378	213,322	(12,349)	(31,466)	3,659	173,166	91,891	53.1	1,419,784	175,392	3,464	1,598,640

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3

Appendix 1

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	Ref App 2	Quarter 2 Budget £'000's	Qtr 3 New Schemes £'000's	Revised Quarter 3 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	Forecast Slippage / Acceleration Qtr 3	Forecast Over/under spend Qtr 3 £'000's	Year End Forecast at Quarter 3 £'000's	Actual Spend at Quarter 3 £'000's	Actual to Date as % of Forecast %	All Years Quarter 2 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All Years Quarter 3 Forecast £'000's
ECONOMY DIRECTORATE														
Planning & Regeneration Schemes														
Major Projects:														
Enterprise Zone - Investment Plan		0	0	0	0	0	0	0	0	0.0	0	0	347	347
Enterprise Zone - Paradise Circus		18,771	0	18,771	0	0	0	18,771	10,176	54.2	27,780	2,268	0	30,048
Enterprise Zone - Site Development & Access	17	2,500	0	2,500	0	(2,500)	0	0	0	0.0	8,045	0	0	8,045
Enterprise Zone - Connecting Economic Opportunities		0	0	0	0	0	0	0	0	0.0	9,560	0	238	9,798
Enterprise Zone - Southern Gateway Site		0	0	0	0	0	0	0	0	0.0	34,530	0	0	34,530
Enterprise Zone - LEP Investment Fund		0	0	0	0	0	0	0	0	0.0	20,000	0	0	20,000
Enterprise Zone - HS2 Interchange Site		0	0	0	0	0	0	0	0	0.0	20,000	0	0	20,000
Enterprise Zone - Snow Hill Public Realm		218	(218)	0	0	0	0	0	0	0.0	2,838	(2,838)	0	0
Enterprise Zone - Southside Links		86	0	86	0	(71)	0	15	29	193.3	392	0	0	392
Enterprise Zone - Moor Street Queensway		0	0	0	0	0	0	0	0	0.0	0	0	0	0
EZ Phase II - HS2 Station Environment		0	0	0	0	0	0	0	0	0.0	52,000	0	8,000	60,000
EZ Phase II - HS2 Site Enabling	18	1,000	0	1,000	0	(1,000)	0	0	0	0.0	101,500	0	0	101,500
EZ Phase II - Local Transport Improvements		0	0	0	0	0	0	0	0	0.0	109,800	0	(5,000)	104,800
EZ Phase II - Connecting Economic Opportunities		0	0	0	0	0	0	0	0	0.0	89,100	0	(3,200)	85,900
EZ Phase II - Connecting Economic Opportunities 2		0	0	0	0	0	0	0	0	0.0	52,900	0	0	52,900
EZ Phase II - Social Infrastructure		0	0	0	0	0	0	0	0	0.0	109,900	0	0	109,900
EZ Phase II - Metro Extension to E Bham/Solihull		0	0	0	0	0	0	0	0	0.0	183,300	0	0	183,300
Jewellery Quarter Cemetery	19	1,334	(150)	1,184	(1,034)	(100)	0	50	0	0.0	1,544	290	0	1,834
BCN Bridges - Aston		33	0	33	0	0	0	33	33	100.0	33	0	0	33
Unlocking Housing Sites		3,000	0	3,000	(93)	0	0	2,907	842	29.0	9,000	0	0	9,000
East Aston RIS	20	2,000	0	2,000	(688)	(687)	0	625	710	113.6	6,102	0	0	6,102
Life Sciences	21	1,438	0	1,438	0	(1,023)	0	415	415	100.0	1,438	0	0	1,438
Other		0	0	0	0	0	0	0	100	0.0	0	0	0	0
Public Realm:														
Metro Centenary Square	22	6,774	1,000	7,774	0	(1,000)	0	6,774	2,757	40.7	10,043	1,000	0	11,043
Making the Connection		284	0	284	0	(81)	0	203	137	67.5	514	0	0	514
Longbridge	23	3,276	(1,800)	1,476	0	(1,160)	0	316	0	0.0	3,163	(1,800)	0	1,363
Other		486	6	492	(326)	27	0	193	253	131.1	599	6	0	605
Infrastructure:														
One Station	24	251	0	251	0	(251)	0	0	7	0.0	251	0	0	251
A34 Corridor Perry Barr		200	0	200	0	(200)	0	0	0	0.0	435	0	0	435
Other		4	0	4	0	0	0	4	14	350.0	4	0	0	4
Grants / Loans:														
Grand Hotel Development		0	0	0	0	0	0	0	0	0.0	1,000	0	0	1,000
Other		0	0	0	0	0	0	0	0	0.0	0	0	0	0
Minor Projects		165	0	165	0	0	0	165	108	65.5	165	0	0	165
Total Other Planning & Regeneration Projects		41,820	(1,162)	40,658	(2,141)	(8,046)	0	30,471	15,581	51.1	855,936	(1,074)	385	855,247
Total Planning & Regeneration		41,820	(1,162)	40,658	(2,141)	(8,046)	0	30,471	15,581	51.1	855,936	(1,074)	385	855,247
Employment & Skills														
National College for HS2	25	8,521	0	8,521	0		(3,502)	5,019	4,729	94.2	8,521	0	(3,502)	5,019
ERDF Business Growth & Property Investment		5,153	0	5,153	0		0	5,153	2,607	50.6	9,964	0	0	9,964
Total Employment & Skills		13,674	0	13,674	0	0	(3,502)	10,172	7,336	72.1	18,485	0	(3,502)	14,983

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3

Appendix 1

	Ref App 2	2017/18									All Years			
		Quarter 2 Budget £'000's	Qtr 3 New Schemes £'000's	Revised Quarter 3 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	Forecast Slippage / Acceleration Qtr 3	Forecast Over/under spend Qtr 3 £'000's	Year End Forecast at Quarter 3 £'000's	Actual Spend at Quarter 3 £'000's	Actual to Date as % of Forecast %	All Years Quarter 2 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All Years Quarter 3 Forecast £'000's
Highways														
Safer Routes to Schools		532	(15)	517	0	(200)	0	317	196	61.8	2,032	(15)	0	2,017
Section 106 & 278		(10)	83	73	0	(51)	0	22	27	122.7	(10)	83	0	73
Network Integrity		4,132	(61)	4,071	0	(71)	0	4,000	1,017	25.4	7,301	(61)	0	7,240
Road Safety	26	697	(25)	672	0	(353)	0	319	288	90.3	3,322	(25)	0	3,297
Other Minor Schemes		312	54	366	0	(198)	0	168	132	78.6	312	54	0	366
Total Highways GF		5,663	36	5,699	0	(873)	0	4,826	1,660	34.4	12,957	36	0	12,993
Transportation														
Major Schemes:														
Ashted Circus	27	2,030	0	2,030	0	(488)	0	1,542	1,380	89.5	7,531	0	0	7,531
Metro Extension	28	6,493	0	6,493	0	0	(110)	6,383	6,413	100.5	6,730	0	(347)	6,383
Iron Lane	29	2,050	0	2,050	0	(1,950)	0	100	103	103.0	12,200	0	0	12,200
Minworth Unlocking		666	125	791	0	0	0	791	855	108.1	666	125	0	791
Battery Way Extension		656	0	656	0	(196)	0	460	237	51.5	5,952	0	0	5,952
Longbridge Connectivity	30	2,856	0	2,856	0	(806)	0	2,050	728	35.5	6,486	0	0	6,486
A457 Dudley Road		300	0	300	0	(100)	0	200	51	25.5	29,555	0	0	29,555
Peddimore		330	0	330	0	(80)	0	250	210	84.0	330	0	0	330
Journey Reliability	31	1,349	0	1,349	0	(342)	0	1,007	420	41.7	1,829	0	0	1,829
Tame Valley Phase 2 & 3	32	614	0	614	0	(450)	0	164	0	0.0	86,696	0	0	86,696
Selly Oak New Road Phase 1B	33	340	(100)	240	0	(10)	0	230	96	41.7	9,413	(410)	0	9,003
Wharfdale Bridge		100	(25)	75	0	(50)	0	25	0	0.0	2,600	(25)	0	2,575
Snow Hill Station		0	218	218	0	0	0	218	139	63.8	0	2,838	0	2,838
Other		461	114	575	0	(69)	541	1,047	743	71.0	640	214	541	1,395
Inclusive & Sustainable Growth:														
Holloway Circus	34	1,759	0	1,759	0	(1,059)	0	700	883	126.1	1,824	0	0	1,824
Bromford Gyratory		591	(22)	569	0	0	0	569	444	78.0	591	(22)	0	569
Southside / Hurst Street	35	952	0	952	0	0	(382)	570	429	75.3	952	0	(382)	570
Clean Air & Hydrogen Buses	36	0	4,540	4,540	0	(3,050)	0	1,490	0	0.0	0	13,340	0	13,340
Other	37	2,393	(71)	2,322	0	(1,360)	0	962	724	75.3	2,786	(71)	0	2,715
Walking & Cycling	38	20,359	(7,463)	12,896	0	(4,916)	0	7,980	4,208	52.7	32,731	(4)	0	32,727
Local Measures		9	0	9	0	0	0	9	13	144.4	9	0	0	9
Infrastructure Development		565	25	590	0	(60)	0	530	405	76.4	3,290	25	0	3,315
Section 106 / 278		561	(5)	556	0	(14)	0	542	436	80.4	561	(5)	0	556
Funding to be allocated		358	(5)	353	0	0	(317)	36	0	0.0	7,394	(4)	(318)	7,072
Total Transportation		45,792	(2,669)	43,123	0	(15,000)	(268)	27,855	18,917	67.9	220,766	16,001	(506)	236,261
Birmingham Property Services:														
Access to Buildings	39	231	0	231	0	0	(231)	0	0	0.0	459	0	(459)	0
Business Transformation - Working for the Future		0	0	0	0	0	0	0	(608)	0.0	0	0	0	0
Attwood Green Projects	40	395	43	438	0	(216)	0	222	155	69.8	395	43	0	438
Red Rose Shopping Centre		543	0	543	0	0	(543)	0	0	0.0	543	0	(543)	0
Arena Central	41	1,364	0	1,364	0	(1,249)	0	115	115	100.0	1,364	0	0	1,364
Council House Complex Development Costs	42	370	0	370	0	0	0	370	2	0.5	370	500	0	870
NEC Hotels WOC		29,800	0	29,800	0	0	0	29,800	0	0.0	29,800	0	0	29,800
Lee Bank Business Centre		135	0	135	0	0	0	135	0	0.0	135	0	0	135
Other		10	211	221	0	0	0	221	199	90.0	10	211	0	221
Total Birmingham Property Services Projects		32,848	254	33,102	0	(1,465)	(774)	30,863	(137)	(0.4)	33,076	754	(1,002)	32,828
TOTAL CAPITAL - ECONOMY DIRECTORATE		139,797	(3,541)	136,256	(2,141)	(25,384)	(4,544)	104,187	43,357	41.6	1,141,220	15,717	(4,625)	1,152,312

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3
Appendix 1

	Ref App 2	2017/18									All Years			
		Quarter 2 Budget £'000's	Qtr 3 New Schemes £'000's	Revised Quarter 3 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	Forecast Slippage / Acceleration Qtr 3	Forecast Over/under spend Qtr 3 £'000's	Year End Forecast at Quarter 3 £'000's	Actual Spend at Quarter 3 £'000's	Actual to Date as % of Forecast %	All Years Quarter 2 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All Years Quarter 3 Forecast £'000's
<u>FINANCE & GOVERNANCE DIRECTORATE</u>														
Revenue Reform Projects	43	38,240	2,359	40,599	0	(20,190)	(3,005)	17,404	6,740	38.7	51,240	12,198	(3,005)	60,433
Gateway / Grand Central Residual Costs	44	1,000	0	1,000	0	500	0	1,500	1,411	94.1	4,929	0	0	4,929
Corporate Resources		104	0	104	0		65	169	130	76.9	104	0	65	169
IT Projects		184	0	184	50	40	28	302	228	75.5	584	0	28	612
Digital Birmingham		258	0	258	0	(100)	97	255	182	71.4	398	0	97	495
Capital Loans & Equity Funds	45	24,465	5,722	30,187	0	(2,600)	0	27,587	27,946	101.3	30,186	5,722	0	35,908
SAP New Developments	46	1,120	0	1,120	(455)	(517)	0	148	144	97.3	5,709	0	(1,500)	4,209
TOTAL CAPITAL - FINANCE & GOVERNANCE DIRECTORATE		65,371	8,081	73,452	(405)	(22,867)	(2,815)	47,365	36,781	77.7	93,150	17,920	(4,315)	106,755
<u>STRATEGIC SERVICES DIRECTORATE</u>														
Corporate ICT Investment	47	12,577	0	12,577	(5,000)	(4,200)	(3)	3,374	1,279	37.9	40,541	11,452	(3)	51,990
Commonwealth Games Preliminary Costs	48	0	5,800	5,800	0	0	0	5,800	0	0.0	0	44,900	0	44,900
TOTAL CAPITAL - STRATEGIC SERVICES DIRECTORATE		12,577	5,800	18,377	(5,000)	(4,200)	(3)	9,174	1,279	38	40,541	56,352	(3)	96,890
TOTAL CAPITAL PROGRAMME		506,479	11,718	518,197	(34,101)	(92,588)	(3,703)	387,805	205,818	53.07	2,854,197	265,384	(5,477)	3,114,104

REF	ADULTS SOCIAL CARE & HEALTH DIRECTORATE		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
1	Adults IT Schemes	Original Budget	566	666	New and enhanced IT systems to support the delivery of Adults & Communities services.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Under) / Overspend	0	0	
		(Slippage)/Acceleration	(546)	0	The budget has been reprofiled over future years due to the re-use of existing devices rather than the purchase of new equipment. This is as a result of the reducing workforce.
		Total Revised Forecast	20	666	
		On Target?			No as above
	CHILDREN, YOUNG PEOPLE AND FAMILIES DIRECTORATE		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
2	Basic Need/Additional Primary Places	Original Budget	38,642	101,437	Building programme aimed at expanding school provision in order to meet pupil place requirements funded mainly by grants from the Education Funding Agency.
		Quarter 2 Forecast	(8,000)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(5,600)	0	City of Birmingham School - slippage of £0.500m because it has taken longer to finalise the scheme design than anticipated. St Margaret Mary School slippage of £0.500m due to scheme design changes to improve value for money. Beaufort Colbourne - slippage of £1.000m - additional utilities were encountered that were not captured in the original surveys. These had to be re-aligned to allow for the build to take place leading to slippage in this project. Washwood Heath £0.700m slippage and Osborne £1.000m slippage due to operating on a live site i.e. with the building works taking place at the only entrance to the school contractors have to stop work in the morning and at the end of the school day whilst pupils enter and exit safely. Originally it was not anticipated for this scheme to take as long but the timeframe has been increased to ensure that all pupils and staff are safe. Maney Hill £0.750m and Stour Steet £0.200m - these are complex projects with several elements of refurbishment works within a live school site. To ensure educational continuity the work pattern has varied with elements taking longer than anticipated to complete. In addition utilities were encountered which the original survey did not pick up as they were buried deeper than expected. Uffculme Purchase £0.750m - Chamberlain House is now occupied but the lease has not yet been finalised. Property Services are currently negotiating with the Highbury Trust. £0.200m other minor variations.
		(Under) / Overspend	0	0	
		Total Revised Forecast	25,042	101,437	
		On Target?			No as above
3	Early Years Schemes	Original Budget	2,773	2,773	Funding for additional places in the nursery sector - mainly based at primary schools.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,300)	0	The planned programme is being reviewed to take into account any new building requirements arising, for example, from the new Early Years Wellbeing offer, hence the delay in spend and resultant slippage.
		(Under) / Overspend	0	0	
		Total Revised Forecast	1,473	2,773	
		On Target?			No as above

4	IT Investment	Original Budget	1,989	4,223	IT Investment in Children's Services funding by identified Capital Receipts.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,118)	0	The Cabinet Report for ICT was signed in July and the Contract for the works has recently been agreed. This has provided a more realistic profile of spend, hence the slippage into future years.
		(Under) / Overspend	0	0	
		Total Revised Forecast	871	4,223	
		On Target?			No as above
	PLACE DIRECTORATE - OTHER GENERAL FUND		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
5	Sport	Opening Budget	10,098	16,974	Sport and physical activity review programme for the new build of Sparkhill Pool, Stechford Leisure Centre, Icknield Port Loop (IPL), Erdington Pool and Northfield Pool and the refurbishment of Wyndley Leisure Centre, Beeches Pool, Fox Hollies Leisure Centre, Billesley ITC and Cocks Moor Wood Leisure Centre.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	300	300	Grant and Prudential Borrowing resources added for improvements at Kingstanding Wellbeing Centre approved by the Deputy Leader and Cabinet Member for Value for Money & Efficiency jointly with the Corporate Director Place in July 2017.
		(Slippage)/Acceleration	(887)	0	Icknield Port Loop LC new build - slippage of £847k due to a delay in the process required to draw down the land from the current landowners including an independent valuation. The project is now expected to start on site in April 2018 and completion is scheduled for September 2019. Other minor scheme slippage of £0.040m.
		(Under) / Overspend	1,051	1,051	Additional costs at new leisure centres for utilities and highways works not included in the contract which will be funded from service prudential borrowing. The additional prudential borrowing charges related to this will be met from existing revenue budgets by extending the repayment periods from 25 to 40 years.
		Total Revised Forecast	10,562	18,325	
		On Target?			Spend is within budget but the completion of the project is slipping as above.
6	Waste Management Services	Opening Budget	5,387	8,939	Waste Depot Modernisation Programme and Mobile IT project. Phase 1 of the Depot Modernisation Programme will deliver improvements to Perry Barr and Lifford Depots and the Mobile IT Project.
		Quarter 2 Forecast	(2,502)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	0	46,000	Further investment of £46m, funded from service prudential borrowing, to develop key components of a modernised service to meet targets for waste minimisation and recycling with the capacity to meet increases in population and households. This will include the refurbishment of the Energy from Waste facility, upgrading household recycling centre / waste transfer stations, consideration of new recycling facilities, vehicle upgrade and depot modernisation. The Waste Strategy Framework report was approved by Cabinet on 13th February 2018.
		(Slippage)/Acceleration	(228)	0	Further slippage is forecast reflecting a change in priorities which result from the development of the Waste Strategy. Two new projects have been identified as priorities - these are at an early stage of development and require funding to be re-phased.
		(Under) / Overspend	0	0	
		Total Revised Forecast	2,657	54,939	
		On Target?			No as above

7	Parks	Opening Budget	5,048	5,525	Various schemes including - Cofton Nurseries replacement glasshouses; Cofton Park Pavilion; Reservoirs & Pools; Perry Park Skate Park; Highgate Park Improvements; Minworth Sports Facilities; Kings Heath Park Hub; Oakland Recreational Ground; Blackroot Pool and other schemes <£100k.
		Quarter 2 Forecast	(1,450)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	346	457	£0.228m added for Allotment Improvement Programme funded by the Flo Pickering Account approved in October 2017. £0.075m other minor scheme additions.
		(Slippage)/Acceleration	(1,281)	0	£0.513m Slippage for Lordswood Girls Artificial Pitch. The delay is due to the need for the tender process to be assessed and the successful tenderer clearing the planning conditions prior to commencement of the works. £0.693m further slippage on Cofton Nurseries -due to a change in the scope of works which will now require additional design works plus a new planning application prior to the project been procured. £0.075m other minor slippage adjustments.
		(Under) / Overspend	(35)	(35)	
		Total Revised Forecast	2,628	5,947	
		On Target?			No as above
8	Community Initiatives	Budget	392	392	Lozells Community Development Initiative.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(392)	0	The proposal to use this funding in the Health and Wellbeing Service has been put on hold pending the review of facilities approved by Cabinet in December 2017.
		(Under) / Overspend	0	0	
		Total Revised Forecast	0	392	
		On Target?			No as above
9	Regulation and Enforcement	Opening Budget	368	368	Health and Safety Works to the mortuary ventilation system and flooring.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(361)	0	A revised FBC is required due to complexities with the ventilation roof works. The budget has been slipped into 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	7	368	
		On Target?			No as above

10	Other Schemes	Opening Budget	207	207	Minor Schemes <£0.100m.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	550	551	£0.550m added for the purchase of a Long Leasehold interest at Saltley Learning Centre funded by Birmingham Adults Education Service reserves. The report was approved by the Deputy Leader & Strategic Director of Place.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	757	758	
		On Target?			Yes
11	Community Libraries	Opening Budget	1,372	1,372	West Heath Library rebuild £0.456m; Self Service Community Libraries £0.828m; other minor schemes < £0.50m total £0.088m
		Quarter 2 Forecast	(366)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	110	120	
		(Slippage)/Acceleration	(739)	0	West Heath Library slippage of £0.456m - resources originally earmarked to fund the rebuild of West Heath Library have been redirected to support the new tiered library model which was approved by Cabinet in February 2017. The approval required to change the use of resources delayed spend, hence the slippage into 2018/19. Community Libraries further slippage of £0.234 due to unforeseen building works required and ongoing consultation between contractors and IT providers for purchase and installation of self-services machines. £0.049m other minor schemes slippage.
		(Under) / Overspend	0	0	
		Total Revised Forecast	377	1,492	
		On Target?			No as above

	PLACE DIRECTORATE - HOUSING PRIVATE SECTOR GENERAL FUND		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
12	Housing Related Loans	Opening Budget	36,584	268,128	Provision of loans to InReach (Birmingham) Limited - a wholly owned company of BCC which has been set up to develop and operate market rent accommodation in Birmingham.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(17,850)	0	Delayed drawdown of loans by InReach due to slower than anticipated progress on individual schemes: delays in obtaining SoS consent to disposal of HRA voids to InReach (17.0m); contractual negotiations relating to completion of Embankment scheme (£0.5m); delayed acquisition of Hob Moor Road by Inreach (£0.4m)
		(Under) / Overspend	270	270	Increased loan requirements from InReach due to: increased acquisition costs of land at key Hill (£0.2m) and initial site works at Smith Street (£0.1m). This will be funded by prudential borrowing.
		Total Revised Forecast	19,004	268,398	
		On Target?			No as above
13	Housing Options	Opening Budget	12,868	12,868	Programme of refurbishment of temporary accommodation to improve services for the homeless.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(7,500)	0	Longer than anticipated timescales for completion of works to Barry Jackson Tower (£2m) and Magnolia House (£5.5m) due to complexity of works required and contractor capacity.
		(Under) / Overspend	0	0	
		Total Revised Forecast	5,368	12,868	
		On Target?			No as above

	PLACE DIRECTORATE - HOUSING REVENUE ACCOUNT		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
14	Housing Improvement Programme	Opening Budget	58,439	587,395	Capital Investment Programme - various projects to carry out improvements to stock including major structural works.
		Quarter 2 Forecast	1,925	1,722	Reported at Quarter 2
		Additional / (Reduced) Resources	0	83,331	Addition reflects new sprinkler installation programme (£31.0m between 2018/19 and 2020/21) funded from borrowing and other capital financing, plus the inclusion of an additional year (2027/28) funded from revenue contributions.
		(Slippage)/Acceleration	4,506	0	Acceleration on High-Rise block investment, including Electrical Works (£2.0m), Communal Decoration Works (£1.5m), Roofing (£1.2m) and Other Works (£0.6m); together with acceleration on the Central Heating Programme to benefit from Invest to Save (£0.7m). This is offset by slippage on the Windows Programme due to a resident's challenge of the planned works at Salisbury Tower and Canterbury Tower (£1.5m). The net acceleration is funded from additional Right to Buy (RTB) receipts.
		(Under) / Overspend	37	37	
		Total Revised Forecast	64,907	672,485	
		On Target?			No as above
15	Redevelopment	Opening Budget	63,282	454,700	Birmingham Municipal Housing Trust (BMHT) new build housing Stock Replacement Programme and Affordable Rent Programmes, together with related housing development, including sales and clearance.
		Quarter 2 Forecast	(6,723)	(360)	Reported at Quarter 2
		Additional / (Reduced) Resources	0	41,133	Addition reflects the inclusion of an additional year (2027/28) funded from revenue contributions, RTB receipts, capital receipts and contributions.
		(Slippage)/Acceleration	(6,721)	0	BMHT - Slippage due to delays in start on site following protracted contract negotiations (£3.1m); delays due to disputes with contractors (£1.1m) and delays in material supply, labour supply and highway works approvals (£0.2m). Clearance - slippage due to delays in acquiring owner occupier properties due to ongoing negotiations on various schemes (£0.9m); delays in rehousing due to difficulties with the introduction of the new allocations policy, delays in BMHT completions and the complexity of rehousing at some schemes (£0.3m). Slippage on the demolition programme largely due to difficulties in gaining vacant possession (£1.1m).
		(Under) / Overspend	(202)	(71)	Underspend in 2017/18 due to provisions for works not required following scheme completions. Net underspend in following years to reflect changes in scheme costs following recent approvals.
		Total Revised Forecast	49,636	495,402	
		On Target?			No as above
16	Other Programmes	Opening Budget	4,880	48,355	Mainly capital works to void properties and major adaptation works to HRA properties.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	3,428	Addition reflects the inclusion of an additional year (2027/28) funded from revenue contributions.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	752	752	Overspend largely due to additional Adaptations investment carried out on Council dwellings funded from additional RTB receipts. Note that this budget is responsive / demand-led, based on medical assessment of tenants' needs.
		Total Revised Forecast	5,632	52,535	
		On Target?			No as above

	ECONOMY DIRECTORATE - REGENERATION		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
17	Enterprise Zone - Site Development & Access	Budget	2,500	8,045	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This part of the scheme supports property development coming forward on EZ Sites (other than Paradise Circus).
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(2,500)	0	Completion of the funding agreement on the Eastside Locks project has been a delayed as a result of on-going issues in agreeing the legal charge with the other party's solicitors.
		(Under) / Overspend	0	0	
		Total Revised Forecast	0	8,045	
		On Target?			No as per slippage above
18	Enterprise Zone - Phase II - HS2 Site Enablement	Opening Budget	1,000	101,500	Curzon Investment Plan to deliver regeneration of local infrastructure over and above the High Speed Rail 2 that will integrate the new Curzon rail terminus and unlock wider development. This is to be delivered by 2026.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,000)	0	Re-phasing of expenditure on the Old Curzon Building into 2018/189 due to delays in securing the legal agreement with other partners.
		(Under) / Overspend	0	0	
		Total Revised Forecast	0	101,500	
		On Target?			Scheme specific budgets to be identified in the future subject to EZ affordability and EZ approval
19	Jewellery Quarter Cemeteries	Opening Budget	1,334	1,544	Improvements to Warstone Lane Cemetery including repairs, conservation and new building works, reinstatement of historical boundary railings, stones piers and entrance gates and the restoration of catacombs.
		Quarter 2 Forecast	(1,034)		Reported at Quarter 2
		Additional / (Reduced) Resources	(150)	290	£0.290m of additional S106 and Jewellery Quarter Trust contributions added as approved by Delegated Authority dated 07.12.2017.
		(Slippage)/Acceleration	(100)	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	50	1,834	
		On Target?			No as above.

20	Major Projects - East Aston RIS	Opening Budget	2,000	6,102	East Aston Regional Investment Site - Advanced Manufacturing Hub (AMH). Programme of land acquisition, demolitions, remediation and site assembly to enable developers to relocate to a strategically important manufacturing site.
		Quarter 2 Forecast	(688)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(687)	0	Slippage due to delays in finalising complex Compulsory Purchase Orders and agreement of land acquisition costs. The rest of the scheme remains on target.
		(Under) / Overspend	0	0	
		Total Revised Forecast	625	6,102	
		On Target?			No as above.
21	Major Projects - Life Sciences	Opening Budget	1,438	1,438	Creation of a new Life Science Campus.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,023)	0	The City Council sold the Life Sciences Campus in October 2016 to the University of Birmingham. As part of the sale the City Council will provide a grant to the University to add infrastructure to the site i.e. road and utilities. Payment of Grant is subject to the completion of the public procurement process by the UOB for the instillation of the infrastructure and commencement of works on site. The construction works are due to start in 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	415	1,438	
		On Target?			Life Sciences Campus scheme now complete and sold. Residual costs are still to go through.
22	Enterprise Zone - Centenary Square	Opening Budget	6,774	10,043	This project is complementary to the Metro project and will enhance the public square in line with the new Paradise Circus and Arena Central developments. This budget relates to Phase 1 of the programme of works.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	1,000	1,000	£1m of S106 resources added as per the report of the Leader of the Council and Cabinet Member Value for Money and Efficiency jointly with the Strategic Director of Economy. The new resources are a contribution towards betterment on the highways infrastructure and drainage works on the above scheme.
		(Slippage)/Acceleration	(1,000)	0	Work on the Centenary Square project is delayed by six months due to unforeseen circumstances on site e.g. obstructions in the ground and aligning works with the Metro project.
		(Under) / Overspend	0	0	
		Total Revised Forecast	6,774	11,043	
		On Target?			No as per slippage above

23	Public Realm - Longbridge	Opening Budget	3,276	3,163	Regeneration of Longbridge and the former Rover sites. This comprises a number of projects - upgrades to existing rail facilities (being delivered by Network Rail), improvements to existing bus interchanges and the extension of existing park and ride site (being delivered by Transport for West Midlands - TFWM). BCC is the Accountable body for this project as we are acting as an applicant for the Local Growth Fund Grant funding.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	(1,800)	(1,800)	Reduction of budget because the accountable body role for the Transport for West Midlands Park and Ride Scheme has transferred to the West Midlands Combined Authority. Funding for this scheme will now go directly to West Midlands Combined Authority rather than BCC.
		(Slippage)/Acceleration	(1,160)	0	Delays experienced by Network Rail in progressing their element of this complex scheme in terms of Longbridge Stations works and payment of associated grant. As a result this has led to delays in payment of grant from BCC to Network Rail.
		(Under) / Overspend	0	0	
		Total Revised Forecast	316	1,363	
		On Target?			No as above.
24	Enterprise Zone - One Station	Opening Budget	251	251	Enhancement of the areas linking New Street Station and Moor Street Station.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(251)	0	The project is currently paused pending a review and potential for inclusion into a wider scheme in early 2018/19 and a formal decision will be made in the near future.
		(Under) / Overspend	0	0	
		Total Revised Forecast	0	251	
		On Target?			No as per slippage above

	ECONOMY DIRECTORATE - EMPLOYMENT SERVICES		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
25	National College for HS2	Opening Budget	8,521	8,521	Construction of a new building that will serve as the operational training headquarters for High Speed Rail College at Birmingham.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	(3,502)	(3,502)	£3.867m of expenditure was originally anticipated to be let through the BCC procured construction works contract on associated specialist equipment e.g. fixed track and rail. However, this has not been necessary so the College has directed this Skills Funding Agency grant to resource their own directly procured specialist IT requirements. An additional expenditure requirement amounting to £0.366m has been identified by the College to implement tenant variation works within the approved resource base. All costs are contained within the grant funding identified and do not present the City Council with any resourcing issues.
		Total Revised Forecast	5,019	5,019	
		On Target?			College complete and opened in September 2017.

	HIGHWAYS		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
26	Road Safety	Budget	697	3,322	Road safety schemes to reduce accidents across the city by the redesign of roads or implementation of safety measures.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	(25)	(25)	
		(Slippage)/Acceleration	(353)	0	Schemes within this programme are spread across 40 wards. Some contain Traffic Regulation Orders which have statutory consultation and long legal procedures to follow. Implementation commenced in 2017/18 but won't be completed until summer 2018 hence the slippage.
		(Under) / Overspend	0	0	
		Total Revised Forecast	319	3,297	
		On Target?			No as per slippage above.
	ECONOMY DIRECTORATE - TRANSPORTATION		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
27	Ashted Circus	Opening Budget	2,030	7,531	The Ashted Circus project is to enable access to key development sites, reducing congestion, improving road safety and providing additional highway capacity.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(488)	0	The original budget was based on construction starting in late 2017. However, it was considered prudent to delay the start until after the busy Christmas period to avoid traffic disruption. In addition, it has also been necessary to further adjust the commencement date due to delays in securing agreement with a third party for a site compound.
		(Under) / Overspend	0	0	
		Total Revised Forecast	1,542	7,531	
		On Target?			No as per slippage above
28	Metro Extension	Opening Budget	6,493	6,730	This is a multi year multi funded programme to build a metro system across the City Centre from New Street Station to Centenary Square. The major funding sources are Enterprise Zone and Local Growth Fund.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	(110)	(347)	£0.347m underspend transferred back to the EZ unallocated budget as approved by the EZ Board. Project costs are coming in lower than expected.
		Total Revised Forecast	6,383	6,383	
		On Target?			Currently on target

29	Iron Lane	Opening Budget	2,050	12,200	This project is for improvements at the Iron Lane/Stechford Road Junction. It will increase capacity so reducing congestion as well as improving safety access for pedestrians and cyclists. This will contribute to Economic Growth in there area.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,950)	0	Objections to a compulsory purchase order (CPO) are likely to lead to a Public Inquiry. As a result it is considered prudent to delay advance payments to utility companies until the CPO is confirmed and the progression of the project to implementation is certain. The outcome of this is expected in early 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	100	12,200	
		On Target?			No as per slippage above
30	Longbridge Connectivity	Opening Budget	2,856	6,486	A number of schemes at Longbridge to improve traffic management and accessibility for pedestrians and cyclists comprising seven work packages.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(806)	0	Construction works commenced June 2017, later than planned due to a protracted design and tender process. This has resulted in a delay in spend in 2017/18. The overall construction works have been reprogrammed for target completion in 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	2,050	6,486	
		On Target?			No as per slippage above
31	Journey Time Reliability	Opening Budget	1,349	1,829	Delivery journey time improvements at key junctions on the strategic traffic route by way of traffic signals.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(342)	0	The original plan was to deliver the works through the PFI Maintenance contract but for commercial reasons this route was not feasible. As a result the procurement of an alternative contractor was required causing a delay in the commencement of the works .
		(Under) / Overspend	0	0	
		Total Revised Forecast	1,007	1,829	
		On Target?			No as per slippage above
32	Tame Valley Phase 3	Opening Budget	614	86,696	Implementation of the strengthening works to Tame Valley Viaduct.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(450)	0	Expenditure has been reprogrammed for 2018/19 due to the complexity of the design works for the Viaduct.
		(Under) / Overspend	0	0	
		Total Revised Forecast	164	86,696	
		On Target?			No as per slippage above

33	Selly Oak New Road Phase 1B	Opening Budget	340	9,413	Selly Oak New Road (SONR) Phase 1B consists of highway improvements to the Selly Oak Triangle made up of Bristol Road, Harborne Lane and Chapel Lane (a key junction between the A38 and A4040). The scheme will provide improved access to the development sites including the Life Sciences Campus on the Birmingham Battery Site. In addition the scheme provides additional traffic capacity and supports the regeneration of Bournbrook/Selly Oak local centre.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	(100)	(410)	Full schemes approval received from the Cabinet Member for Transport & Roads and Value for Money & Efficiency together with the Corporate Director for Economy and Assistance Director for Transportation and Connectivity dated 31.10.2017 resourced by a mix of Local Growth Fund Grant, Integrated Transport Block Grant, Direct Revenue Financing, Section 106 contributions and Prudential Borrowing. £0.410m is now to be funded by the Developer under a S278 agreement at their cost hence the reduction in the Council element of the scheme.
		(Slippage)/Acceleration	(10)	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	230	9,003	
		On Target?			No as per slippage above
34	Holloway Circus	Opening Budget	1,759	1,824	Project to reduce congestion on the Inner Ring Road - Holloway Circus.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,059)	0	In order to commence these highways improvements a large number of utility diversions are being undertaken which has presented a number of unexpected technical and co-ordination challenges. This means that the works programme has slipped as the highway work has been adjusted to accommodate various utilities working in the areas whilst maintaining traffic capacity at the junction.
		(Under) / Overspend	0	0	
		Total Revised Forecast	700	1,824	
		On Target?			No as per slippage above
35	Southside/Hurst Street Enterprise Zone	Opening Budget	952	952	Delivery of civil engineering works and a permanent traffic regulation order which will prevent through traffic from Ladywell Walk to Smallbrook Queensway while still maintaining access to the area for taxis, parking and loading.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	(382)	(382)	£0.382m underspend of EZ funding on Southside/Hurst St due to costs coming in lower than expected. The underspend has been transferred back to the EZ unallocated budget.
		Total Revised Forecast	570	570	
		On Target?			Currently on target

36	Clean Air Hydrogen Buses	Opening Budget	0	0	Clean Air Hydrogen Bus Pilot to reduce nitrogen dioxide levels on key bus routes in the City to achieve air quality compliance standards. 22 new buses are to be built by a partner organisation and leased by the City Council to achieve the reductions in air pollution. This is a complex project involving a number of partners, procurement process and grant agreements.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	4,540	13,340	£13.340m of external grants and contributions, Local Growth Fund grant added as per the Cabinet Report dated 24th October 2017.
		(Slippage)/Acceleration	(3,050)	0	Progress is being made. However due to the complexity of the project mechanics it is felt prudent to reprofile spend into early 2018/19. There is no risk to the funding of the project.
		(Under) / Overspend	0	0	
		Total Revised Forecast	1,490	13,340	
		On Target?			No as per slippage above
37	Inclusive & Sustainable Growth - Other Schemes	Opening Budget	2,393	2,786	Definitive Maps; East Aston RIS; Heartlands Spine Rd; NoX Reduction; other minor schemes <£0.050m.
		Quarter 2 Forecast	0	0	Reported at Quarter 2
		Additional / (Reduced) Resources	(71)	(71)	
		(Slippage)/Acceleration	(1,360)	0	£0.180m slippage on Heartlands Spine Road due to complex legal negotiations with a third party. £0.130m Aston RIS Highway Works - there are defective surfacing works on the Highway. Discussions are ongoing with the contractors as to where the liability falls and these are unlikely to be resolved until 2018/19. £0.500m slippage on Digbeth CPZ and £0.200m on Erdington Parking Controls because there have been a significant number of objections to the schemes following initial consultation. This had led to a review and a refining of the proposals. The plan is to get Statutory Traffic Regulation Orders advertised before March 2018 but delivery will be in 2018/19. £0.350m other minor slippage adjustments across a number of schemes.
		(Under) / Overspend	0	0	
		Total Revised Forecast	962	2,715	
		On Target?			No as per slippage above
38	Walking & Cycling	Opening Budget	20,359	32,731	Projects to reduce congestion, improve air quality, improve access and improve health and physical fitness as part of a country-wide government initiative. This programme is made up of many smaller schemes which in total create a significant programme of works.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	(7,463)	(4)	Canal Works - The report of the Assistant Director Transportation & Connectivity for Phase 3 Canal Works Tranche 1 to Cabinet Member for Transport & Roads and Cabinet Members for Commercialism, Commissioning and Contract Management jointly with the Corporate Director of Economy was approved on 22nd December 2017. This report rephased the approved budget for grant payments to the Canals & Rivers Trust by the City Council for improvements to the Canal network subject to the CRT obtaining planning consent from BCC.
		(Slippage)/Acceleration	(4,916)	0	A34 & A38 - Significant slippage has occurred as a result of delays in progressing the two main corridor schemes (A38 Bristol Road & A34 Birchfield Rd). A legal challenge has been received regarding the approval of the Traffic Regulation Orders required to deliver the cycle proposals on the approved A38 Bristol Road scheme. In order to prevent this happening on the A34 Birchfield Road proposal additional works were undertaken to assess the impact on air quality. This delayed the FBC approval significantly resulting in the slippage. There is also slippage in respect of the Canal Access programme due to adjacent development preventing access to land to complete the works. The Department for Transport have confirmed that the grant funding for the programme is secure.
		(Under) / Overspend	0	0	
		Total Revised Forecast	7,980	32,727	
		On Target?			No as per slippage above

	BIRMINGHAM PROPERTY SERVICES		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
39	Access to Buildings	Budget	231	459	Budget to upgrade buildings to be compliant with the Equalities Act 2010.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	(231)	(459)	Budget removed from the programme to be utilised as a capital contribution towards the Commonwealth Games 2022 (see Appendix 12).
		Total Revised Forecast	0	0	
		On Target?			No as per slippage above.
40	Attwood Green Projects	Budget	395	395	Residual budget Attwood Green Parks £0.059m; residual budget Woodview Community Centre £0.089m; works to Holloway Head Playing fields £0.247m
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	43	43	
		(Slippage)/Acceleration	(216)	0	Slippage of <£100k on each of the three Attwood Green schemes.
		(Under) / Overspend	0	0	
		Total Revised Forecast	222	438	
		On Target?			No as per slippage above.
41	Arena Central	Opening Budget	1,364	1,364	This is a commercial loan to a developer to facilitate the demolition, remediation and addition of services to bring forward developments on the Arena Central Site for which the Council partly owns the freehold. Spend is based on developer demand and cashflow requirements.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,249)	0	Arena Central slippage of £1.249m. This project is externally managed and funded from a number of sources including a capital loan from Birmingham City Council. Work on the project is progressing well, but loan funding will only be drawn down when necessary hence the slippage into future years.
		(Under) / Overspend	0	0	
		Total Revised Forecast	115	1,364	
		On Target?			No as per slippage above.
42	Council House Refurbishment	Budget	370	370	Council House Complex Refurbishment Works
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	500	Additional £0.500m of Prudential Borrowing Resources added as per the report to Cabinet 12.12.2017. This is to progress the proposed scheme for the Council House Complex in order to reach Full Business Case to be presented to Cabinet in summer 2018. The works are predominately to mechanical and electrical infrastructure and may also include works to the Birmingham Museum and Art Gallery.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	370	870	
		On Target?			Currently on target

	FINANCE & GOVERNANCE DIRECTORATE		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
43	Flexible Use of Capital Receipts - Revenue Reform Projects	Opening Budget	38,240	51,240	Projects to support the reshaping and downsizing of Birmingham City Council as per the Future Council Plan funded by capital receipts as part of the Governments capital receipts flexibility scheme.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	2,359	12,198	Future year budgets included following the extension of the capital receipts flexibility for a further 3 years.
		(Slippage)/Acceleration	(20,190)	0	The projections for redundancy costs have been updated following the Corporate Voluntary Redundancy Trawl. Due to the complexities of the savings programme and some difficulties in securing some of the required savings in 2017/18 the headcount reduction has been less than originally anticipated in the current year.
		(Under) / Overspend	(3,005)	(3,005)	Budget removed from the programme to be utilised as a capital contribution towards the Commonwealth Games 2022 (see Appendix 12).
		Total Revised Forecast	17,404	60,433	
		On Target?			No as per slippage above
45	Capital Loans & Equity	Opening Budget	24,465	30,186	Capital Equity Investments £8.322m; Loans granted in support of West Midlands Combined Authority £7.714m; £17.202m PETPS (Birmingham) Ltd - a wholly owned company for the management of the NEC Pension Fund.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	5,722	5,722	£3.053m of Prudential Borrowing Resources added for Collective Investment Fund Loans paid in support of West Midlands Combined Authority as approved by Cabinet on 22/03/2017.
		(Slippage)/Acceleration	(2,600)	0	Slippage of £2.6m relates to the Equity, Micro-Equity and Creative Industry Projects. The demand for such loans and investment is dependent on a number of factors including requests coming forward. A re-examination of the trends on these funds demonstrates a broader profile over a longer period of time (4 years) than currently assumed.
		(Under) / Overspend	0	0	
		Total Revised Forecast	27,587	35,908	
		On Target?			No as per slippage above
46	SAP New Developments	Opening Budget	1,120	5,709	New Developments to SAP software.
		Quarter 2 Forecast	(455)	0	Reported at Quarter 2
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(517)	0	The strategic direction and development of the SAP estate is currently being reviewed to determine how best to deliver the Finance and HR systems solution, whether via SAP or another platform. At the same time work has continued to develop and update a SAP strategic roadmap on the assumption that the Council takes the decision to remain with a SAP solution, either Cloud based or on premise. This uncertainty has led to further delays in progressing a range of SAP developments and efficiency projects and only essential maintenance, support packs and minor developments have been implemented. In addition, the implementation of the Children's Trust on SAP requires a development change freeze in the latter part of 2017/18. As a consequence, further slippage into later years is forecast at Quarter 3.
		(Under) / Overspend	0	(1,500)	Budget removed from the programme to be utilised as a capital contribution towards the Commonwealth Games 2022 (see Appendix 12).
		Total Revised Forecast	148	4,209	
		On Target?			No as per slippage above

44	Grand Central Residual Costs	Opening Budget	1,000	4,929	Budget to support the residual costs of the Gateway and Grand Central schemes.
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	500	0	Acceleration of 2018/19 grant resources to cover additional costs in 2017/18 relating to compensation claims by former tenants of the Pallasades Shopping Centre associated with the construction/delivery of a refurbished car park to Hammersons/Grand Central.
		(Under) / Overspend	0	0	
		Total Revised Forecast	1,500	4,929	
		On Target?			Yes
	STRATEGIC SERVICES DIRECTORATE		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
47	ICT Infrastructure	Opening Budget	12,577	40,541	A ten year programme for enhancements to the Core ICT across Birmingham City Council made up of various projects including replacement servers, infrastructure and enhancements to software.
		Quarter 2 Forecast	(5,003)	(3)	Reported at Quarter 2
		Additional / (Reduced) Resources	0	11,452	Capital investment in IT has been reduced by £30.4m in 2018/19 to 2020/21 to take account of a shift away from acquiring software and on-premises systems towards 'cloud'-based arrangements with annual licence costs. £42.0m of additional investment has been included at £6.0m p.a. from 2021/22 to 2027/28. This is funded from service prudential borrowing.
		(Slippage)/Acceleration	(4,200)	0	Cabinet approved the original Corporate Investment Plan (Strategic ICT&D Investment Programme) on the 18th October 2016. Since this date there have been significant negotiations with Service Birmingham with regards the savings challenge for this year of £10.020m. This has resulted in some of the Capital projects being put on hold whilst negotiations have taken place. These negotiations are now in the final stages and it is expected that the Capital projects will commence with a spend of £3.374m in 2017/18.
		(Under) / Overspend	0	0	
		Total Revised Forecast	3,374	51,990	
		On Target?			No as above
48	Commonwealth Games Preliminary Costs	Opening Budget	0	0	
		Quarter 2 Forecast	0	0	
		Additional / (Reduced) Resources	5,800	44,900	Initial City Council development and site preparation costs, funded from specific grants, following the award of the Commonwealth Games to Birmingham in 2022.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	5,800	44,900	
		On Target?			

Capital Monitoring as at 31st December 2017						Appendix 3
The purpose of this Appendix is to show how the total capital programme has changed and how the programme is funded.						
		2017/18	2018/19	2019/20	Later Years	Total Plan
Expenditure		£'000's	£'000's	£'000's	£'000's	£'000's
Quarter 2 Budget 2017/18		506,479	358,804	230,678	1,758,236	2,854,197
New Resources Quarter 3		11,718	43,132	57,000	153,534	265,384
Revised Budget Quarter 3		518,197	401,936	287,678	1,911,770	3,119,581
Forecast Slippage Quarter 2		(34,101)	35,501	(3,686)	2,286	0
Forecast Slippage - Quarter 3		(92,588)	39,992	29,345	23,251	0
Forecast Overspend (Underspend)		(3,703)	(547)	1,187	(2,414)	(5,477)
Forecast Outturn at Quarter 3		387,805	476,882	314,524	1,934,893	3,114,104
Resources						
Use of Specific Resources:						
Grants & Contributions		117,040	205,821	95,112	106,829	524,802
Earmarked Capital Receipts - RTB & Revenue Reform		32,635	98,315	56,136	282,244	469,330
Revenue Contributions - Departmental		1,665	12,240	6,119	32	20,056
Revenue Contributions - HRA		81,795	37,218	40,200	537,733	696,946
		233,135	353,594	197,567	926,838	1,711,134
Use of Corporate or General Resources:						
Corporate Resources		0	8,155	100	20,716	28,971
Unsupported Prudential Borrowing - General*		15,266	0	0	0	15,266
Unsupported Prudential Borrowing - Corporate		17,318	1,249	0	0	18,567
Unsupported Prudential Borrowing - Directorate		122,086	113,884	116,857	987,339	1,340,166
Forecast Use of Resources		387,805	476,882	314,524	1,934,893	3,114,104
* General Prudential Borrowing to replace the use of receipts, revenue contributions and corporate resources to fund Equal Pay.						

Prudential Borrowing - Additions or Reductions Quarter 3 (October to December) 2017

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.

	#	2017/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000	Total £'000
BORROWING NEEDING BUDGET SUPPORT						
Place:						
Waste Management Strategy	N	0	0	46,000	0	46,000
Economy:						
Arena Central	A	(1,249)	1,249	0	0	0
TOTAL BORROWING NEEDING BUDGET SUPPORT		(1,249)	1,249	46,000	0	46,000
SELF-SUPPORTED						
Economy:						
Enterprise Zone - Paradise Circus	A	0	0	797	1,471	2,268
Enterprise Zone - Investment Plan	A	(144)	0	0	347	203
Enterprise Zone - Site Development & Access	A	(2,500)	2,500	0	0	0
Enterprise Zone - Connecting Opportunities	A	0	0	0	238	238
Enterprise Zone - Southside Links	A	(71)	71	0	0	0
EZ Phase II - Curzon Street	A	0	(200)	0	0	(200)
EZ Phase II - HS2 Station Environment	A	0	1,000	2,687	4,513	8,200
EZ Phase II - Site Enabling	A	(1,000)	1,000	0	0	0
EZ Phase II - Local Transport Improvements	A	0	(1,000)	(1,000)	(3,000)	(5,000)
EZ Phase II - Connecting Economic Opportunities	A	0	500	0	(3,700)	(3,200)
Public Realm - Making the Connection	A	(81)	81	0	0	0
One Station	A	(251)	251	0	0	0
Ashted Circus	A	(488)	488	0	0	0
Metro Extension	A	(110)	(237)	0	0	(347)
Selly Oak New Road	A	0	0	(762)	0	(762)
Haden Circus	A	44	100	0	0	144
Holloway Circus	A	(324)	324	0	0	0
Southside Hurst Street	A	(381)	0	0	0	(381)
Council House Refurbishment	N	0	500	0	0	500
Place:						
Sport - Swimming Pool Facilities	N	219	0	0	0	219
Sport - Sport & Physical Activity	N	834	0	0	0	834
Sport - Kingstanding Leisure Centre	N	100	0	0	0	100
Waste Management Services	A	(228)	228	0	0	0
Cotton Park Nurseries	A	(694)	684	10	0	0
New Wholesale Market	N	98	0	0	0	98
Mortuary Flooring & Ventilation	A	(362)	362	0	0	0
Community Libraries	A	(234)	234	0	0	0
HRA - Redevelopment	N	0	1,016	12,842	6,822	20,680
Private Sector Housing - In Reach	A	(17,580)	17,850	0	0	270
Private Sector Housing - Housing Options	A	(7,500)	7,500	0	0	0
Strategic Services:						
ICT Infrastructure	A	(4,200)	(19,786)	(7,838)	43,276	11,452
Finance & Governance:						
IT Projects	N / A	50	(40)	0	0	10
Capital Loans & Equity	N	3,223	(1,000)	170	3,330	5,723
SAP Investments	A	(517)	(134)	(349)	(500)	(1,500)
TOTAL SELF-SUPPORTED BORROWING		(32,097)	12,292	6,557	52,797	39,549
TOTAL ADDITIONS / REDUCTION IN PRUDENTIAL BORROWING		(33,346)	13,541	52,557	52,797	85,549

A - Amendment to existing project spend or resources.

N - New projects or programmes added in the quarter.

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 3												APPENDIX 5
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.												
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 & Later Years	Total
	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
ADULT SOCIAL CARE & HEALTH DIRECTORATE	6,995	8,640	2,672	2,961	0	0	0	0	0	0	0	21,268
CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE	46,918	64,005	25,887	1,424	0	0	0	0	0	0	0	138,234
PLACE DIRECTORATE												
Private Sector Housing	24,937	62,298	37,641	22,747	22,600	22,600	22,600	22,600	22,600	22,600	0	283,223
Other - General Fund	28,054	20,870	46,073	0	0	0	0	0	0	0	0	94,997
HRA	120,175	130,970	111,739	124,437	100,413	107,276	109,697	106,887	106,536	104,543	97,749	1,220,422
TOTAL CAPITAL - PLACE DIRECTORATE	173,166	214,138	195,453	147,184	123,013	129,876	132,297	129,487	129,136	127,143	97,749	1,598,642
ECONOMY DIRECTORATE												
Regeneration												
Enterprise Zone Investment Plan	0	0	0	0	0	0	0	0	0	0	0	0
Paradise Circus Redevelopment	18,771	8,521	1,285	1,471	0	0	0	0	0	0	0	30,048
Site Development & Access	0	2,500	0	0	0	0	0	0	0	0	5,545	8,045
Connecting Economic Opportunities	0	0	0	0	0	0	0	0	0	0	9,798	9,798
Southern Gateway Site	0	1,000	6,142	11,345	1,338	14,705	0	0	0	0	0	34,530
LEP Investment Fund	0	0	0	0	0	0	0	5,000	5,000	5,000	5,000	20,000
HS2 - Curzon Street	0	0	0	0	0	0	0	0	0	0	0	0
HS2 - Interchange Site	0	0	0	0	5,000	5,000	5,000	5,000	0	0	0	20,000
Snow Hill Public Realm	0	0	0	0	0	0	0	0	0	0	0	0
Southside Links	15	377	0	0	0	0	0	0	0	0	0	392
Moor Street Queensway	0	0	0	0	0	0	0	0	0	0	0	0
One Station	0	251	0	0	0	0	0	0	0	0	0	251
Centenary Square	6,774	4,269	0	0	0	0	0	0	0	0	347	11,390
EZ Phase - Curzon Extention	0	4,814	4,687	34,399	31,800	80,700	65,600	73,400	72,200	31,250	299,450	698,300
Other Regeneration Schemes	4,911	14,967	2,615	0	0	0	0	0	0	0	0	22,493
Total Planning & Regeneration	30,471	36,699	14,729	47,215	38,138	100,405	70,600	83,400	77,200	36,250	320,140	855,247

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 & Later Years	Total
	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast	Quarter 3 Forecast
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Total Employment & Skills	10,172	4,343	468	0	0	0	0	0	0	0	0	14,983
Total Transportation	27,855	67,866	55,962	46,110	32,921	5,549	0	0	0	0	0	236,263
Total Highways	4,826	2,532	1,659	1,575	1,575	825	0	0	0	0	0	12,992
Total Property Services	30,863	1,965	0	0	0	0	0	0	0	0	0	32,828
TOTAL CAPITAL - ECONOMY DIRECTORATE	104,187	113,405	72,818	94,900	72,634	106,779	70,600	83,400	77,200	36,250	320,140	1,152,313
FINANCE & GOVERNANCE DIRECTORATE	47,365	33,840	16,108	9,444	0	0	0	0	0	0	0	106,757
STRATEGIC SERVICES DIRECTORATE	9,174	42,854	1,586	1,276	6,000	6,000	6,000	6,000	6,000	6,000	6,000	96,890
TOTAL CAPITAL PROGRAMME	387,805	476,882	314,524	257,189	201,647	242,655	208,897	218,887	212,336	169,393	423,889	3,114,104
<u>Resources</u>												
<u>Use of Specific Resources</u>												
Grants & Contributions	117,040	205,821	95,112	62,447	26,542	9,805	5,413	1,873	250	250	250	524,803
Use of earmarked Capital Receipts	32,635	98,315	56,136	45,476	35,647	36,068	36,499	36,942	37,398	37,867	16,347	469,330
Revenue Contributions - Departmental	1,665	12,240	6,119	32	0	0	0	0	0	0	0	20,056
- HRA	81,795	37,218	40,200	65,259	55,079	65,072	67,785	68,072	68,888	66,426	81,152	696,946
- Income Generation	0	0	0	0	0	0	0	0	0	0	0	0
Total Specific Resources	233,135	353,594	197,567	173,214	117,268	110,945	109,697	106,887	106,536	104,543	97,749	1,711,135
<u>Use of Corporate or General Resources</u>												
Corporate Resources	0	8,155	100	150	17,641	2,925	0	0	0	0	0	28,971
Unsupported Prudential Borrowing - General	15,266	0	0	0	0	0	0	0	0	0	0	15,266
Unsupported Prudential Borrowing - Corporate	17,318	1,249	0	0	0	0	0	0	0	0	0	18,567
Unsupported Prudential Borrowing - Directorate	122,086	113,884	116,857	83,825	66,738	128,785	99,200	112,000	105,800	64,850	326,140	1,340,165
Total Corporate Resources	154,670	123,288	116,957	83,975	84,379	131,710	99,200	112,000	105,800	64,850	326,140	1,402,969
Forecast Use of Resources	387,805	476,882	314,524	257,189	201,647	242,655	208,897	218,887	212,336	169,393	423,889	3,114,104

Treasury Portfolio Summary

	16/17 Q2 30-Sep-16		16/17 Q3 31-Dec-16		16/17 Q4 31-Mar-17		17/18 Q1 30-Jun-17		17/18 Q2 30-Sep-17		17/18 Q3 31-Dec-17	
PWLB	2,255,922,000	75.5%	2,255,922,000	76.0%	2,240,922,000	73.1%	2,240,922,000	67.0%	2,220,922,000	67.2%	2,220,922,000	67.5%
Bonds	287,971,000	9.6%	327,971,000	11.0%	327,971,000	10.7%	372,971,000	11.2%	372,971,000	11.3%	372,971,000	11.3%
LOBO's (note 1)	206,350,000	6.9%	166,350,000	5.6%	166,350,000	5.4%	166,350,000	5.0%	166,350,000	5.0%	162,350,000	4.9%
Long Term Other		0.0%		0.0%		0.0%	37,200,000	1.1%	58,754,755	1.8%	58,754,755	1.8%
Quasi Loan (Salix loans)	239,459	0.0%	239,459	0.0%	215,423	0.0%	215,423	0.0%	191,388	0.0%	191,388	0.0%
Short Term	292,783,655	9.8%	277,286,049	9.3%	358,713,549	11.7%	605,965,556	18.1%	558,618,726	16.9%	541,129,025	16.5%
Gross Loan Debt	3,043,266,114	101.8%	3,027,768,508	102.0%	3,094,171,972	101.0%	3,423,623,979	102.4%	3,377,807,869	102.3%	3,356,318,168	102.0%
Less Treasury Investments	(54,310,206)	-1.8%	(58,672,617)	-2.0%	(29,400,679)	-1.0%	(78,649,147)	-2.4%	(74,876,226)	-2.3%	(67,070,633)	-2.0%
Net Loan Debt	2,988,955,908	100.0%	2,969,095,891	100.0%	3,064,771,294	100.0%	3,344,974,833	100.0%	3,302,931,644	100.0%	3,289,247,534	100.0%
Year-End Budgeted Net Debt	3,450,000,000	86.6%	3,450,000,000	86.1%	3,450,000,000	88.8%	3,787,000,000	88.3%	3,787,000,000	87.2%	3,787,000,000	86.9%
Prudential Borrowing Limit	3,780,000,000		3,780,000,000		3,780,000,000		4,200,000,000		4,200,000,000		4,200,000,000	

Notes

LOBO Loan

1. A Lender's Option Borrower's Option loan (LOBO) is a market loan in which typically the lender has a periodic opportunity to offer and adjust rate, and the borrower has the option to either accept this rate or repay the loan in full at par.

2. The increase in short term debt reflects on advance payment of cashflows to the pension fund, at a discounted rate.

This appendix shows all long term transactions in the quarter (i.e. transactions of over 1 year)

Appendix 7

1st October 2017 - 31st December 2017

New Long Term Loans

Date of loan	Loan	Counter Party	Interest Rate	Maturity Date
---------------------	-------------	----------------------	----------------------	----------------------

No new long term loans taken during the quarter.

Long Term Loans prematurely repaid during the quarter.

Date of repayment	Loan/ (Repayment)	Counter Party	Interest Rate	Maturity Date	Premia/ (Discounts)
--------------------------	------------------------------	----------------------	----------------------	----------------------	--------------------------------

No long term loans were prematurely repaid during the quarter.

Short term loan debt outstanding at 31 December 2017

Institution	Average Rate %	Amount £
local authorities	0.56%	540,182,672
other lenders	0.23%	946,353
total short term loan debt outstanding	0.56%	541,129,025

Short term loans are borrowed for a period of less than 12 months. The interest rate is likely to be close to bank base and will change broadly in line with base rate changes.

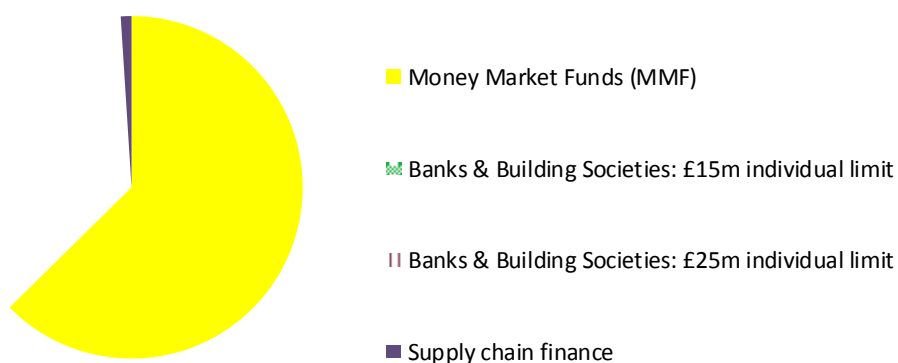
Treasury Investments Outstanding at 31 December 2017

Investments by Institution:	Fitch Rating	End Date	Rate %	Amount £
	Short Term / Long Term			
Amundi MMF	AAAmf	01/01/18	0.44%	38,000,000
Federated Prime Rate MMF	AAAmf	01/01/18	0.39%	4,000,000
Svenska Handelsbanken	F1+/AA	01/01/18	0.20%	4,000,000
HSBC	F1+/AA-	01/01/18	0.30%	11,031,155
Barclays Bank	F1/A+	01/01/18	0.30%	9,361,966
Supply chain finance	-	-	1.50%	677,513
Total				67,070,633

Investments by type:

	Current Quarter £	%
Money Market Funds (MMF)	42,000,000	62.6
Banks & Building Societies: £15m individual limit	9,361,966	14.0
Banks & Building Societies: £25m individual limit	15,031,155	22.4
Supply chain finance	677,513	1.0
Total	67,070,633	100.0

Investments as at 31 December 2017



**Treasury Management Investment Details
1st October 2017 to 31st December 2017**

New Investments Market Fixed Term Deposits

Date Out	Date In	Borrower	Amount £	Interest Rate
No fixed term deposits in this quarter				

In addition to the above deposits with individual institutions the Council uses money market funds and other call accounts where money may be added or withdrawn usually without notice. A summary of transactions for the quarter is as follows:

New Investments Call Accounts

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Barclays Bank PLC FIBCA A/C	28	21	3,879,510	0.30%
Svenska Handelsbanken	0	1	4,000,000	0.20%
HSBC	6	6	15,398,493	0.30%

New Investments Money Market Funds

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Amundi Money Market Fund	6	8	32,120,652	0.34%
Federated Money Market Fund	12	17	17,669,837	0.31%
Standard Life (Ignis) Sterling Liquidity	7	10	5,638,043	0.21%

This appendix shows amounts invested externally by the City Council as Accountable Body. These are separate from the Council's own investments.

Appendix 10

Accountable Body Investments - 31st December 2017

	Growing Places Fund	Advanced Manufacturing Supply Chain Initiative	Regional Growth Fund	Total
	£000	£000	£000	£000
Goldman Sachs Money Market Fund	3,193	2,461	0	5,655
Black Rock Government Money Market Fund	0	0	2,210	
Total Money Market Funds	3,193	2,461	2,210	5,655
Debt Management Office	9,700	25,000	0	34,700
Treasury Bills	0	0	0	0
Total Accountable Body investments	12,893	27,461	2,210	40,355

DEBT AND PRUDENTIAL INDICATORS

WHOLE COUNCIL		17/18	17/18	18/19	18/19	19/20	19/20
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital Expenditure - Capital Programme	464.2	381.8	277.0	476.9	177.6	314.5
2	Capital Expenditure - other long term liabilities	27.9	27.9	30.4	30.3	36.0	35.9
3	Capital expenditure	492.1	409.7	307.4	507.2	213.6	350.4
4	Capital Financing Requirement (CFR)	4,621.7	4,688.7	4,590.8	4,635.4	4,568.5	4,596.4
Planned Debt							
5	Peak loan debt in year	3,845.9	3,622.2	3,766.2	3,557.9	3,623.6	3,505.7
6	+ Other long term liabilities (peak in year)	471.0	471.6	448.8	449.1	432.0	432.2
7	= Peak debt in year	4,316.9	4,093.8	4,215.0	4,007.0	4,055.6	3,937.9
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no
Prudential limit for debt							
9	Gross loan debt	4,200.0	3,622.2	4,120.0	3,557.9	4,040.0	3,505.7
10	+ other long term liabilities	500.0	471.6	480.0	449.1	460.0	432.2
11	= Total debt	4,700.0	4,093.8	4,600.0	4,007.0	4,500.0	3,937.9
Notes							
1	Forecast capital expenditure has increased since the indicator was set due to additions to the capital programme, as reported in the quarterly capital monitoring reports.						
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

Appendix 11b

HOUSING REVENUE ACCOUNT		17/18	17/18	18/19	18/19	19/20	19/20
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure	137.8	120.2	115.5	131.0	105.7	111.7
HRA Debt							
2	Capital Financing Requirement (CFR)	1,098.2	1,097.4	1,086.9	1,058.1	1,084.2	1,045.1
3	Statutory cap on HRA debt	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4
Affordability							
4	HRA financing costs	96.5	87.3	96.4	90.4	97.2	97.9
5	HRA revenues	283.8	283.8	279.9	277.2	275.7	273.1
6	HRA financing costs as % of revenues	34.0%	30.8%	34.4%	32.6%	35.3%	35.8%
7	HRA debt : revenues	3.9	3.9	3.9	3.8	3.9	3.8
8	Forecast Housing debt per dwelling	£17,722	£17,781	£17,678	£17,335	£17,786	£17,331
9	Estimate of the incremental impact of new capital investment decisions on housing rents. (expressed in terms of ave. weekly housing rent)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Notes

- 2-3 The HRA Capital Financing Requirement (CFR) is being used by the Government as the measure of HRA debt for the purposes of establishing a cap on HRA borrowing for each English Housing authority.
- 4 Financing costs include interest and MRP (or depreciation in the HRA).
- 7 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.
- 8 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.
- 9 The cost of borrowing for the Capital Programme represents the interest and repayment costs arising from any new prudential borrowing introduced in the capital programme since the last quarter, expressed in terms of an average weekly rent. The calculation excludes the cost of borrowing which is funded from additional income or savings. As all planned HRA borrowing is funded from additional income in this way, the impact is zero. The Prudential Code calls this the Estimate of the incremental impact of capital investment decisions on housing rents.

DEBT AND PRUDENTIAL INDICATORS

Appendix 11c

GENERAL FUND		17/18	17/18	18/19	18/19	19/20	19/20
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure (including other long term liabilities)	354.3	289.5	191.8	376.2	107.9	238.7
2	Capital Financing Requirement (CFR)	3,523.5	3,591.2	3,503.9	3,577.3	3,484.2	3,551.3
General Fund debt							
3	Peak loan debt in year	2,747.7	2,524.8	2,679.3	2,499.8	2,539.4	2,460.6
4	+ Other long term liabilities (peak in year)	471.0	471.6	448.8	449.1	432.0	432.2
5	= Peak General Fund debt in year	3,218.7	2,996.4	3,128.1	2,948.9	2,971.4	2,892.8
General Fund Affordability							
6	Total General Fund financing costs	265.6	161.0	273.2	274.2	266.9	270.7
7	General Fund net revenues	821.8	821.8	815.2	855.2	804.5	824.6
8	General Fund financing costs (% of net revenues)	32.3%	19.6%	33.5%	32.1%	33.2%	32.8%
9	Estimate of the incremental impact of new capital investment decisions on Council Tax.	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Expressed in terms of Council Tax (Band D equiv)
(impact already included in Council Tax increases assumed in LTFP)

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 gross revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 The incremental impact of new capital investment decisions represents the interest and repayment implications arising from any changes in forecast prudential borrowing in the capital programme since the last quarter, expressed in terms of Council Tax at Band D. Any implications are cumulative in later years as successive years' borrowing is added. Any impact has been funded within the Long Term Financial Plan and assumed Council Tax charges up to 2017/18. The calculation excludes the cost of borrowing which is funded from additional income or savings. At Quarter 1, all the changes in forecast prudential borrowing relate to self-funding projects, so there is no net incremental impact on Council Tax.

PRUDENTIAL INDICATORS

Appendix 11d

TREASURY MANAGEMENT

	17/18	17/18	18/19	18/19	19/20	19/20
	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
CIPFA Treasury Management Code						
1 Has the authority adopted the TM Code?	Yes	Yes	Yes	Yes	Yes	Yes
Interest rate exposures						
	Limit	Forecast Maximum	Limit	Forecast Maximum	Limit	Forecast Maximum
2 upper limit on fixed rate exposures	130%	91%	130%	84%	130%	86%
3 upper limit on variable rate exposures	30%	23%	30%	25%	30%	19%
Maturity structure of borrowing						
(lower limit and upper limit)	Limit	Forecast Year End	Limit	Forecast Year End	Limit	Forecast Year End
4 under 12 months	0% to 30%	20%	0% to 30%	20%	0% to 30%	17%
5 12 months to within 24 months	0% to 30%	2%	0% to 30%	1%	0% to 30%	1%
6 24 months to within 5 years	0% to 30%	3%	0% to 30%	6%	0% to 30%	4%
7 5 years to within 10 years	0% to 30%	11%	0% to 30%	11%	0% to 30%	11%
8 10 years to within 20 years	5% to 40%	21%	5% to 40%	22%	5% to 40%	22%
9 20 years to within 40 years	10% to 60%	35%	10% to 60%	35%	10% to 60%	39%
10 40 years and above	0% to 40%	7%	0% to 40%	5%	0% to 40%	6%
Investments longer than 364 days						
upper limit on amounts maturing in:	Limit	Forecast	Limit	Forecast	Limit	Forecast
11 1-2 years	200	0	200	0	200	0
12 2-3 years	100	0	100	0	100	0
13 3-5 years	100	0	100	0	100	0
14 later	0	0	0	0	0	0

Note

2-10 These indicators assume that LOBO loan options are exercised at the earliest possibility, and are calculated as a % of net loan debt.

Commonwealth Games

The award of the 2022 Commonwealth Games to Birmingham will require significant capital investment by the City Council in sports venue improvements (especially at the Alexander Stadium), capital grants to the Organising Committee, and building an athletes' Games Village which will be converted to residential housing after the Games. These will not be included in the capital programme until costs have been agreed with the newly-created Organising Committee.

However, an initial capital budget of £44.9m for City Council development costs and land acquisition has been included in the 2017/18 and 2018/19 budget funded by capital grants of £38.0m and council corporate resources of £6.9m.

The City Council's capital programme and resources have been reviewed to identify funding towards the Games costs. At this stage £15.064m of resources have been released.

The table below summarises the resources that have been re-prioritised to date to support the Games funding.

Directorate	Details	£m
Place	Disposals Programme – Sport & Leisure Review	1.000
	Earmarked Receipts – Empty Properties	0.800
Adults Social Care & Health	Revenue Reform – H&SC Integration	1.000
	Disposals Programme – The Laurels	0.790
	CareFirst IT Project	0.330
Economy	Earmarked Receipts – general accumulated balance	0.924
	Access to Buildings Project	0.459
Finance & Governance	Earmarked Receipts – general accumulated balance	1.774
	SAP New Development Project	1.500
	Grant contingency reserves	2.482
	Review of Disposals Programme	2.000
	Revenue Reform – Contingency	2.005
	Unapplied Grants Reserve	0.298
Total		15.362