

BIRMINGHAM CITY COUNCIL

RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 10 FEBRUARY 2022 AT 14:00 HOURS
IN COMMITTEE ROOM C, MARGARET STREET, [VENUE
ADDRESS]

A G E N D A

1 **NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's meeting You Tube site (www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw) 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 - 18

4 **ACTION NOTES**

To confirm the action notes of the meeting held on 25 November 2021 and note the action notes of the informal meeting held on 20 January 2022.

19 - 92

5 **FINANCIAL MONITORING 2021/22 – QUARTER 3/MONTH 9**

To consider the Quarter 3 financial monitoring report (considered at Cabinet on 8 February).

93 - 96

6 **INVEST TO SAVE INITIATIVES**

To receive a report on the position with regard to Invest to Save initiatives.

97 - 108

7 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To note the Cabinet report (considered on 8 February) on planned procurement activity.

109 - 112

8 **WORK PROGRAMME**

For discussion.

9 **DATE AND TIME OF NEXT MEETING**

The next meeting will be held on Thursday 24th March 2022.

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**

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

12 **AUTHORITY TO CHAIR AND OFFICERS**

Chair to move:-

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

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

**1400 hours on Thursday 25 November 2021, BMI Main Hall, Margaret Street,
Birmingham**

Action Notes

Present:

Councillor Majid Mahmood (in the Chair)

Councillors: David Barrie, Barbara Dring, Meirion Jenkins, Shafique Shah and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director

Richard Peirce, Finance Manager – Financial Strategy

Sara Pitt, Director of Finance (Deputy Section 151 Officer)

Mohammed Sajid, Interim Head of Financial Strategy

Beverley Sullivan, Finance Manager

Jayne Bowles, Scrutiny Officer

Christian Scade, Interim Head of Scrutiny and Committee Services

In the absence of the Chair and Deputy Chair, Councillor Majid Mahmood was elected to chair the meeting – proposed by Councillor Shafique Shah, seconded by Councillor Paul Tilsley and agreed by the Committee.

1. NOTICE OF RECORDING/WEBCAST

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2. APOLOGIES

Apologies were received from Councillors Mohammed Aikhlaq and Lisa Trickett and an apology for lateness from Councillor Barbara Dring.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

(See document 1)

RESOLVED:-

The action notes of the meeting held on 7 October 2021 were agreed.

5. FINANCIAL MONITORING 2021/22 – QUARTER 2/MONTH 6

(See document 2)

The Chair invited Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, to introduce this item. In doing so, the following points were highlighted:

- An overspend of £10.2m is reported, an improvement of some £17m from the previous quarter;
- The direction of travel has improved although there is still some way to go, with significant budget pressures next year, including loss of income and Covid factors;
- Brief mention was made of the budget and spending review and although only the national headline figures are currently known, it is thought there will be an additional £36.9m annually from 2022/23 to 2024/25, offset by some additional expenditure of £2.3m;
- Negotiations continue between Trade Unions and the national negotiating body regarding the annual pay settlement.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- Overspend of £10.2m – a number of actions are being taken corporately to close that off and some will be obvious things, for example no non-essential spend, and they are continuing to work to drive down establishment costs, for example holding vacancies and making sure they keep control over interim and agency spend;
- It was pointed out that although £10.2m is a large sum, it is something like 0.3% of the overall budget;
- Allocation of £0.745m for 20 new CCTV cameras and upgrading of 30 existing cameras – it was queried whether there were any staffing implications. Members were told that there is a report to Cabinet in December with details of the proposal and there should not be any revenue implications, however this will be confirmed;
- Business rate deficit – concern was expressed with regard to the expected business rate deficit and the amount of sundry debt;
- It was acknowledged that there are challenges around collection of business rates and council tax and further information was requested regarding the amount currently outstanding and approaches taken by other core cities;

- With regard to the forecast £2.5m increase in the appeals provision to cover outstanding appeals, it was queried whether this is just Birmingham or whether other core cities are doing this;
- Members were told that other core cities work on a similar basis although there will be local differences;
- It was noted that the inflation rate for October was higher than anticipated and Members were assured that this is a matter of constant analysis. There are contingencies in place and there seems to be a view that there will be a peak of inflation that will diminish into next year;
- The policy contingency for Cityserve was welcomed;
- A detailed report on Invest to Save initiatives was requested for either the January or February meeting;
- The £1m internal mitigation in Grounds Maintenance was queried and further information requested as to where this was coming from and whether it would impact on the whole city or parts of the city;
- It was good news that funding had been identified from the Levelling Up Fund to progress the Dudley Road Scheme and that now funding had been agreed there would be a report back to Cabinet in February or March with revised costings and changed specification;
- Members were pleased that Shelforce had won an award at the Asian Chamber of Commerce but were concerned that the reduction in the HRA capital programme relating to fire doors had resulted in a loss of income of £0.9m and more information was requested;
- Under Capital Receipts and Disposals Programme, there was reference to a small number of high value cases and more information was requested on this so that Members know what those high value cases are;
- The £6m of Public Health Grant to be released to fund Covid related spending – this is a ring-fenced self-contained budget so there are no implications for the General Fund;
- Additional information was requested in relation to the Clean Air Zone – proposed spend, income projections and where the money will be spent;
- More detail was requested on the writing-off of £637,356 Commercial Rent Charges from 2003 to 2018;
- Reference was made to a letter that the Chair of Audit Committee had sent to the Chair of Resources O&S Committee regarding the financing of the Commonwealth Games and in particular the issues with partner contributions and a report was requested for the January meeting.

RESOLVED:-

- The following responses to be provided:
 - Allocation of £0.745m for 20 new CCTV cameras and upgrading of 30 existing cameras – confirmation as to whether there are any staffing implications;
 - Council Tax Collection – figures to be provided of how much is currently outstanding and possible report to a future meeting on other core cities' approaches to council tax collection;
 - Invest to Save Initiatives – detailed report to be brought to January or February meeting;

- £1m mitigations within Grounds Maintenance Service – more detail to be provided on where this is coming from;
 - Capital Receipts and Disposals Programme reference to a small number of high value cases – more information to be provided;
 - Shelfforce loss of income of £0.9m due to a reduction in the HRA capital programme relating to fire doors – more information to be provided;
 - Clean Air Zone – additional information to be provided on proposed spend, income projections and where the money will be spent;
 - Writing-off of £637,356 Commercial Rent Charges from 2003 to 2018 – more detail to be provided;
 - A report on the Financing of the Commonwealth Games, with a particular focus on partner funding, to be brought to the January meeting;
- The report was noted.

6. MEDIUM TERM FINANCIAL PLAN UPDATE

(See document 3)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, highlighted the following key points:

- Members have seen the financial position this year and the Medium Term Financial Plan is for the position going forward as far as 2025/26;
- It is a live document that includes impacts in-year to get an understanding of risks coming down the line and ensure decisions are being made in a timely way before matters become critical to budget;
- Appendix 1 is an evolving attempt to quantify budget risks and rate them to allow informed judgement about the reserves position.

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

- Work is being done to deal with the emerging financial gap and it was noted that this is not unique to Birmingham and there are pressures in the sector generally;
- It is critical for the organisation that delivery plans are implemented and there will be pressures to face in future years;
- With regard to adult care packages, it was acknowledged that the shortage of care workers across the city inevitably means pressures around wages which will have an impact on care packages and this will have to be managed in the context of the budget;
- With regard to the 25 year capital programme, Members were told this will pull out key themes to give a long-term vision. It will be ongoing for a number of years and should be reviewed every year;
- It was suggested that this be brought to committee when it is ready;
- It was noted that there is still a risk around the impact of Brexit and loss of grant income, which is not fully known at the moment;

- With regard to the risk of a cyber attack, the probability weighted medium term potential impact was queried as it seemed quite high;
- Members were told that a number of local authorities had been subject to substantial cyber attacks and that the risk is considerably higher than 1% though probably lower than 50%;
- It was noted that this was a difficult risk to quantify and that the council does need to be mindful of this and have provision in place;
- In response to a question around what public engagement is being done on the budget, Members were told this has slipped on the timetable because of financial challenges but they are looking to launch an app next week;
- This will give residents and interested parties a chance to participate in the budget process and once it is live details will be circulated to Members.

RESOLVED:-

- The report was noted.

7. ERP UPDATE

(See document 4)

James Couper, ERP Programme Director, presented the update and highlighted the following key points:

- They are continuing to report amber and likely to stay there, however it is a stable amber rather than a declining amber;
- It has been a good couple of months in terms of reducing the risk profile;
- There are some particular stresses, for example connecting with other applications, and with the integration partner regarding service extensions and resources, but there is a clear plan now from them to deliver and they are into the testing process;
- They have been through three significant testing cycles, one of which is user acceptance testing and all current functional areas with the exception of Finance have exited from that testing cycle;
- They have just started the next round of data migration and have met targets for the second cycle, with high rates of getting data into the new system;
- They are going to extend a couple of the milestones – the second cycle of user acceptance testing and payroll comparison 2 – until 7th January to give more time for those two key cycles to complete;
- They need to hit a target of at least 85% on payroll;
- Other milestones remain on track;
- A number of open risks and issues have been managed out, however there are still some significant risks being managed, particularly around any further delays to data migration and there are a number of technical solutions that they have to get right;
- They are at a point in the programme where people are remembering things they forgot to ask for but it is difficult now to start to introduce change and there may be some features people are now saying they want which they won't be able to have until after April;
- The programme remains within budget and there is still some contingency fund and reserves left;

- Consideration is given to lessons learnt when moving from one phase to another;
- In terms of training, whilst this technology will support 43,000 employees the vast majority will only use a thin slice of it on a daily basis and they want to be really efficient in the way people are helped to do just the things they need to do, for example updating details, checking payslips, etc, and they are using self-guided learning to do that.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- One of the lessons learnt is that full organisational buy-in is needed and there are some cultural challenges, but they are trying to show people that if we don't do it this way it won't work;
- The logic of the £0.5m spend on the SAP netweaver licence, which had been raised in previous meetings when considering the Planned Procurement Activities Report, was questioned again;
- It was noted that the cost of the programme had doubled and that there is an estimated gross saving of £10.918m, which is less than the increase in costs;
- It was queried whether there is a net saving and Members were told that they know they have to make a £2m saving per annum and at the moment approximately £1.6m has been identified so they are close to the target set out in the business case;
- The next update is scheduled for January.

RESOLVED:-

- The report was noted.

8. WORK PROGRAMME

(See document 5)

The work programme 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 1525 hours.

BIRMINGHAM CITY COUNCIL**RESOURCES O&S COMMITTEE – INFORMAL MEETING****1400 hours on Thursday 20 January 2022 (On-line Meeting)****Action Notes**

Present:

Councillor Mohammed Aikhlaq (Chair)

Councillors: David Barrie, Meirion Jenkins, Majid Mahmood and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director

Rebecca Hellard, Director of Council Management

Guy Olivant, Major Developments Lead, Council Management Directorate

Mohammed Sajid, Interim Head of Financial Strategy

Jayne Bowles, Scrutiny Officer

Christian Scade, Interim Head of Scrutiny and Committee Services

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2. APOLOGIES

Apologies were received from Councillor Barbara Dring.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES – 25 NOVEMBER 2021

(See document 1)

The action notes of the meeting held on 25 November 2021 were noted and will be agreed at the next formal meeting.

5. FINANCIAL MONITORING 2021/22 – MONTH 8

(See document 2)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, Rebecca Hellard, Director of Council Management, and Mohammed Sajid, Interim Head of Financial Strategy, attended for this item.

Cllr Chatfield introduced the report and highlighted the following key points:

- At the end of Month 8 there is an overspend of £7.5m, which is an improvement of £2.7m since Month 6. Further improvement is expected, with a balanced position at end of year;
- There is an improvement of £4m in non-Covid underspend since Month 6;
- This is therefore an overall positive picture;
- There is an existing Covid pressure of £34.2m, an increase of £1.3m since Month 6, due to various elements outlined in the report;
- In terms of the savings programme, £27.4m of the savings targets have been delivered or are on track, representing 75% of the total savings target of £36.7m, and this has now improved further to 80%, which puts us in a similar position as pre-Covid;
- There is still work to be done, but 80% is quite significant and much improved.

During the discussion, and in response to Members' questions, the following were among the main points raised

- Given that there is an overspend of £7.5m and it is expected that a balanced budget will be achieved at end of year, are there savings yet to be identified?
- Members were told that the overspend is expected to come down through the standard budget management process and spending rules, ie greater requirement for compliance regarding requests for spend;
- There are quite extensive spending controls in operation, eg workforce spend, procurement of supplies and services and spend to do with property, with clear governance and reporting into Corporate Leadership Team on a regular basis;
- There has been some progress since the report was produced, which will be seen in the Quarter 3 report, and there is no reason to think they won't get that figure down to zero;
- In response to concerns raised about the slippage in the capital programme which it was noted is quite substantial now, there is a finance officer who has oversight of the whole programme and there is a Capital Board which Members sit on, including the Cabinet Member for Finance and Resources and the Leader, which monitors spend and implications;

- There is a monthly officer group where all those involved in capital projects meet, chaired by the Assistant Director, Development and Commercial, and a major projects dashboard goes to the Capital Board, which provides scrutiny;
- Members were told that the £31m slippage is due to a number of factors, including developments since it was set 12 months ago;
- There has been a review of the capital programme, details of which are included in the Quarter 3 report to Cabinet in February and also form part of the documentation going to Co-ordinating O&S Committee;
- Reference was made to a delay with one of the capital projects the city is involved in – the Bromford Flood Alleviation Scheme, funded by the Environment Agency with a contribution from the Council and it was queried whether the delay was due to a shortfall in funding from the Environment Agency:
- There is a Flood Risk Manager who looks after the six-year flood alleviation programme and works closely with the Finance Business Partner in Inclusive Growth, where monitoring takes place and then feeds through the process to Capital Board if required;
- It was confirmed that the delays were due to difficult site conditions and so the programme had been pushed back into next year;
- There has also been some work taking place around HS2 hydraulic modelling to look at how to manage flood alleviation which has caused part of the delay;
- More information was requested regarding the Clean Air Zone and what is being done to mitigate the costs of operating non-compliant vehicles;
- Members were told there will be mitigations in place in different directorates on vehicle purchase strategies and more details will be provided on this;
- With regard to the cost of servicing debt, which represents approximately 27% of the budget, it was queried whether that is the average for councils across the country and Members were told that the general prudential indicator across the country is about 30%;
- It was agreed that a list of outstanding debts and the interest rates being paid against them could be provided to Members;
- In terms of what provision has been made for the Bank of England moving interest rates in the next 12 months, the treasury management strategy has factored this in;
- They have also looked at the short and long term debt strategy;
- In response to a question about the use of reserves, it was confirmed that reserves are not used to balance the budget but are there for earmarked purposes;

The report was noted.

Actions

- More information to be provided regarding the Clean Air Zone and what is being done to mitigate the costs of operating non-compliant vehicles;
- List to be provided of outstanding debts and the interest rates being paid against them.

6. COMMONWEALTH GAMES FUNDING UPDATE

(See document 3)

Guy Olivant, Major Developments Lead, Council Management Directorate, attended for this item.

The following key points were highlighted:

- Similar papers have been presented to O&S in the past and this is an update paper on progress made since those previous reports and setting the context of where we are going now;
- We are now 189 days from the opening ceremony, so getting close to the Commonwealth Games delivery;
- The important message around financing is that even with Covid and the exit from the EU, they are still anticipating that the Games, including major capital projects, will all be delivered within the budget set back in 2019;
- The budget for the overall funding of the Games includes £184m of local contributions from the Council and funding partners and that continues to be maintained;
- As the paper sets out, the original hope was that contributions of £75m would be secured from local partners, however only £50m has been secured, including significant contributions from the GBSLEP and the Community Infrastructure Levy;
- A huge amount of work has been done to try and secure more funding contributions, but particularly recently with Covid etc creating pressures, it has not been possible to get beyond the £50m already secured;
- As a mitigation, as part of the 2021/22 budget it was agreed to set aside £25m of capital contingency money to use in the event that it was not possible to get beyond the £50m and it was set out in a report to Cabinet in July 2021 that that would be required and it is now in the process of being drawn down to make sure full funding is in place and that those capital programmes and other commitments in the host city contract are delivered in full.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- It was pointed out that even before Covid there was some scepticism from the committee that the partner contributions of £75m would be achieved;
- The reference to the Community Infrastructure Levy (CIL) was queried with a view expressed that this should not be counted as a partner contribution;
- Members were told that the £5m CIL funding is payments particularly from developers where the Council is effectively the custodian of the funding for quite narrowly restricted use. The Council receives that money and directs it to appropriate projects, some of which have a Commonwealth Games use;
- There is a separate contribution out of the CIL fund being directed to fund part of the costs of the redevelopment of Perry Barr Station, broadly linked to wider works being undertaken around the Perry Barr regeneration scheme, formerly intended to be used for athletes village;
- The CIL relating to the rail station doesn't form part of the £184m local contribution at all;

- There was a view that although it was disappointing that partners are seemingly no longer in a position to contribute the remaining £25m, the foresight to set aside the contingency to meet any shortfall in contributions was welcomed.

The report was noted.

7. ERP UPDATE

(See document 4)

James Couper, ERP Programme Director, attended for this item, and highlighted the following key points in the presentation:

- In response to the question raised at the last meeting regarding the SAP Netweaver licences, it is understood that these are needed to run the SAP systems supporting the current HR and Finance data and are likely to be needed for a partial amount of the 2022/23 financial year due to the need to close out this year's accounts in SAP, which can take up to 6 months;
- It was confirmed that this is due to the implementation of the new system running late;
- In terms of the 1B programme overall, the position is that they are continuing to track with no red ratings and a number of workstreams are starting to move more towards a green rating;
- The second round of user acceptance testing has now been completed for all functions except finance. Finance will finish on 28th January due to couple of custom components running late;
- The third round of data migration has finished, moving all data from existing systems into the new Oracle system, which is complex here due to 20 years collection of information which needs to be translated into a different format. Credit was given to all members of the team for getting to a point where they are seeing accuracy of 90%;
- There is one more cycle at the end this month and early February and they are looking to hit rates of 98% accuracy (they are currently running around mid-nineties);
- The second round of payroll testing has been completed – with all elements accurate to high 80s and above;
- There is one more cycle to go where they need to hit a target of 98%;
- In terms of milestones – the User Acceptance Testing Phase 2 has been moved to 28th January and the other milestones remain on track. The payroll comparison 3 testing has been extended slightly to allow more time to get that right;
- The focus is now on transition and how we move from SAP and adopt the Oracle system and there is a new training partner on board;
- They will start training staff from the end of February to mid-March and there will be wider communication to start to introduce people to the new platform;
- They have started engagement across other groups, eg Trades Unions and schools;

- The risk profile is coming down, with a number of open risks reduced for the January period and the number of issues they are managing actively is relatively small;
- At this late stage, controlling requests for changes is crucial and anything that is not statutory or regulatory in nature will be put on a roadmap to be delivered after April go live;
- One important thing is to make sure support teams who have been involved in SAP for a number of years have the skills they need to run with the new system and after go live there will be a 3 month “hyper care” period to solve issues and problems in a timely way;
- There is a page in the report that looks at a detailed adoption and engagement plan across stakeholder groups, eg schools, academies and suppliers;
- Also, in terms of council colleagues and what Oracle means for their role, there will be a key focus on senior management layers ensuring messages are cascaded out and sessions with Trades Unions to cascade information to their members;
- Where we are in our ability to go live is determined by the steering committee and where there are particular issues, these are ranked on a fortnightly basis;
- They are still forecasting April for go live.

During the discussion, and in response to Members’ questions, the following were amongst the main points raised:

- With regard to milestone projections that have been missed, it was confirmed that they have been able to mitigate these so they don’t flow through into later ones;
- They have chosen to keep baseline dates where they were and they give an actual or forecast that reflects that, however they have carried a contingency of 4-6 weeks through the programme;
- With regard to the budget position and in particular the increase to egress costs, the egress supplier that provided the data migration services was asked to help with the development of some reports to deliver them quickly and this resulted in somewhere in the region of £180,000-£240,000 which was taken from the contingency;
- The rise in employee costs in 2022/23 not initially envisaged was queried and Members were told that this relates to needing to retain staff seconded to the programme for longer than was originally intended;
- Have tried to provide a glossary at end of report to assist with jargon used in report.
- The budget position regarding licences and why the figure for the Oracle fusion licences has dropped from more than £1.6m to just over £800,000;
- This will be checked and a response provided but it was pointed out that there is an opportunity with Oracle to do some re-balancing after the first 6 months and licences bought which don’t now need to be used can be cashed in;
- It was noted that the go live date of April is tight and there are a number of loose ends to clear up, however the encouraging thing at the moment is that they are not forecasting that they cannot overcome those challenges;

- The cost of procuring a managed service provider to provide support in relation to the preparedness of the support team to take on the 1B solution was queried;
- Members were told the cost is £350,000 and that this will be funded within the budget.

The report was noted.

Action

- Response to be provided to the query about the budget position with regard to licences.

8. PLANNED PROCUREMENT ACTIVITIES REPORT

(See document 5)

The report was noted.

9. WORK PROGRAMME

(See document 6)

The following reports were confirmed for the February meeting:

- Financial Monitoring 2021/22 - Quarter 3/Month 9;
- Invest to Save Initiatives.

The work programme was noted.

10. DATE OF NEXT MEETING

The date of the next meeting was noted.

The Chair advised that, following the easing of Plan B restrictions, his intention was that this would be a formal meeting, to be held in Committee Room C in Margaret Street with committee members attending in person and all other attendees joining remotely.

11. OTHER URGENT BUSINESS

None.

The meeting ended at 1521 hours.

Birmingham City Council

Report to Cabinet

8TH FEBRUARY 2022



Subject: FINANCIAL MONITORING REPORT 2021/22
QUARTER 3 (UP TO 31ST DECEMBER 2021)

Report of: Director of Council Management – Rebecca Hellard

Relevant Cabinet Member: Councillor Tristan Chatfield – Finance & Resources

Relevant O &S Chair(s): Councillor Mohammed Aikhlaq - Resources

Report author: Director of Council Management – 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: 009035/2022		
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 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 2021/22 forecast at 31st December 2021 of a net overspend of £4.2m, comprising of £35.9m direct covid related expenditure and

reduction in income, partially offset by revenue budget non-Covid underspends of £31.7m.

- 2.2 Notes that corrective action will take place to ensure the budget is balanced by March 2022.
- 2.3 Notes that Directorates are reporting that £31.5m of the £36.7m savings targets are either delivered or on track. This represents 86% of the total target with a further 7% (£2.7m) anticipated to be delivered. Directorates are continuing to work towards ensuring that these savings are brought on track and are delivered.
- 2.4 Approves the allocation of an additional £0.4m service funded prudential borrowing for the Atlas Works project as set out in paragraph 4.7
- 2.5 Approves the reduction in the capital programme by the £108.9m identified from the savings exercise as set out in paragraph 4.9.
- 2.6 Notes that the forecast capital expenditure in 2021/2022 is £675.7m.
- 2.7 Notes the allocation of Specific Policy Contingency as set out in paragraph 4.16.
- 2.8 Approves the use of £6.1m of the Financial Resilience Reserve as set out in paragraph 4.18.
- 2.9 Approves the use of up to £3.3m of the Financial Resilience Reserve as set out in paragraph 4.19.
- 2.10 Notes the Treasury Management and Investment Portfolio Reports that are included in Appendix A.
- 2.11 Approves the writing off of debts over £0.025m as described in paragraph 4.14.

3 Background

- 3.1 At the meeting on 23rd February 2021, the Council agreed a net revenue budget for 2021/2022 of £828.7m to be met by government grants, council tax and business rates. Appendix A sets out the full financial position at Quarter 3.

4 Key Issues

- 4.1 The Council is forecasting a net revenue overspend of **£4.2m** which represents 0.5% of the £828.7m budget. This represents an improvement of £6.0m since Quarter 2.
- 4.2 This is the third full financial forecast for the year. There is still sufficient time for corrective action to be taken over the course of the year which will bring the budget back into balance by March 2022. This includes looking to maximise the use of ring fenced Covid funding to mitigate the current Covid overspend. Progress will be monitored by the Director of Council Management and the Cabinet Member for Finance and Resources, and reported to Scrutiny via monthly exception reporting.

- 4.3 The direct covid related expenditure and reduction of income of **£35.9m** is after applying funding; **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, release of **£1.0m** from specific grant funding, **£6.0m** of Public Health Grant to fund Covid related spending in 2021/22, an estimate of funding for income loss of **£2.8m** and **£12.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 of Government Covid funding. It is also after applying an estimate of **£38.0m** cost from the redeployment of staff on a similar basis to that reported in the 2020-21 outturn. This is partially offset by a net revenue budget non-Covid underspend of **£31.7m**. This is shown in the table below:

Table 1 : High level position.	Covid Variation	Non-Covid Variation	Total Variation
	£m	£m	£m
Directorate Sub Total	26.2	7.6	33.8
Corporate Budgets	11.5	4.8	16.3
Application of Tranche 5 Funding Budget 2021/22	(12.5)	0.0	(12.5)
Covid Funding	(17.5)	0.0	(17.5)
Specific Grant Funding	(1.0)	0.0	(1.0)
Public Health Grant	(6.0)	0.0	(6.0)
Income Loss Scheme Funding	(2.8)	0.0	(2.8)
Corporate funding for Home to School Transport	0.0	(6.1)	(6.1)
City Council General Fund Sub Total	(2.1)	6.3	4.2
Transfer of Indirect Covid Costs	38.0	(38.0)	0.0
General Fund after transferring indirect costs	35.9	(31.7)	4.2

- 4.4 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.

Capital Programme

- 4.5 Capital expenditure for the year 2021/22 is forecast at £675.7m against a revised capital budget of £770.7m, representing a net variation of £95.0m – of which £45.6m was reported and approved in the Quarter 2 monitoring report.
- 4.6 This is a net decrease in forecast spend of £49.4m since Quarter 2 against the revised Quarter 3 budget. This is mainly due to net forecast slippage within the Council Management Directorate (£11.7m), slippage within the City Operations Directorate (£6.3m), slippage in the City & Municipal Development Directorate (£27.5m) and slippage within the Education & Skills Directorate (£3.1m). Further details and narrative explaining the reasons for this additional variation are provided in Appendix A paragraphs 2.6 to 2.31.
- 4.7 Approval is also being sought for an additional £0.4m service funded prudential borrowing for the Atlas Works project for the relocation of Montague Street and Redfern Road Depots due to additional remediation works and delays in

demolition. The Capital Board agreed to the additional funding on 5th January 2022 and an updated project report will be submitted to Cabinet in March 2022.

- 4.8 The 4-year+ Capital Budget has decreased by a net £75.8m from £3,171m at Quarter 2 to £3,096m at Quarter 3 due to an increase of £33.1m for new budget allocations and a decrease of £108.9m following a review of the capital programme to identify savings and remove budgets that are no longer required.
- 4.9 This report seeks to approve the reduction in the capital programme by the £108.9m identified from the savings exercise. Further details are provided in Appendix A in Section 2 and Annex
- 4.10 Details of the Capital Programme are set out in Appendix A in Section 2 and Annex 4.

Treasury Management and Investment Portfolio

- 4.11 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 Annex 3.
- 4.12 During the quarter, the Director of Council Management and the Council's Treasury Management Panel considered the following treasury related issues:
- In November 2021, economic concerns over the impact of the Omicron variant caused gilts yields and long term borrowing rates to fall significantly. During this time, the Council in line with its Treasury Management Strategy, took £30m of loans from the PWLB. This helped to secure fixed rate debt at a low rate and obtain some budget certainty over the long term whilst improving its liquidity position
 - The Council's draft Treasury Management Strategy for 2022/23 was considered by Audit Committee at the end of November 2021. This allowed members to review the adequacy of treasury risk management arrangements before the final reports are approved by Full Council in February 2022.
 - In December 2021, CIPFA published its revised Prudential Code and Treasury Management Code with a soft launch for 2022/23 and full implementation by 2023/24. A review of the draft guidance ensured the Council's Treasury Management Strategy for 2022/23 will comply with the core principles of the revised Prudential Code and has already adopted changes to the Treasury Management Code which it considers to be good practice, such as Environmental, Social and Governance (ESG) risk considerations.
- 4.13 The Investment Portfolio is reported in Appendix A Annex 5.

Write-Offs

- 4.14 The schedule at Appendix A, Annex 2 part D summarises debts recommended for write off of over £0.025m.

Policy Contingency

- 4.15 The original policy contingency budget for 2021/22 was £44.6m, excluding savings that will be allocated to directorates in 2021/22. Following use of reserves and allocations approved by Quarter 2, the budget excluding savings was £30.4m.
- 4.16 Cabinet is asked to note as shown below the allocation of Specific Policy Contingency. Further details are provide in paragraphs 3.72 and 3.73 in Appendix A.

Use of	Reason	Value (£m)	Reference to Paragraph in Appendix A
Specific Policy Contingency	Short-term Improvement in the Council House	0.500	3.72
Specific Policy Contingency	Highways Maintenance	0.609	3.73

- 4.17 After these uses, the Policy Contingency budget excluding savings will be £29.3m.

Reserves

- 4.18 Cabinet is asked to approve the use of £6.1m of the Financial Resilience Reserve to fund one-off pressures on Travel Assist as set out in Appendix A paragraphs 3.5 and 3.6.
- 4.19 Cabinet is also asked to approve the use of up to a maximum of £3.3m of the Financial Resilience Reserve to fund pressures on Travel Assist related to additional costs of procuring an alternative provider after terminating the contract with North Birmingham Travel, as set out in Appendix A paragraph 3.8. The use of this reserve was detailed in the quarter 2 report financial monitoring report (Appendix A paragraph 3.5) and formal approval is now requested via this report in recommendation 2.9.

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 a balance between service delivery and a balanced budget.

6 Consultation

- 6.1 The Leader, Deputy Leader, other Cabinet Members, Directors, the City Solicitor and Human Resources Director 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 2021/22.

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 2021-2025 approved at Council 23rd February 2021
- 9.2 Quarter 1 Financial Monitoring Report approved by Cabinet 27th July 2021
- 9.3 Quarter 2 Financial Monitoring Report approved by Cabinet 9th November 2021

APPENDIX A

Quarter 3 Financial Monitoring Report 2021/22

1. High Level Summary Financial Position

- 1.1. At the end of Quarter 3, there is a forecast net revenue overspend on the Council's General Fund of **£4.2m** (Column E in table 2) which represents 0.5% of the £828.7m budget and a **£6.0m** improvement since Quarter 2. This is made up of a **£31.7m** (Column D in table 2) revenue budget non-Covid underspends and a **£35.9m** (Column C in table 2) overspend related to direct covid expenditure and reduction in income.
- 1.2. Direct covid related expenditure and reduction in income of **£35.9m** (Column C in table 2) is after applying funding; **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, release of **£1.0m** from specific grant funding, **£6.0m** of Public Health Grant to fund Covid related spending in 2021/22, an estimate of funding for income losses of **£2.8m** and **£12.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 of Government Covid funding. It is also after applying an estimate of **£38.0m** cost from the redeployment of staff on a similar basis to that reported in the 2020/21 outturn. The covid overspend has worsened by £2.9m since Quarter 2 following the release of £2.0m Housing Support Grant to Birmingham Children's Trust (BCT), this has however reduced the forecast overspend in the trust, which is included in the Education and Skills department figures. We will continue to look to maximise the use of other specific covid funding to reduce this estimated cost.

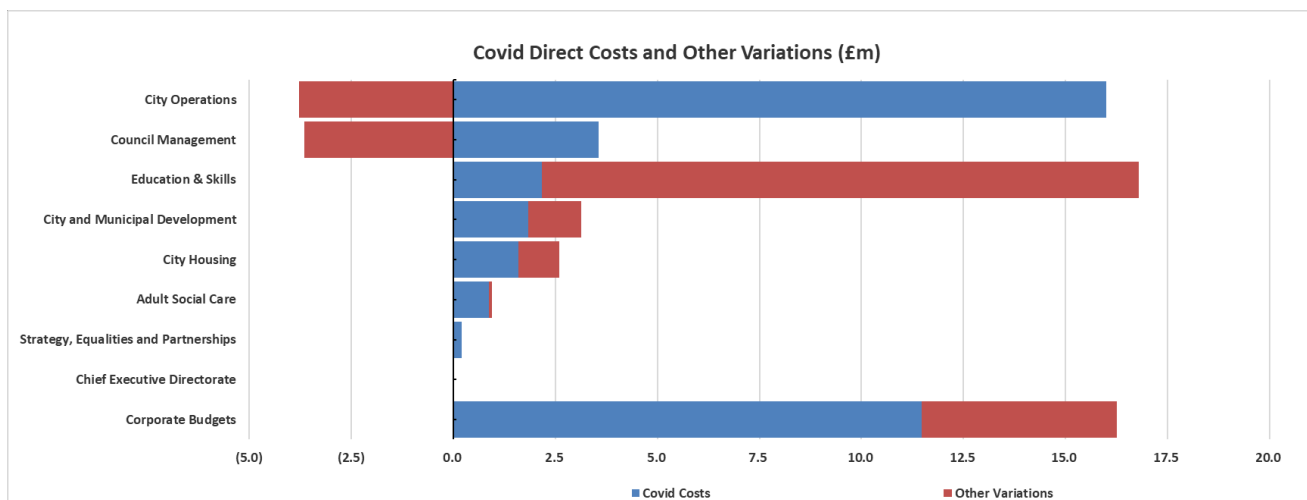
Table 1: High level position

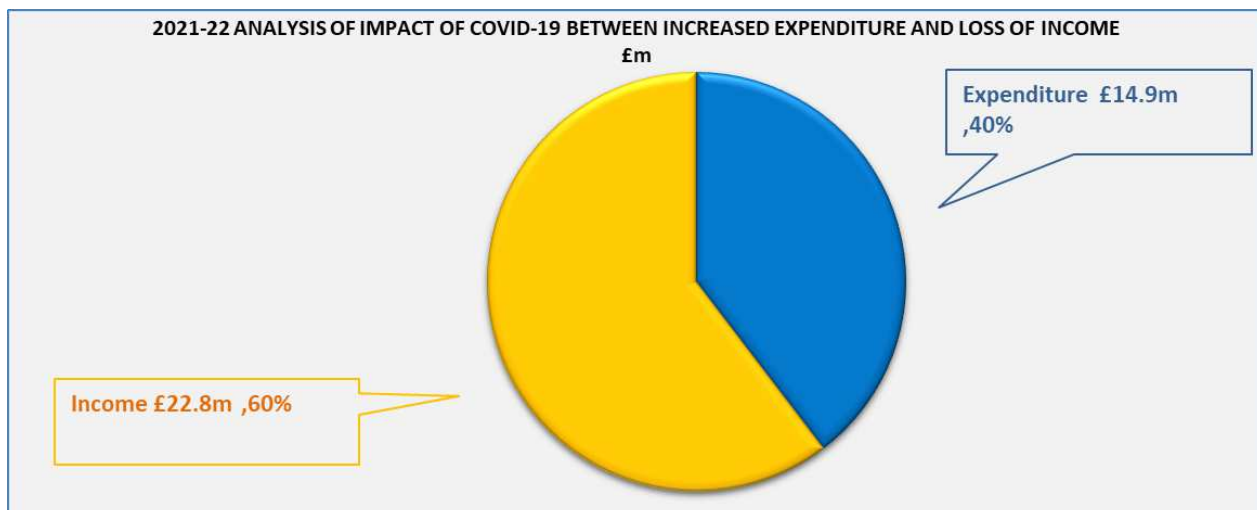
Table 1 : High level position.	Covid Variation	Non-Covid Variation	Total Variation
	£m	£m	£m
Directorate Sub Total	26.2	7.6	33.8
Corporate Budgets	11.5	4.8	16.3
Application of Tranche 5 Funding Budget 2021/22	(12.5)	0.0	(12.5)
Covid Funding	(17.5)	0.0	(17.5)
Specific Grant Funding	(1.0)	0.0	(1.0)
Public Health Grant	(6.0)	0.0	(6.0)
Income Loss Scheme Funding	(2.8)	0.0	(2.8)
Corporate funding for Home to School Transport	0.0	(6.1)	(6.1)
City Council General Fund Sub Total	(2.1)	6.3	4.2
Transfer of Indirect Covid Costs	38.0	(38.0)	0.0
General Fund after transferring indirect costs	35.9	(31.7)	4.2

- 1.3. In terms of savings, **£31.5m** of the **£36.7m** savings targets are either delivered or on track which represents 86% of the total savings target with a further 7% £2.7m anticipated to be delivered, as shown in table 14 of this report. This represents an increase of £11.7m in the savings that are delivered or on track since Quarter 2. The improvement is made up by achievement of £7.5m on Adults savings, £3.8m further achievement of Establishment savings, and £0.4m other Directorate savings achieved. The £20.1m establishment saving, currently shows £18.2m achieved and £1.9m is at risk.
- 1.4. To help manage costs and mitigate the forecast overspend the council has introduced a series of spending controls. The key areas of spend, staffing, properties / facilities

management, and procurement have all implemented spending control panels and gateways to scrutinise and reduce expenditure. These controls were implemented in November and in this Quarter 3 monitoring report it is too early to identify the full impact and saving achieved from these controls. It has however been estimated that the Property Spend Control Board has avoided expenditure of £0.1m so far and actions to reduce use of agency at Christmas should save £0.3m. The Procurement Panel is continuing to review and scrutinise all areas of expenditure to reduce costs. Details of the spend controls will be included in all future monitoring reports.

- 1.5. The revenue budget non-Covid position is a net underspend of **£31.7m** (Column D in table 2). This is an improvement of **£9.0m** on Quarter 2. This includes improvement of £2.3m Adult Social Care, £4.5m City Operations, £0.8m Council Management off set by deteriorations of £1.9m City & Municipal Development and Education & Skills £2.7m. This also includes the proposed use of £6.1m of the Financial Resilience Reserve (FRR) to fund further costs of the Home To School Transport Service. Further details are provided in section 3. This is not expected to be an on-going recurrent pressure following the comprehensive review of journey optimisation that is taking place.
- 1.6. The direct covid related expenditure and reduction in income is a **£35.9m** overspend, including indirect covid spending of **£38.0m**, and is shown in table 2 (column C in table 2) below. This is a deterioration of **£2.9m** since Quarter 2.
- 1.7. For individual directorate positions please see table 2 below.
- 1.8. The corporate position is detailed below in table 2. The headlines are :-
 - £5.4m shortfall in local tax support funding expected to be received compared to the forecast when the budget was set.
 - The likely under achievement of £0.4m of transport savings.
 - Reminder that there is a forecast cost of £8.3m for potential costs of a pay award if this is agreed at 1.75% which has from Quarter 2 been offset by a £9.3m forecast underspend of Policy Contingency.





- 1.9. The Pie chart shows the direct covid related expenditure and reduction in income overspend split between income and expenditure.
- 1.10. Income loss forecast due to covid has decreased by £1.4m from Quarter 2. However, there is an increase of £1.9m across in covid expenditure giving a directorates net deterioration of £0.5m. There is also a decrease of £0.4m in forecast funding for income loss and a release of £2.0m Housing Support Grant to BCT, resulting in a net increase of £2.9m overall in the direct covid related expenditure and reduction in income.

Table 2: High Level Summary

Table 2 :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 since Quarter 2
	£m	£m	£m	£m	£m	£m
Education & Skills	298.196	312.986	2.165	12.625	14.790	2.889
City Operations	185.382	197.603	16.000	(3.779)	12.221	(4.337)
City and Municipal Development	61.749	64.881	1.829	1.303	3.132	2.110
City Housing	12.731	15.319	1.592	0.996	2.588	0.142
Adult Social Care	333.896	334.839	0.872	0.071	0.943	(2.261)
Strategy, Equalities and Partnerships	3.923	4.134	0.211	0.000	0.211	0.000
Council Management	52.804	52.711	3.556	(3.649)	(0.093)	(0.907)
Chief Executive Directorate	0.485	0.485	0.000	0.000	0.000	0.000
Directorate Sub Total	949.167	982.959	26.225	7.567	33.792	(2.364)
Corporate Budgets	(120.496)	(104.238)	11.470	4.788	16.258	0.000
Application of Tranche 5 Funding Budget 2021/22	0.000	(12.515)	(12.515)	0.000	(12.515)	0.000
Covid Funding	0.000	(17.471)	(17.471)	0.000	(17.471)	0.000
Specific Grant Funding	0.000	(1.000)	(1.000)	0.000	(1.000)	2.000
Public Health Grant	0.000	(6.000)	(6.000)	0.000	(6.000)	0.000
Income Loss Scheme Funding	0.000	(2.838)	(2.838)	0.000	(2.838)	0.396
Corporate funding for Home to School Transport	0.000	(6.076)	0.000	(6.076)	(6.076)	(6.076)
Corporate Subtotal	(120.496)	(150.138)	(28.354)	(1.288)	(29.642)	(3.680)
City Council General Fund	828.671	832.821	(2.129)	6.279	4.150	(6.044)
Indirect Covid Costs			37.998	(37.998)	0.000	0.000
General Fund after transferring indirect costs	828.671	832.821	35.869	(31.719)	4.150	(6.044)
Financial Position as at Q2	828.671	838.865	32.923	(22.729)	10.194	
Movement from Q2	0.000	(6.044)	2.946	(8.990)	(6.044)	
Movement from Q2 %	0.000%	(0.72)%	8.95%	39.55%	(59.29)%	

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

Table 3: Analysis of Non-covid pressure faced by Directorate

	Non delivery of savings £m	Expenditure variations £m	Income variations £m	One-off mitigations £m	Non Covid 19 Financial Impact Included £m
City Operation	1.508	2.149	(0.356)	(7.080)	(3.779)
Education & Skills	0.000	11.338	1.287	0.000	12.625
Council Management	0.200	(1.626)	(1.134)	(1.089)	(3.649)
City Housing	0.000	3.668	(2.672)	0.000	0.996
City and Municipal Development	0.000	(2.013)	3.316	0.000	1.303
Adult Social Care	0.000	0.782	(0.710)	0.000	0.071
Chief Executive	0.000	0.000	0.000	0.000	0.000
Strategy, Equalities and Partnerships	0.000	0.000	0.000	0.000	0.000
Directorate Sub Total	1.708	14.298	(0.269)	(8.169)	7.567
Corporate	0.400	8.300	5.369	(15.357)	(1.288)
Total	2.108	22.598	5.100	(23.526)	6.279

- 1.11. **One off mitigation:** actions taken by Directorates to deliver a balanced budget for 2021/22, which also includes mitigation for non-delivery of savings target (over £0.5m).
- 1.12. **City Operations:** The main mitigation is an underspend of £3.6m on borrowing costs due to delays in the procurement of the new fleet. Out of a total of 74 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021 with the remaining 43 received in June. In addition, further Garden and Bulky Waste income of £0.5m has been achieved. Waste Disposal contract underspend and additional income generated at the Tyseley Plant £1.6m, projected underspend of £0.9m on the Environmental improvements/cleanliness budgets, capitalisation of £0.4m of transformation revenue costs related to the Waste Strategy project.
- 1.13. **Council Management:** There are one-off mitigating actions that have been identified including the use of Policy Contingency and the use of reserves carried forward from the previous year that will be considered as part of the Outturn. These mitigations contribute to a significant underspend of £3.6m as a contribution towards balancing the Council's budget.
- 1.14. **Corporate:** £9.3m of the mitigation is the underspend in policy contingency and £6.1m is the proposed use of FRR to cover costs of Home to School Transport.

2. Capital Expenditure

4-Year Capital Programme 2021/22 - 2024/25

- 2.1. The 4-year Capital Budget has decreased by a net £75.8m from £3,171m at Quarter 2 to £3,096m at Quarter 3 due to a decrease of £108.9m following a review of the capital programme and an increase of £33.1m for new budget allocations. This review has meant it has been possible to remove budgets that are no longer required, leading to a net decrease in programme costs.
- 2.2. This report seeks approval for this reduction in the capital programme by £108.9m as summarised in table 4. Further details are provided in paragraph 2.6 and Table 6 below.
- 2.3. Approval is also being sought for an additional £0.4m service funded prudential borrowing for the Atlas Works project. This relates to the relocation of Montague Street and Redfern Road Depots which require additional funding due to remediation works costs and delays in demolition. The Capital Board supported additional funding on 5th

January 2022 and an updated project report will be submitted to Cabinet in March 2022.

- 2.4. Table 4 below provides a high-level summary of the overall budget changes with further details provided in paragraph 2.5.

Table 4: 4 Year+ Capital Programme – Quarter 3 2021/22 to 2024/25+

Expenditure	2021/22 £m	2022/23 £m	2023/24 £m	Later Years £m	Total Plan £m
Period 6 Budget 2021/22	754.770	473.563	337.241	1,605.798	3,171.372
New Resources Periods 7 - 9	31.738	(15.141)	13.489	3.004	33.090
Budget reductions re Savings Exercise Periods 7 - 9	(15.800)	(29.989)	(27.276)	(35.806)	(108.871)
Revised Budget Period 9	770.708	428.433	323.454	1,572.996	3,095.591

2.5. New Resources - £33.1m

Further details regarding the additional capital budget of £33.1m is provided in Table 5 below:

Table 5: New Resources – Quarter 3 2021/22 to 2024/25+

Directorate	Total Amount (all years)	Capital Project	Funding	Cabinet Approval
City Operations	£0.8m	Control Centre CCTV Cameras Upgrade	Prudential Borrowing	December 2021
City & Municipal Development	£15.8m	Perry Barr Residential Scheme	Prudential Borrowing & Capital Receipts	July 2021
Adult Social Care	£12.9m	Independent Living	MHCLG Disabled Facilities Grant	Not Applicable
City & Municipal Development: Planning & Development	£1.2m	Bordesley Park Wheels (Site Development)	Prudential Borrowing	October 2021
Other minor additions	£2.4m	Across a number of smaller projects <£1m	Various	Under delegations
Total	£33.1m			

2.6. Budget Reductions £108.9m

Approval is sought within this report to make budget reductions of £108.9m as shown in Table 6.

Reductions to the Corporate Capital Contingency and the Capital Modernisation Fund reflects the low historic use of these budgets. Individual requests for capital resources will be assessed on their own merits and resources allocated based on affordability and availability of funding. A benefit of these changes is to reduce borrowing costs of £3.0m per annum. currently factored into the long term Financial Plan.

Table 6: Budget Reductions – Quarter 3 2021/22 to 2024/25+

Directorate	Total Amount	Capital Project	Funding	Cabinet Approval
Council Management	£59.9m	Corporate Capital Contingency	Corporate Prudential Borrowing	Being sought within this report
Council Management	£38.9m	Modernisation Fund	Corporate Prudential Borrowing	Being sought within this report
City Operations	£6.0m	Grounds Maintenance Vehicles – underspend as all vehicle requirements have been met.	Corporate Prudential Borrowing	Being sought within this report
City Operations	£2.3m	Making an Entrance – no longer required as project is complete.	Service Prudential Borrowing	Being sought within this report
City Operations	£1.1m	Waste Management Vehicles IT Equipment – no longer required as newly purchased vehicles include necessary equipment.	Direct Revenue Funding	Being sought within this report
Education & Skills	£0.7m	Adult Education IT Equipment – no longer required as an alternative IT solution was identified.	Revenue Reserves	Being sought within this report
Total	£108.9m			

2.7. 2021-22 Capital Programme

- 2.8. Capital expenditure for the year 2021/22 is forecast at £675.7m against a revised capital budget of £770.7m, representing a net variation of £95.0m.
- 2.9. This is a net decrease in forecast spend of £49.4m since Quarter 2 against the revised Period 9 budget. This is mainly due to net forecast slippage within the Council Management Directorate (£11.7m), within the City Operations Directorate (£6.3m), the City & Municipal Development Directorate (£27.5m) and the Education & Skills Directorate (£3.1m). Further details for the major variations (>£1m) are provided in Section 3 below.
- 2.10. Expenditure to date recorded on the ledger is £343.2m which is 50% of the year-end total forecast. In comparison spend to date at Quarter 3 in 2019/20 (the year prior to Covid-19) was 55%.
- 2.11. Capital Receipts are a key element of the programme and at Quarter 3 in 2021/22 they amount to £51.6m, being £20.7m of the £65m Asset Review programme and £30.9m of the £35m Business as Usual programme. Further detail is provided in paragraph 2.42 below.
- 2.12. The revised 2021/22 budget is a £15.9m net increase from the budget at Quarter 2. The split between General Fund and HRA is shown in Table 7, while the reasons for the budget changes are included in Table 8 below and are also included within Table 5 above:

Table 7: Summary 2021/22 Capital Programme Financial Position

	Spend to date	Quarter 2 Budget	Budget Changes Period 7-9	Revised Budget Quarter 3	Forecast net overspend/ (slippage)	Forecast Outturn
	£m	£m	£m	£m	£m	£m
General Fund	262.2	636.5	15.9	652.4	(99.0)	553.4
HRA	81.0	118.3	0.0	118.3	4.0	122.3
TOTAL	343.2	754.8	15.9	770.7	(95.0)	675.7

Table 8: from the Quarter 2 to Quarter 3 Budget 2021/22 (>£1m)

Directorate	Amount in 21/22	Capital Project	Funding	Cabinet Approval
Council Management	(£9.5m)	Corporate Capital Contingency & Modernisation Fund	Corporate Prudential Borrowing	Being sought within this report
City Operations	(£6.0m)	Grounds Maintenance Vehicles	Corporate Prudential Borrowing	Being sought within this report
City & Municipal Development	£25.6m	Perry Barr Residential Scheme	Prudential Borrowing & Capital Receipts	July 2021
Adult Social Care	£3.9m	Independent Living	MHCLG Disabled Facilities Grant	Not Applicable
Other minor additions	£1.4m	Across a number of smaller projects <£1m	Various	Under delegations
Total	£15.9m			

Table 9: Year End forecast by Directorate

Capital Forecast 2021/22 by Directorate							
Directorate	(a) 2021/22 Period 6 Budget	(b) 2021/22 Period 7-9 Budget Movements	(c) 2021/22 Period 9 Revised Budget	(d) 2021/22 Spend to Date	(e) Previously Reported Variance Period 6	(f) Further Forecast Variation Period 9	(g) 2021/22 Forecast Outturn
	£m	£m	(a+b) £m	£m	£m	£m	£m
Commonwealth Games	72.5	0.0	72.5	52.8	0.0	0.4	72.9
Council Management							
Development & Commercial	1.1	0.0	1.1	1.8	0.0	4.7	5.8
Corporately Held Funds	88.4	(9.5)	78.9	2.9	(13.6)	(15.4)	49.9
ICT & Digital	9.3	0.0	9.3	2.8	(1.3)	(1.0)	7.0
Total Council Management	98.8	(9.5)	89.3	7.5	(14.8)	(11.7)	62.7
City Operations							
Control Centre Upgrade	0.3	0.7	1.0	0.0	0.0	0.0	1.0
Street Scene	39.3	(6.0)	33.4	16.3	0.0	(3.0)	30.3
Private Sector Housing	2.7	0.0	2.7	0.2	0.0	(1.0)	1.7
Neighbourhoods	3.2	(0.3)	2.9	0.1	(1.2)	0.0	1.7
Regulation & Enforcement	1.6	0.0	1.6	1.2	0.0	0.0	1.6
Highways Infrastructure	4.7	0.2	4.9	1.3	0.8	(2.2)	3.4
Total City Operations	51.7	(5.3)	46.4	19.0	(0.4)	(6.3)	39.7
City Housing							
Housing Options Service	2.1	0.0	2.1	0.7	0.0	1.0	3.1
HRA	118.3	0.0	118.3	81.0	5.5	(1.5)	122.3
Total City Housing	120.4	0.0	120.4	81.7	5.5	(0.5)	125.4
City & Municipal Development							
Planning & Development	53.3	0.6	53.9	29.3	0.0	(0.7)	53.2
Transport & Connectivity	82.6	0.6	83.2	14.7	(26.8)	(21.9)	34.6
Housing Development	1.6	0.0	1.6	0.0	0.0	0.0	1.6
Perry Barr Residential Scheme	156.8	25.5	182.4	104.3	0.0	(0.0)	182.4
Property Services	60.6	0.0	60.6	6.4	0.0	(5.0)	55.6
Total City & Municipal Development	354.9	26.7	381.7	154.7	(26.8)	(27.5)	327.4
Education & Skills	46.9	0.1	46.9	18.6	(9.0)	(3.0)	34.9
Adult Social Care	9.6	3.9	13.5	8.9	0.0	(0.7)	12.8
TOTAL	754.8	15.9	770.7	343.2	(45.6)	(49.4)	675.7

2.13 Forecast Variation of £49.4m at Quarter 3 > £1m (additional variations from those reported at Quarter 2).

2.14 Council Management – Slippage of £14.8m

2.15 Revenue Reform Projects – slippage of £15.4m

2.16 Slippage of £5.4m within three ICT programmes. Customer Programme slippage of £3.9m was due to spend being delayed pending Cabinet approval, which was agreed in December 2021. Cyber Security £1.1m slippage due to the forecast being reprofiled in line with current spending plans - this does not have an impact on the service delivery or project costs. Insight Programme has slippage of £0.4m based on the assumption that some infrastructure data storage spend will now be utilised next year.

- 2.17 Inclusive Growth Delivery Plan – slippage of £10.0m pending the identification of eligible projects within the current financial year. The forecast can be accelerated at a later date if necessary.
- 2.18 ICT & Digital – Corporate Voice Telephony - slippage of £1.0m. The telephony tender has been withdrawn from the market following review of clarification question responses from suppliers and will be re-issued shortly. This delay will move the project spend on this item into next financial year. This will not affect operational delivery of the existing service and is not anticipated to affect delivery costs of the existing service which is currently being assessed by operations and commercials.
- 2.19 Gateway / Grand Central Residual Costs – acceleration of £4.7m. The budget has been accelerated from 2022/23 to meet the cost of compensation payments made earlier than anticipated to ex-tenants of the former Pallasades Shopping Centre. In addition, solicitors have been engaged to provide legal advice regarding the ongoing negotiations with Network Rail.

City Operations – slippage of £6.3m

- 2.20 Street Scene - Waste Management Services – Slippage of £3.0m, as detailed below
- 2.21 Essential Programme for Tyseley ERF – slippage of £2.1m. This is an engineering programme with a series of packages to be completed over a five year period. The programme has assigned specific years for each of the packages to be completed, however it is needed from time to time to move packages between years. The movement of packages between the years of the programme will have no impact on the overall completion of the programme. This year a few of the packages have been found to be better suited to next year's programme due to the time needed to complete and the nature of the works. One package of works has had a design period longer than originally anticipated and as such will now need to be completed next year.
- 2.22 A further £0.9m has been slipped for the Perry Barr Depot which has encountered planning issues which have caused a minor delay in completing the overall £6.9m project.
- 2.23 Private Sector Housing – Slippage of £1.0m. Slippage on the Energy Efficiency scheme (LAD2) which was initially due to complete by 31st March 2022, but due to contractor availability, supply chain issues, disappointing resident engagement so far and access issues the scheme has been extended into 2022/23. A revised target date of June 2022 has been agreed by Midlands Energy Hub.
- 2.24 Highways Infrastructure – slippage of £2.2m. The slippage relates to a few projects that have been delayed until 2022/23 in the Flood Management programme. This is due to the Perry Barr & Witton and Bromford Flood Alleviation Schemes, and to take into account HS2 hydraulic modelling. Further announcements are expected from the Environment Agency as to the partnership funding arrangements and additional funding streams which could help make schemes viable for future outline business cases.
- 2.25 Other Programmes – slippage £0.1m.

City Housing – Net slippage of £0.5m

- 2.26 Housing Options – forecast overspend £1.0m. Oscott Gardens Temporary Accommodation - This is a forecast overspend due to additional works required to the building including asbestos removal, replacement of stolen boilers, fire doors and includes £0.5m of contingency. This scheme will help deliver large revenue savings in the future. An updated report will be presented to Cabinet in due course.
- 2.27 HRA – net slippage of £1.5m
- 2.28 Other Programmes – slippage of £1.2m. A review of garage and unoccupied sites within Housing Management programme has been delayed due to Covid-19 resulting in a delay in redevelopment and/or demolition. Works are now expected to take place in 2022/23.

City & Municipal Development – Net Slippage of £27.5m.

- 2.29 Enterprise Zone – net increase of £1.4m. Changes required to the EZ programme forecast drawdown for the current year in line with the latest Great Birmingham Solihull Local Enterprise Partnership (GBSLEP) approved Enterprise Zone model assumptions.
- 2.30 Birmingham City Centre Retail Core Public Realm – slippage of £6.0m. Due to proximity of Commonwealth Games, a high-level decision was taken to reduce the scope of works to avoid any clashes during the games. Works this year will include the fountain in Victoria Square being refurbished along with some minor cosmetic repairs in the area. The rest of the planned works will now take place after the Commonwealth Games.
- 2.31 Brum Breathes & Route to Zero – slippage of £6.6m. As reported at Quarter 2 the slippage in spend against the original profile is primarily due to a later than planned implementation of the Clean Air Zone (i.e. 1 June 2021 v. 1 January 2020) and relates to the utilisation of the Mitigations budget.
- 2.32 Demand for grants that support Birmingham's taxi community have been positive due to the introduction of the Clean Air Zone and the daily fee has encouraged the owners/drivers of non-compliant vehicles to upgrade or replace these vehicles. By contrast demand for the Heavy Duty Vehicle (HDV) Fund has been lower than forecast due to a higher than modelled level of compliance in the HGV and coach vehicle categories.
- 2.33 Similarly, demand for the scrappage scheme has been relatively low but this scheme was originally intended to be introduced towards the end of the 12 month exemption from the daily fee, which low income workers in the Clean Air Zone can apply for. It is highly likely that demand will accelerate for the scrappage scheme as exemptions for this group end in May 2022. Despite this, further slippage against the original spend profile before the end of this financial year and into the next is also expected.
- 2.34 Active Travel – slippage of £6.7m. The slippage relates to the Commonwealth Games Public Realm schemes - there have been delays in getting the full business case approved in 2021-22, this delay has had an impact on key milestones of the project. The works will be delivered in time for the Commonwealth Games, but construction has been pushed back to the end of the financial year.

2.35 The emergency active travel fund phase 2 projects have been delayed and some of the projects will now be completed in 2022/23.

2.36 Property Strategy – slippage of £5.0m. Public Hub Programme – slippage of £5m into future years pending completion of a Cabinet Report setting out the strategic plan – due to go to Cabinet in early 2022/23.

2.37 Other Minor Variations – slippage of £1.8m across numerous schemes

Education & Skills – Slippage of £3.0m.

2.38 A combination of delays in Academisations and some of the final balances for Academy Conversions being lower than forecasted, this funding will be slipped into future years to support further conversions.

Risks and Issues

2.39 The **impact of Brexit** on the construction industry is still ongoing and together with the continuing impact of Covid-19 and economic recovery casts greater uncertainty particularly about the supply and import of materials and labour. This applies to most projects within the capital programme and the impact of this situation will continue to be monitored.

2.40 **Dudley Road Scheme** – Levelling Up funding approved: Delivery of the revised main scheme has been estimated at £20.7m. Funding has been identified from the Levelling Up Fund for the scheme to progress to full implementation after the Commonwealth Games. A bid to the Levelling Up Fund of £19.9m was submitted in June 2021 and was approved in October 2021. The revised funding structure, taking account of this grant allocation, has now been reflected within the capital programme.

2.41 **Revenue Reform Projects** (Flexible Use of Capital Receipts) – Revenue expenditure which qualifies as being eligible for funding under the Flexible Use of Capital Receipts i.e. Transformational spend that results in revenue savings at Quarter 3 is £3.3m. Currently this is forecast to spend below budget at £28.7m due to slippage of £17.4m - more detailed monitoring of this spend is provided in Table 10 below:

Table 10: Flexible Use of Capital Receipts

Flexible Use of Capital Receipts						
Directorate	(a) 2021/22 Quarter 2 Budget	(b) 2021/22 Period 7-9 Budget Movements	(c) 2021/22 Quarter 3 Revised Budget	(d) 2021/22 Spend to Date	(e) Forecast Variation Quarter 3	(f) 2021/22 Forecast Outturn
	£m	£m	(a+b) £m	£m	£m	(c+e) £m
Council Management Directorate:						
Corporately Held Funds:						
Redundancy & Pension Strain	0.0	0.0	0.0	0.5	0.0	0.0
Travel Assist	0.1	0.0	0.1	0.0	0.0	0.1
Tyseley ERF & Transfer Station	0.7	0.0	0.7	0.0	0.0	0.7
Business Improvement & Change	1.8	0.0	1.8	1.8	0.0	1.8
Finance Transformation Involvement	1.3	0.0	1.3	0.0	0.0	1.3
Service Innovation & SAP	0.0	0.0	0.0	0.0	0.0	0.0
Cyber Security	3.0	0.0	3.0	0.5	(1.4)	1.6
Insight Programme	1.1	0.0	1.1	0.1	(1.0)	0.1
Customer Programme	5.6	0.0	5.6	0.0	(3.9)	1.7
Eclipse IT Support	0.7	0.0	0.7	0.0	0.0	0.7
Early Interventions Transformation	0.5	0.0	0.5	0.0	0.0	0.5
Community Equipment	0.2	0.0	0.2	0.0	0.0	0.2
Life Courses Project	1.8	0.0	1.8	0.0	0.0	1.8
Flexible Use of Capital Receipts - Other	10.7	0.0	10.7	0.0	0.0	10.7
Inclusive Growth Delivery Plan	15.0	0.0	15.0	0.0	(10.0)	5.0
Birmingham Childrens Partnership	1.1	0.0	1.1	0.0	0.0	1.1
Total Corporately Held	43.7	0.0	43.7	2.9	(16.3)	27.4
ICT & Digital Services:						
ITD Transition Programme	0.2	0.0	0.2	0.0	(0.2)	0.0
Application Platform Modernisation	1.7	0.0	1.7	0.4	(0.5)	1.1
Networks & Security	0.0	0.0	0.0	0.0	0.0	0.0
Insight	0.1	0.0	0.1	0.1	0.0	0.1
Field Work Project	0.4	0.0	0.4	0.0	(0.4)	0.0
Total ICT & Digital Services	2.4	0.0	2.4	0.4	(1.1)	1.3
TOTAL	46.1	0.0	46.1	3.3	(17.4)	28.7

Capital Receipts & Disposals Programme:

- 2.42 Review of the Disposals Programme & Expected Capital Receipts – The 2021/22 budgeted target of capital receipts is £100.0m. At present £51.6m of receipts have been achieved (this includes £13.3m for the CHEP site in Bickenhill that was received and accounted for at the end of 2020/21) £20.7m against the £65m Asset Review programme and £30.9m against the Business-as-Usual programme. It should be noted that the disposals programme is back-end loaded meaning that majority of receipts are due to be received towards the end of the 2021/22 financial year and relate to a small number of high value cases.

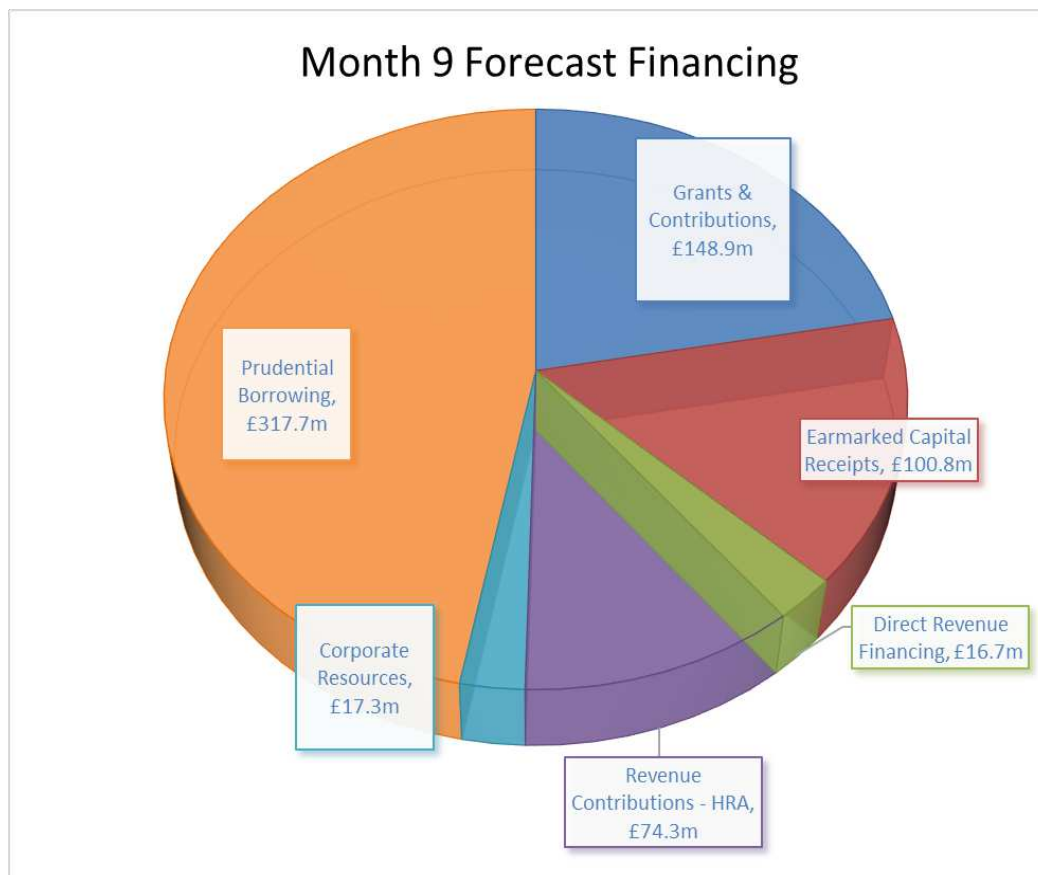
Table 11: Capital Receipts & Disposal at Quarter 3 2021/22:

Capital Receipts & Disposals Programme 2021/22	
	2021/22 £m
Budget	100.0
Achieved at Month 9	51.6
Further Anticipated Receipts	48.4

Financing the Quarter 3 Forecast Outturn

2.43 The Quarter 3 forecast outturn will be financed as shown in the pie chart and the Table 12 below.

Forecast Financing Chart - £675.7m



2.44 **Table 12: Capital Financing.**

Summary of Capital Funding Quarter 3 2021-22

	General Fund £m	Housing Revenue Account £m	Total £m
Forecast Capital Expenditure	553.4	122.3	675.7
Forecast Funding:			
Grants & Contributions	(140.3)	(8.6)	(148.9)
Earmarked Receipts	(75.6)	(25.2)	(100.8)
Direct Revenue Funding - HRA		(74.3)	(74.3)
Direct Revenue Funding – General Fund	(16.7)		(16.7)
Corporate Resources	(17.3)		(17.3)
Prudential Borrowing	(303.6)	(14.1)	(317.7)
Total Funding	(553.4)	(122.3)	(675.7)

3. Period Key Issues

Non Covid-19 Related Issues -Significant variance above £0.5m

- 3.1. **Afghan Refugees;** Under the original ARAP (Afghan Resettlement and Assistance Policy) scheme, BCC committed to, and began, welcoming 80 individuals and families into Birmingham. In September 2021 this was amended to become the ACRS (Afghan Citizens Resettlement Scheme). BCC has now extended their commitment to a total of 220 individuals and families over the next two years, split as 110 in 2021/22 and 110 in 2022/23.
- 3.2. The resettlement schemes include funding of £20,520 per individual for welcome, integration and support, £4,500 per child for education provision for one year, and £850 per adult for English language provision. Individual will receive support for 3 years and therefore the last year of funding will be in 2024-25 based on when the last individual settles into Birmingham.
- 3.3. The Housing is funded through the introduction amount, benefits, and additional grant funding to meet any gap between cost and benefits. Based on existing resettlement schemes, which attract the same funding offer, this is considered sufficient for the costs of administering and providing services required. The risk in this scheme is if families cannot fund their housing once the top up is removed, and present as homeless at that stage. The impact on wider BCC services over the longer term cannot be estimated without knowledge of the individuals and families and what skills and needs they bring, but without doubt are minimised by the successful implementation of resettlement.

Education and Skills

- 3.4. At the end of Quarter 3, there is a forecast **overspend of £12.6m** relating to revenue budget non-Covid expenditure for the Directorate. **This is an increase of £2.9m since Quarter 2.**
- 3.5. There is a forecast overspend for **Inclusion and SEND** of **£11.4m**. The forecast overspend relates to Home To School Transport and is made up of £9.5m transport costs and £1.9m on guides. This updated forecast is following extensive work completed by the project diagnostic group that was established to calculate a more accurate projection during November and December 2021.
- 3.6. The Home To School Transport overspend is £6.1m more than previously reported. It is proposed that the £6.1m be funded from a one-off use of the Financial Resilience Reserve. This is reflected in the financial monitoring report.
- 3.7. The forecast on Home To School Transport does not include the costs of transformation activity for which additional one-off funding of £2.7m has been approved by Cabinet on 12 October 2021.
- 3.8. The council have terminated a contract with North Birmingham Travel, the additional cost of the alternative provider (procured at short notice and including set up costs) will be up to £3.3m (worst case). The additional cost of the contract will be funded from the Financial Resilience Reserve and is not included in the £11.4m projection above.
- 3.9. In May 2021 Birmingham hosted Ofsted and CQC to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. The outcome of this

revisit was published in July 2021, with Birmingham making sufficient progress in 1 of the 13 areas of significant weakness. As a result of the revisit, there is a need for a SEND Improvement Programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the High Needs Block and General Fund to address capacity issues within the system. Cabinet has approved in July 2021 extra funds to address the capacity issues. Also, a bid for one-off transformation costs was approved 12th October 2021 by Cabinet.

- 3.10. The forecast overspend for **Birmingham Children's Trust** is **£1.9m**, this is an improvement of £2.9m since Quarter 2. Details of the overspend are as follows:
- 3.11. This forecast overspend arises from £6.4m pressures on placement costs and reduced placement related income, broken down as follows:
- *£3.6m supported accommodation*
 - *£1.6m disabled children*
 - *£1.2m shortfall in contributions from partners*
- 3.12. Whilst some of this can be attributed to an increase in the care population, the rate of increase in the number of children in care has actually reduced from around 6% to less than 3%. A key reason for the increase in placement costs is that children's needs are increasing in complexity, including mental health and trauma caused by domestic abuse and exploitation. The shortfall in income contributions is also a cause for concern, particularly health given the complexity of need.
- 3.13. Despite other pressures in the system, the Trust have achieved one-off mitigations, delivered savings and additional income which total £2.5m, and is benefitting from £2.0m from the release of the Housing Support Grant, to reduce the overall forecast pressure to £1.9m.
- 3.14. The Trust continues to promote better outcomes for children and its Stronger Families initiative is intended to place more children with their families which in turn is expected to reduce costs by **£2.0m** this year. This benefit has already been factored into the forecast for the year.
- 3.15. The Director of Council Management and former Interim Director of Education and Skills commissioned the Chartered Institute of Public Finance & Accountancy (CIPFA) to carry out a budget sufficiency review of the Education and Skills budget. The Local Government Association (LGA) also supported with work in this area. The work concluded just before this report was written. Further updates will be provided in later reports.

City Housing

- 3.16. At the end of Quarter 3, there is a forecast **overspend of £1.0m** relating to revenue budget non-Covid Homelessness Service expenditure. **This is a deterioration of £0.1m since Quarter 2.**

Housing General Fund -projected year end £1.0m overspend:

- 3.17. The forecast overspend is due to projected temporary accommodation demand levels over the course of the year reflecting significant increase following the lifting of the eviction ban at the end of May. We saw an increase at the end of August which was earlier and higher than previously anticipated. This level has continued through quarter

3, and current modelling assumes continuation of current demand levels of 20 per week until the end of March. This continues to be monitored. Resulting cost pressure is **£2.8m**. The major pressure is in the additional use of leased properties which are cheaper than bed & breakfast placements but more expensive than the block and framework contracts as they are paid on a nightly rate.

- 3.18. The service still expects to deliver additional Hostel accommodation now from February rather than December. This will be 95 units rather than the previously reported 200 units from December. This is expected to reduce the overspend by **£0.3m**. There are a number of risks associated with the delivery of this project and any further delay will have a detrimental impact the forecast position.
- 3.19. Other mitigations have been explored generating a further **£1.5m saving**. This includes savings in procurement of commissioned services and alternative funding sources (£0.4m), the implementation of a new contract for leased properties in February 2022 which will relieve the pressure on using night rate placements (£0.3m) and furniture and other underspends (£0.8m).

City Operations

- 3.20. At the end of Quarter 3, there is a forecast underspend of £3.8m relating to revenue budget non-Covid expenditure for the Directorate. There has improved by £4.5m since Quarter 2, due to:
- 3.21. **Street Scene service** is reporting a forecast underspend of **£1.6m**, details of major variances are below:
- 3.22. Improvement of £3.0m since Quarter 2 due to the Trade Waste Service securing new clients to mitigate the previously reported loss of the NHS contract of £0.4m, projected underspend on Waste Disposal contract of £0.8m and a further £0.8m additional income from processing mixed recyclates and electricity income, due to market price increases. There is a projected underspend of £0.9m on the projects to improve the cleanliness of the environment because of logistical delays in initiating the projects. An additional £0.4m of revenue costs will be capitalised on the Transformational Waste Strategy Project. There are additional costs associated with a contractual settlement payment £0.3m to a Grounds Maintenance external contractor.
- 3.23. The Street Scene service is projecting pressures totalling £5.4m offset by mitigations of £7.0m giving a net underspend of £1.6m. Details of the pressures are shown in paragraphs 3.24 and 3.25.
- 3.24. The Waste Vehicle Garage service forecasts an income shortfall of £0.8m due to reduced client base. This has been exacerbated by the procurement of new grounds maintenance fleet which will be covered by warranty arrangements in the first year of operation thereby reducing the reliance on the internal garage service. However, after the warranty period lapses, the Vehicle Garage service will be able to repair these vehicles where required. There is also a forecast overspend of £1.2m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life and a further £0.4m resulting from operating non-compliant vehicles in the CAZ.
- 3.25. Employee budget is forecast to be £2.1m overspent due to a higher level of agency whilst operating to Covid risk assessments, the speed of recruiting new staff enabling the service to release agency staff and delays in implementing the Street Scene

Service re-design. There are a number of other non-material pressures which when aggregated together total £0.9m

3.26. The mitigations are as detailed in paragraph 1.12 earlier.

3.27. Neighbourhoods Service -forecast underspend of £1.1m:

3.28. The main variance is an underspend of £0.7m relating to net operational reductions mainly within Community and Leisure facilities. The position has improved by not including the £0.4m previously reported pressures for the replacement of boilers in two Community Centres, the way forward for this will now be considered through the appropriate spend control panel approval. There is additional income of £0.2m within Neighbourhood Advice Service, and £0.1m savings on prudential borrowing costs. Month 8 reported further planned savings of £0.2m identified in respect of the Major Events budget and £0.1m relating to ward forums.

3.29. Highways & Infrastructure projected year end £0.5m underspend

3.30. Improvement of £0.4m from Quarter 2 due to a reduction in running costs such as car park security.

3.31. The Highways and Infrastructure Service position includes a forecast overspend of £0.5m on electricity costs for street lighting and traffic lines and signals. This is due to increasing electricity costs, but work is ongoing to implement new energy efficient street lighting which will reduce energy consumption. There is also a forecast income shortfall of £0.1m from permits, licences and developers' fees however income from this source can occur on an ad hoc basis as new developments arise requiring permits and licences for works.

3.32. These pressures are offset by forecast surpluses of £0.9m from recharges for work on projects and support to other service areas and £0.2m savings in supplies and services and other miscellaneous items.

Adult Social Care

3.33. At the end of Quarter 3, the directorate has a **forecast overspend of £0.1m** relating to revenue budget non-Covid expenditure. This is an improvement of £2.3m since Quarter 2.

3.34. **Packages of Care** at Quarter 3 is a forecast overspend of **£1.7m** for Older Adults (OA) driven by increased activity slightly offset by increased client income and a forecast underspend of £1.0m for Young Adults (YA) driven by reduced activity (predominantly Day Care in Adults with a Learning Disability (LD)) partially offset by a reduction in income. The Better Care Funding (BCF) of £2.0m was added to the budget in month 8 to fund the Sevacare overspend.

3.35. **Community & Social Work Ops – forecast a overspend of £0.3m** – The Service is currently reporting an overspend of £0.3m. Staffing and agency are reporting a nil variation after contributing £5.7m towards workforce board savings. There is a recruitment campaign to fill vacancies, but progress has been slow together with the difficulty in getting agency workers, so posts are currently unfilled. Expenditure related to Liberty Protection Safeguards (**LPS**) and Deprivation of Liberty Safeguards (Dols) together with Safeguarding triage service costs and a reduction in anticipated Pathway 2 income is contributing towards the £0.3m overspend at Quarter 3.

- 3.36. **Commissioning – £0.7m underspend** – The Service is reporting an underspend against employee budget of £0.8m linked to vacancies across the team and recharge income against base budget funded posts. Recruitment plans are being developed and assumptions are currently that these will be filled early in 2022. There are also underspends of £0.4m against the overall third sector grant budget which are offset by £0.5m of anticipated expenditure to support the third sector between January and March 2022.
- 3.37. **Director – £0.3m underspend** – due to reduced Access to Work and Professional Fees expenditure, lower than anticipated Pensions Increase Act and annual pension costs for early retirement and minor underspends on employees.

City & Municipal Development Directorate

- 3.38. At the end of Quarter 3, there is a forecast **overspend of £1.3m** relating to revenue budget non-Covid expenditure for the Directorate. This is a deterioration of **£1.9m** since Quarter 2
- 3.39. **Transportation and Connectivity** year end underspend of £0.3m on Integrated Transport Levy Payments (ITA Levy) to the West Midlands Combined Authority (WMCA). As confirmed by WMCA letter to the City Council on 12 February 2021 as part of their 2021/22 annual budget process.
- 3.40. A surplus of £0.1m is forecast from the Local Land Charges service reflecting increased activity in the housing market in recent months and a £0.3m surplus in income from project officer recharges to Capital projects
- 3.41. **Property Services** are forecasting an overspend of £2.3m primarily due to pressure on commercial rent of £2.9m (in addition to this is a further £1.1m rent pressure reported within the Covid position). The position has worsened by £2.6m from Month 6. There is further risk in respect of bad debt provision – a review is underway. There is partial mitigation with £0.8m fall-out of revenue funded prudential borrowing of the historic Working for the Future capital programme.
- 3.42. Furthermore, extended agency cover for vacant posts to end of December has increased by £0.2m with net income pressures from capitalisation and fees and charges of £0.3m.

Council Management Directorate

- 3.43. At the end of Quarter 3, there is a forecast non covid **underspend of £3.6m**, (an improvement of £0.8m since Quarter 2).
- 3.44. The overall underspend is largely relating to Housing Benefit Overpayment recovery performing better than last year, the ongoing review of supported exempt accommodation (SEA) is identifying Landlords where this status is not applicable resulting in clawback of overpaid Housing Benefit. Overpayment recoveries from the Department of Work and Pensions are also performing better than last year. Improved collection of overpayments has contributed to a revised expected surplus on our benefit subsidy claim of **£3.5m** for 2021/22

Clean Air Zone (CAZ)

- 3.45. The CAZ I&E forecast is a contribution to the CAZ usable reserve of £19.3m in 2021/22.
- 3.46. While the numbers of non-compliant vehicles are in-line with that assumed in the business case, the payment rate is lower than assumed in the Full Business Case (FBC), fewer people paying the daily fee results in a greater volume of PCNs being issued. Up to Period 8 the number of PCNs issued was c. 470k, compared with an assumed volume of c. 69k. Of the c.470k PCN's issued, approximately 237k (just over 52%) had been paid, a rate considerably below that for Bus Lane Enforcement. The volume of PCNs being issued continues to reduce month on month. At its peak (July) PCNs issued per working day (average) was 5,126. In October this figure was 3,644, a decline of around 29%.
- 3.47. Income due from PCNs issued may not be received in 2021/22 and some of this is unlikely to ever be collected, following successful challenges and uneconomic cost of collection. In-line with the existing policy for Bus Lane Enforcement, potential income from outstanding CAZ PCN's will not be accrued for at the end of the financial year.
- 3.48. Additional staffing and other resources have been allocated to the Parking Services team to help support the increased workload. This is expected to result in additional costs, which have yet to be fully quantified. Other cost pressures arise from the quarterly charge levied by the Joint Air Quality Unit (JAQU) against CAZ revenue from the daily fee.
- 3.49. **Table 13 Summary & full year forecast for the CAZ**

CAZ Income & Expenditure Estimate as at P9	Actual £m	Estimate £m	Total £m
CAZ D Income	(6,908)	(4,200)	(11,108)
PCN Income	(12,004)	(9,000)	(21,004)
CAZ Total Income Estimate	(18,912)	(13,200)	(32,112)
	(280)		(280)
	(19,192)	(13,200)	(32,392)
Less:			
Transfer to Reserve 1 - Sinking Fund (Decommissioning)		165	165
Administration Costs	2,296	585	2,880
Operating Costs	2,829	3,649	6,479
CAZ Income After Administration & Operating Costs	5,125	4,399	9,524
CAZ Total Income Estimate after Administration & Operating Costs	(14,067)	(8,801)	(22,868)
Less:			
Electric / Hybrid Taxi Running Costs		200	200
Hydrogen Buses Gap Funding Repayment		3,355	3,355
City Centre Pedestrianisation		0	0
Resident Parking Permit Subsidy (3 Year Impact)		12	12
CAZ Income After Approved Commitments	(14,067)	(5,234)	(19,301)

- 3.50. The net revenue transfer to Useable Reserve in the Birmingham Clean Air Zone (CAZ) Update to Cabinet in January 2021 was £2.3m, compared the current estimate for Quarter 3 of £19.3m. The increase is due to the deferral of City Centre

Pedestrianisation from 2021/22 of £5.8m and an increase in revenue received from PCNs.

Emerging Risks not included in Forecast

3.51. There are a number of risks that are not included in the forecast outturn.

3.52. The Trade Unions have been offered a pay award of 1.75% by the Employer's side, although this has not been accepted. A potential pay award of 1.75% that could cost £8.3m has been built into the forecast. There is a risk that a higher pay award is agreed. Each extra 0.5% increase would cost £2.3m per annum.

3.53. There is a risk that savings that are rated as amber are not achieved in full

Other Risks that cannot be quantified

3.54. There are a number of risks that cannot be quantified. These include the following:

- Recovery from Covid
- Economic impact of Covid
- Brexit
- Housing and homelessness
- Highways Re-procurement
- Clean Air Zone impact on Parking Income

Savings Programme

3.55. The savings programme for 2021/22 of £36.7m of which £5.3m of savings are either at risk or undeliverable. £31.5.4m of the savings are either achieved or on target, which is 86% of the target with a further 7% (£2.7m) anticipated to be delivered. This is improvement of £11.7m since Quarter 2.

Table 14: Summary of Saving programme.

Directorate	Non-Delivery of Saving			Saving Delivered and on Track	Total Saving
	Delayed Because of Covid-19	High Risk & Undeliverable	Saving at Risk		
	£m	£m	£m	£m	£m
Adult Social Care	0.000	0.000	0.000	8.793	8.793
City Operations	0.000	1.508	0.000	0.673	2.181
Council Management	0.147	0.200	0.000	3.038	3.385
Education & Skills	0.000	0.000	0.000	0.050	0.050
City & Municipal Development	0.360	0.000	0.000	0.685	1.045
Corporate	0.000	0.400	2.651	18.228	21.279
Directorate Sub Total	0.507	2.108	2.651	31.467	36.733

3.56. The £36.7m savings programme for 2021-22 (shown in the following charts) is now showing £31.5m as delivered or on track.

- **Corporate** has the largest saving target of £21.2m, of which 86% has been achieved, £18.2m is from the £20.1m establishment saving. The remainder of the saving, £1.9m is assessed as at risk in the current financial year. None of the establishment savings are now considered unachievable. Within the Corporate

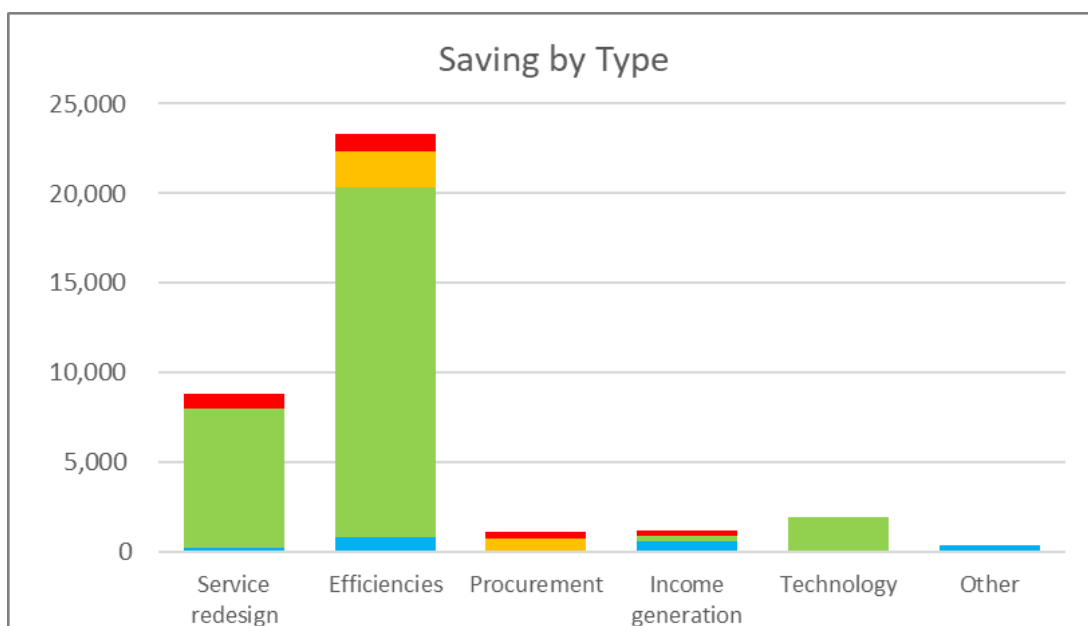
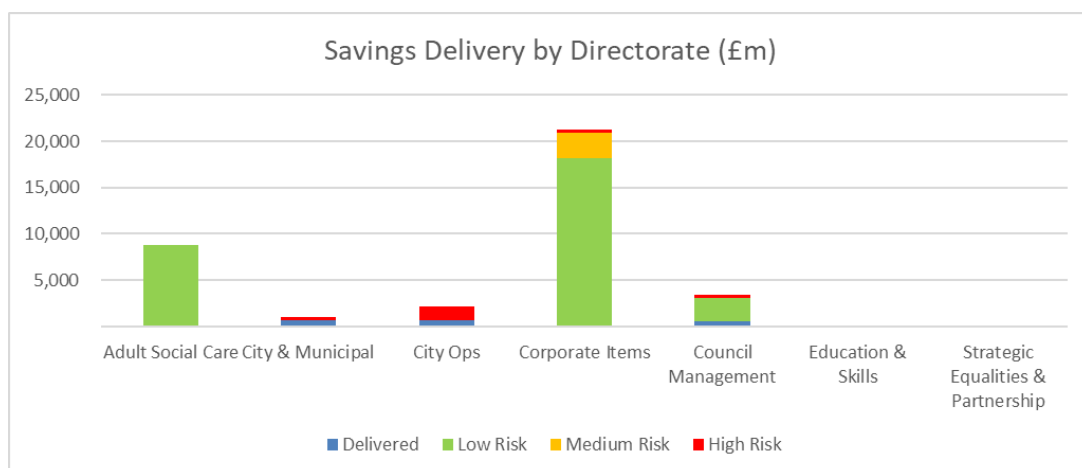
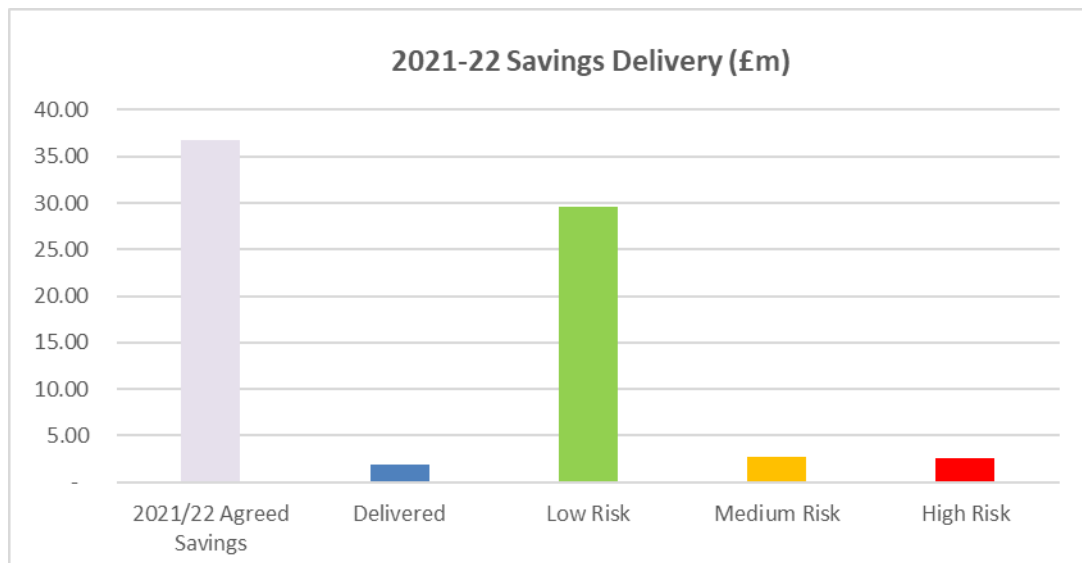
savings, there is a target of £0.7m for Contract savings. The Gateway spend control process is seeking to achieve the target.

- **Adult Social Care** forecast that all savings of £8.8m will be delivered this financial year.
- **City & Municipal Development** has £1.0m savings target of which £0.6m has been achieved and £0.4m has been assessed as at risk or undeliverable (mainly Public Hubs).
- **City Operations** has £2.2m savings target. The current assessment is that £1.5m of those savings are considered unlikely to be delivered. The key highlights of which are:
 - **£0.6m** Street Services redesign **£0.2m** Consultation of land sales.
 - **£0.2m** implementation of commercialisation programme (car parks)
 - **£0.5m** continued extensive hire of vehicles and associated repairs and maintenance costs there is a risk that the revenue savings from the Waste Management Replacement Strategy capital project will not be achieved.
- **Council Management** has £3.4m saving target of which £3.1m has been achieved and there is £0.3m of saving that is unlikely to be delivered.
- Workforce related savings totalling **£0.2m** will not be achieved in 2021/22 due to delayed restructure of the IT&D Service, however the service expects to mitigate this non delivery of savings via efficiency gains on other budget lines
- Covid-19 Related: Savings of **£0.1m** are considered unlikely to be achieved as the planned development of business is on hold due to the impact of Covid on the events market and closure of the Council House.

Table 15: Achievement of Establishment Savings

Table 15: Establishment Saving Summary by Directorate	Savings achieved at M6	Further Savings estimated at M9	Total
	£m	£m	£m
Adult Social Care	5.695	0.500	6.195
Education & Skills	0.455	0.150	0.605
City & Municipal Development	1.152	0.000	1.152
City Operations	0.820	0.000	0.820
City Housing	1.182	0.700	1.882
Council Management	1.651	0.692	2.343
Strategy, Equalities and Partnerships	0.503	1.728	2.231
Total Directorates	11.458	3.770	15.228
Unallocated Increment Budget remaining	3.000	0.000	3.000
Total	14.458	3.770	18.228

- £18.2m of establishment savings have been delivered. The Workforce Panel introduced restrictions on the use of agency workers during the Christmas period. This has not been factored into these numbers, but is expected to save £0.3m.
- It is anticipated that the remaining £1.9m will be delivered.



Covid-19 Major Incident Financial Impact

- 3.57. The Council has carried forward £17.5m of un-ringfenced Covid-19 related grant funding from the government. In addition, there is an estimated £2.8m of income that can be reclaimed from the Governments Income loss scheme up to the scheme end on the 30th June.
- 3.58. The Council funded £12.5m of covid pressures in the 2021/22 budget through the use of Tranche 5 of Government un-ringfenced grant funding.
- 3.59. £6.0m of Public Health Grant will be released to fund Covid related spending in 2021/22.
- 3.60. Ring-fenced grants for additional reliefs and support schemes are being spent on the additional measures set out in government guidance.
- 3.61. The summary below sets out the forecast Covid-19 financial position at Quarter 3.

Table 16: Forecast Covid-19 financial position

Table 16 : Forecast Covid-19 financial position	Covid cost £m
Directorate covid overspend	26.225
Corporate budgets overspend	11.470
Indirect Covid costs	37.998
Total Covid-19 overspend	75.693
Application of Tranche 5 Funding Budget 2021	(12.515)
Covid grants carried forwards	(17.471)
Specific Grant Funding	(1.000)
Public Health Grant	(6.000)
Income compensation	(2.838)
Total Covid income	(39.824)
Net deficit	35.869

- 3.62. There are further Covid-19 financial risks which have been quantified at £5.0m which are around Adult Social Care. These are not included in the forecast above.

Delivery Plan

- 3.63. The Transformation Programme structure and development of the associated architecture to support delivery has been progressing well. Reporting mechanisms and assurance processes are in place and embedding is underway. The expediting and driving forward key areas of activity has been enabled due to specialist programme capacity and support.
- 3.64. Initial sourcing of appropriate support for the organisation was funded primarily by the Transformation Fund (£5.25m).

- 3.65. With regards to the Transformation Fund, the total spend to date 2021/22 Quarter 3 is £2.1m with a remaining £0.9m. Of this amount, £0.7m is committed leaving a remainder of £0.2m uncommitted funds.
- 3.66. in order to support the pump priming of transformation at pace, a further £10m was approved by Cabinet in November 2021. £5m was originally approved in April 2021 and another £5m in July 2021. Therefore, a total of £20m has now been approved by Cabinet for draw down, from the Delivery Plan Reserve.
- 3.67. Cabinet also agreed in April, that funds from the Delivery Plan Reserve would be released in to a Corporate Budget and allocations from this budget would be delegated to the Chief Executive in consultation with the CFO, City Solicitor, Leader of the Council and Cabinet Member for Finance and Resources. This process is managed by the CPMO and the Invest to Deliver Group was established to ensure due diligence, they review and recommend funding requests for approval.
- 3.68. The total amount approved by the Invest to Deliver group and the delegated allocation for spend to date is £12.8m although, not of all this will be spent in 2021/22. The request forecast for spend is £0.6m and the request pipeline forecast is £0.3m. This leaves a remainder of £6.3m unallocated funds.
- 3.69. Further funding requests are expected in the coming months as structured and sustainable change is designed and implemented at pace. It is important to keep up the pace and scale of transformation enabling work which is increasingly focussing on invest to save initiatives that will improve citizen outcomes whilst reducing net service delivery costs.

Table 17: CEO Transformation Fund

CEO Transformation Fund - £5.25M 2020-2021 allocation £4.00M 2021-2022 Allocation £1.25M Q3 2021/22	
	£m
Total Allocation 20/21	4.000
Actual spend 20/21	(2.190)
Remaining funds carried forward to 21/22	1.810
Remaining funds carried forward from 20/21	1.810
Allocation 2021-2022	1.250
Total Allocation for 21/22	3.060
less Spend Q3 21/22	(2.131)
Remaining	0.929
less Committed funds	(0.758)
Remainder	0.172

Table 18: Delivery Plan Reserve

Delivery Plan Reserve- Draw Down £20.00M	
Quarter 3	
	£m
Total Spend Approved	12.754
Request Forecast	0.647
Pipeline Forecast	0.270
Total	13.672
Remaining unallocated funds	6.328

Policy Contingency

3.70. The Council Financial Plan and Budget 2021-2025 approved by Council on 23rd February 2021 reflected £44.0m for Specific Policy contingency budget in 2021/22 and £0.6m for General Policy Contingency budget. This is excluding savings that will be allocated to directorates in 2021/22. Until they are allocated, these will be held within the Policy Contingency budget.

3.71. It was approved by Cabinet on 29th June 2021 to carry forward £5.5m into a General Policy Contingency Reserve and use this in 2021/22 to increase the General Policy Contingency budget to £6.1m. This is reflected in the budget set out below.

Table 19: Policy Contingency

Policy Contingency	Budget £m	Committed by Qtr 2 £m	Qtr 3 Committed £m	Not yet committed £m
Inflation Contingency	17.324	(8.685)		8.639
Redundancy and Exit Costs	9.281			9.281
Modernisation Fund - Social Care	8.955	(5.800)		3.155
Workforce Equalities & Streetscene	4.000	(2.205)		1.795
Apprenticeship Levy	1.259			1.259
Delivery Plan Programme Management	1.250			1.250
Highways Maintenance	0.750		(0.609)	0.141
Short-term Improvement in the Council House	0.500		(0.500)	0.000
HR Additional Temporary Resources	0.300	(0.300)		0.000
Loss of Income from Car Park Closures	0.252			0.252
Corporate Funding for Owning & Driving Performance				
(ODP)Culture Change Programme	0.129			0.129
General Contingency	6.086	(2.700)		3.386
Total Policy Contingency excluding savings	50.086	(19.690)	(1.109)	29.287
Capitalisation Transformation Projects to be allocated to services in 2021/22	(21.349)			(21.349)
Delivery Plan Workforce saving - to be allocated to services in 2021/22	(20.132)	14.458	1.235	(4.439)
DRF Revenue Switching to be allocated to services in 2021/22	(9.304)			(9.304)
Contract Savings	(0.747)			(0.747)
Transport Work Stream	(0.400)			(0.400)
Total Savings to be allocated	(51.932)	14.458	1.235	(36.239)
Total Policy Contingency	(1.846)	(5.232)	0.126	(6.953)

Specific Policy Contingency

3.72. As shown above the Section 151 Officer has approved the release of the following:

- £0.5m of Specific Policy contingency to fund Short-term Improvement in the Council House.

3.73. The release of £0.6m funding to the Highways and Infrastructure service in the City Operations Directorate for highways inventory change was approved by Cabinet on 14th December 2021.

Balance Remaining

3.74. After the releases of budget shown above, the balance on Policy Contingency excluding Savings is £29.2m. Of this balance, it is planned that the £3.2m balance for Modernisation Fund - Social Care will be transferred at year end to Reserves to fund Social Care Modernisation costs in 2022/23, thus leaving a balance of £26.0m.

Forecast Underspend

3.75. Following a review of Policy Contingency at Quarter 2, there is a forecast underspend of £9.3m related to savings on redundancy and exit costs due to the number of redundancies being lower than forecasted, and any costs that do materialise will be funded using capital receipts flexibility. These savings will help to mitigate the cost of the pay award pressure.

3.76. The Council will continue to closely monitor expenditure on Policy Contingency and will seek to identify further savings during the remainder of the financial year.

Collection Fund

3.77. The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. The impact of any surplus or deficit is considered as part of the setting of the following years budget.

Council Tax

3.78. The overall net budget for Council Tax income including Parish and Town Council Precepts is £384.8m in 2021/22. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities.

3.79. There is a deficit forecast for the year of which the Council's share is **£15.8m**. This is made up of a cumulative deficit brought forward from 2020/21 of £5.9m, and a 2021/22 deficit of £9.9m, largely driven by increased Council Tax Support.

3.80. The Council has received an additional Council Tax Support grant in 2021/22 of £14.5m to fund the increased costs. This will be received into the General Fund in 2021/22 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £15.8m forecast deficit in the Collection Fund.

3.81. Table 20: Council Tax Summary

Council Tax Summary Table (BCC Share)			
	Budget	Forecast Outturn	Forecast Surplus/(Deficit)
	£m	£m	£m
Gross Debit	569.373	569.538	0.165
Non Collection	(13.545)	(13.988)	(0.443)
Net Budget	555.828	555.550	(0.278)
Council Tax Support	(96.390)	(108.806)	(12.417)
Other Reliefs and Discount	(72.685)	(69.744)	2.940
Total in year Debit	386.754	377.000	(9.754)
Prior Year Adjustment	(1.965)	(2.139)	(0.174)
Total In Year Surplus/(Deficit)	384.789	374.861	(9.928)
Total Deficit Brought Forward	0.000	(5.905)	(5.905)
Grand Total Surplus/(Deficit)	384.789	368.956	(15.832)

Business Rates

- 3.83. 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 2021/22 is £422.4m (excluding the Enterprise Zone), of which the Council's retained share is £418.2m.
- 3.84. There is a deficit anticipated, in year, of which the Council's share is £141.7m. This is mainly due to reliefs of £131.0m which primarily relate to Retail and Small Business Reliefs that the Council has granted to businesses in the leisure, hospitality, retail and nursery sectors which have been affected by Covid-19. Included within this figure is a forecast of £30.1m for the additional relief mentioned in paragraph 3.85. The forecast gross rate yield is £2.2m lower than the budget due to lower growth in businesses and longer processing times at the Valuation Office impacting on when growth is added to the schedule. To be prudent only a small amount of growth from missing and undervalued assessments has been included in the forecast, and original growth from planning applications which was assumed when the budget was set has not been factored in the forecast due to economic uncertainties. In addition, an increase in the appeals provision of £8.4m is forecast to cover outstanding appeals.
- 3.85. The Government has announced plans to provide an extra, targeted business rates support package for businesses which have been unable to benefit from the existing £16 billion business rates relief for retail, hospitality and leisure businesses. The £1.5 billion funding pot which is to be distributed amongst all local authorities will provide businesses within Birmingham access to an additional £30.1m in rate relief. The relief legislation has just recently received Royal Assent and the subsequent scheme guidance released to local authorities. At the January 2022 Cabinet meeting, Cabinet delegated authority to the Deputy Leader, and the Cabinet Member for Finance and Resources, from a report by the Director of Digital and Customer Services, to approve the Business Rates COVID-19 Additional Relief Fund Policy, scheme rules, and to authorise the award of the relief. The Revenues Team will model the scheme with a view to providing a draft policy.
- 3.86. As with Council Tax, the Council budgeted for lower than usual collection rates in 2021/22. There may be further worsening of non-collection due to the continuing effects of Covid-19 on the economy. An allowance has been made for this in the forecast for the bad debt provision.

- 3.87. The total additional grants, compared to budget, that are anticipated to offset this deficit is £124.4m. However, this will be received into the General Fund in 2021/22 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £141.7m forecast deficit in the Collection Fund.
- 3.88. As a result of the above a total in year deficit of £17.3m is assumed to be carried forward and considered in setting the budget for 2022/23 made up of £141.7m deficit relating to the Council's share offset by £124.4m compensatory grants.
- 3.89. In addition to the in-year position and as previously reported in the 2020/21 Outturn report, a cumulative deficit was brought forward from 2020/21 of £2.5m. Therefore, an overall forecast Deficit of £19.8m relating to the Council's share of Business Rates (£17.3m in year Deficit plus £2.5m Deficit brought forward) is anticipated.

3.90. Table 21: Business Rates Summary

Business Rates Summary Table (BCC Share)			
	Net Budget	Forecast Outturn	Forecast Surplus/(Deficit)
	£m	£m	£m
Gross Rate Yield	556.321	554.081	(2.239)
Total Reliefs	(100.665)	(231.662)	(130.997)
Gross rate yield after reliefs	455.656	322.419	(133.236)
Increase in Bad Debts Provision	(18.226)	(18.267)	(0.040)
Other (including Appeals)	(19.274)	(27.705)	(8.432)
Total Net Rate Yield	418.156	276.448	(141.708)
Compensatory Section 31 Grant (BCC Share)	54.626	179.037	124.412
Grand Total In Year Surplus/(Deficit)	472.781	455.485	(17.296)
BR Deficit Brought Forward	0.000	(2.477)	(2.477)
Grand Total Surplus/(Deficit)	472.781	453.008	(19.774)

Overall

- 3.91. Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £35.6m to be carried forward and taken into account in setting the budget for 2022/23 (a £15.8m deficit for Council Tax and a £19.8m deficit for Business Rates).
- 3.92. The Council is planning to use £8.4m of the Business Rates Volatility Contingency Reserve in 2022/23 to fund the increase in Appeals Provision that is forecast to be required.
- 3.93. In addition, to the £14.5m mentioned earlier, the Council is planning to use a further £2.5m of the Council Tax Hardship Reserve in 2022/23 to fund the increase in the Council Tax Support costs that is forecast to be required.
- 3.94. It should be noted that the Government stated that local authorities would be compensated in 2021/22 for 75% of the 2020/21 loss in Collection Fund Income. The Council estimated that it would receive in the region of £39.6m when setting its 2021/22 budget based on the guidance issued by the Government, however it now only expects to receive £23.4m. This shortfall of £16.2m will be spread over the three years from 2021/22 to 2023/24 at £5.4m per year.

Table 22: Housing Revenue Account (HRA)

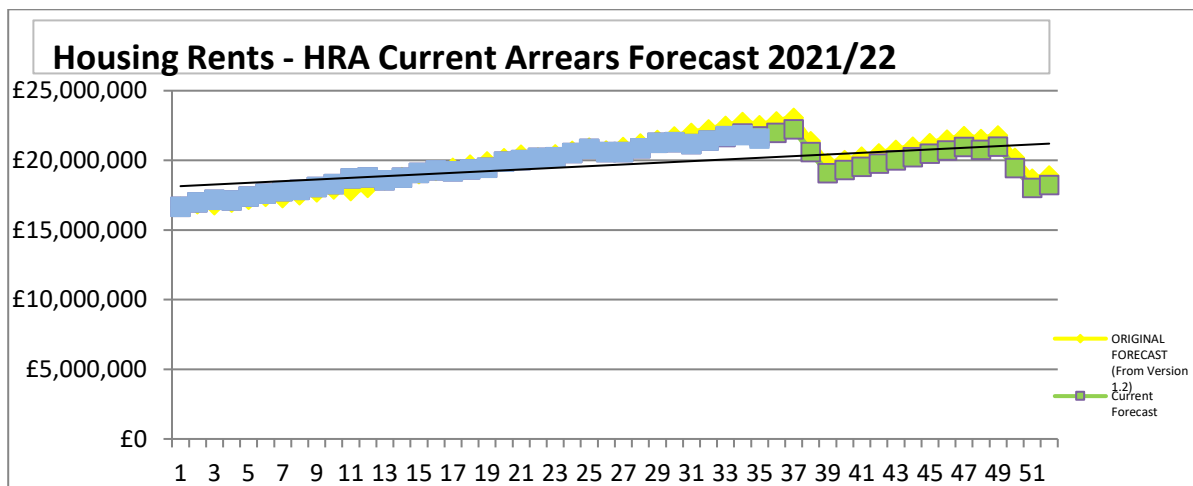
	Current Budget £m	Year to Date Actual	Forecast	Variation Over / (Under) spend	Change from Quarter 2
Rent Income	(254.737)	(183.069)	(254.737)	0.000	(0.050)
Service Charges	(15.158)	(10.559)	(15.158)	0.000	0.000
Other Income	(11.638)	(5.545)	(11.698)	(0.060)	0.014
Total Income	(281.533)	(199.172)	(281.593)	(0.060)	(0.036)
Repairs	65.767	40.106	68.047	2.280	2.055
Estate Services	20.072	11.238	18.590	(1.482)	(0.651)
General Management	69.081	32.792	62.921	(6.160)	(2.084)
Bad Debt Provision	8.120	3.358	3.307	(4.813)	(2.734)
Capital Financing	55.870	0.000	51.710	(4.160)	(1.160)
Capital Programme Funding	62.623	0.000	73.754	11.131	3.610
Total Expenditure	281.533	87.493	278.329	(3.204)	(0.964)
Net Surplus	0.000	(111.679)	(3.264)	(3.264)	(1.000)

Overall Position

- 3.95. The current HRA net surplus of (£111.7m) is due to timing differences between income and expenditure. At the end of Quarter 3 the high-level forecast for the HRA is a net surplus of (£3.3m).
- 3.96. There is a net surplus forecast of (£3.3m). The surplus is available to be added to the current revenue reserve of (£11.2m), which would increase the reserve to (£14.5m).
- 3.97. There have been a number of changes to the position since the forecast in quarter 2, predominantly decreases due to less funds needed to be held aside for bad debt and decreases and underspends in Asset Management and Rents Team costs, much of which has been spent on additional repairs and maintenance and capital programme funding. The remaining underspend will be used to increase the HRA revenue reserve to increase available expenditure over the 10 year HRA finance plan.

HRA Current Arrears

- 3.98. HRA current arrears at the end of November were £21.8m, an increase of £5.1m since the beginning of April. The latest forecast position at the of March provided by the Rent Team shows an increase in arrears of £1.6m, after taking into account the payment holidays in December and March (see graph below). The arrears are continued to be monitored closely to see the level of impact from the removal of furlough and removal of the additional £20 per week to tenants in receipt of universal credit, as well as other economic factors.



3.99. The HRA Current Arrears Bad Debt Provision would increase by £1.4m based on the forecast increase in arrears, which would result in an underspend of £2.7m against the HRA Current Arrears Bad Debt Provision Budget. Due to the current uncertainties with Covid the proposed forecast on the HRA Current Arrears Bad Debt Provision Budget is an underspend of £1.7m. Work is ongoing to assess if the arrears increase will be in line with the above forecast or closer to last year's outturn of £3.2m. The table below sets out the HRA Bad Debt Provision budget and year-end forecast.

Table 23: HRA Bad Debt Provision.

	Budgeted Provision	P9 Year-End Variation Reported
	£m	£m
Current Arrears Provision		
HRA	4.1	(1.7)
Housing Benefit Overpayment	0.2	(1.1)
Sundry and Garages	0.9	0.0
Sub Total	5.2	(2.8)
Former Tenant Arrears Provision		
HRA	1.6	0.0
Housing Benefit Overpayment	1.3	(1.1)
Sub Total	2.9	(1.1)
Total	8.1	(3.8)

Covid-19 pressures

3.100. Currently, the only Covid-19 specific pressure identified is an additional cost of £0.2m for targeted cleaning of high-rise and low-rise blocks of flats post Covid-19 lockdown, and provision of PPE. This will be funded from savings within the general management budget.

Risks / Issues

3.101. £1.0m of repairs expenditure identified this month as part of management of the Repairs Contracts. Any change will affect the level of funding available for the capital programme or the minimum revenue balance

Dedicated Schools Grant (DSG)

Summary

- 3.102. The November 2021 notification from the Department for Education (DfE) shows total Dedicated Schools Grant (DSG) funding for Birmingham in 2021/22 of £1,324.0m, which comes through four blocks of funding. The Education & Skills Funding Agency (ESFA) currently recoups £652.8m of the DSG allocation to directly passport to academies and free schools.
- 3.103. The Council is responsible for the remaining budget of £671.2m, in conjunction with the local Schools' Forum. In addition, schools and academies receive direct funding allocations from the Department for Education (DfE) relating to Pupil Premium, Education Funding Agency (EFA) Post 16 Funding and Universal Infant Free School Meals. Birmingham's maintained schools allocation is estimated at £58.4m.
- 3.104. The budget will move during the course of the year as schools convert to academy status and Department for Education updates funding for updated pupil counts (particularly in early years).
- 3.105. At the end of month 9 the high-level forecast for the Dedicated Schools Grant (DSG) is as follows:

Table 24: Dedicated Schools Grant (DSG) Summary

	Budget £m	Forecast Outturn £m	Variance £m
Schools Delegated	381.030	381.030	-
Central Schools Services	18.284	18.284	-
High Needs	180.556	180.556	-
Early Years	91.313	91.313	-
Sub Total – City Council	671.182	671.182	-
Academies & Other recoupment	652.839	652.839	-
Total	1,324.021	1,324.021	-

Key Service Highlights

- 3.106. DSG is a highly prescribed and ring-fenced grant and is the primary source of funding that is delegated or allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The Directorate have not reported any variations on the DSG at Period 9. This is primarily because the majority of the budget is delegated to schools and early years providers.
- 3.107. Demand led pressures in the High Needs Block have in the past led to overspends with a £14m High Needs Block deficit reported at the end of 2019/20. As agreed by Schools Forum at their meeting in January 2020, £5m was repaid during 2020/21 with the remaining £9m due to be repaid at a rate of £5m in 2021/22 and the remaining £4m balance in 2022/23.
- 3.108. In May 2021 Birmingham hosted Ofsted and Care Quality Commission (CQC) to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. The outcome of this revisit has now been published, with Birmingham making sufficient progress in 1 of the 13 areas of significant weakness. As a result, the Secretary of State has issued a statutory direction to Birmingham to improve SEND services and has appointed a Commissioner. There is therefore a

need for a SEND Improvement programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the HNB and General Fund to address capacity issues within the system.

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

Key Risks (not reflected in the financial forecast)

- 3.110. The number of LA maintained schools in deficit has decreased and is now 28 (11.9% of the total number of LA maintained schools). The cumulative value of deficits has decreased by £2.4m to £6.3m; the Local Authority is working with Governing Bodies on deficit recovery plans to reduce this further. For 2021/22 there is a proposal to use £3m of the High Needs Block to support special schools in financial difficulties and so reduce the liability that falls on the Council when special schools convert or close.
- 3.111. It should be recognised that 2020/21 was a difficult year with the COVID-19 pandemic and whilst were reported cost increases and income losses, there were also some savings associated with premises and utilities costs as a result of buildings being closed and staff working from home as well as additional funding being received to support schools during the pandemic. It is envisaged the true financial position will probably evolve over the next few years.

Future Years Impact

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

Savings Tracker:

- 3.113. 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.

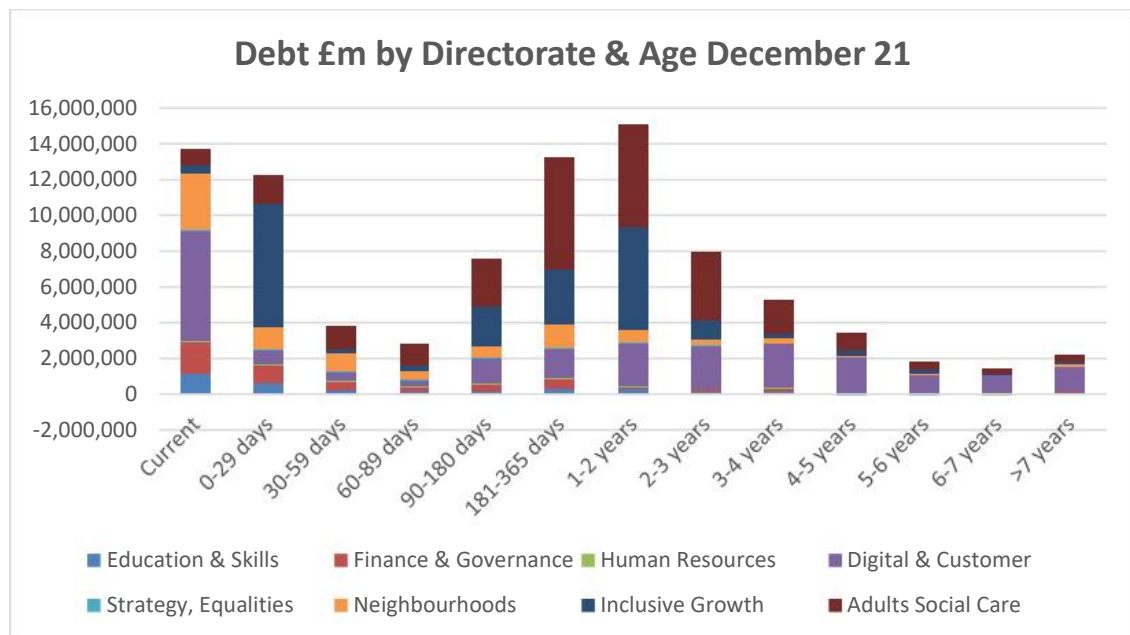
4. Balance Sheet

Borrowing

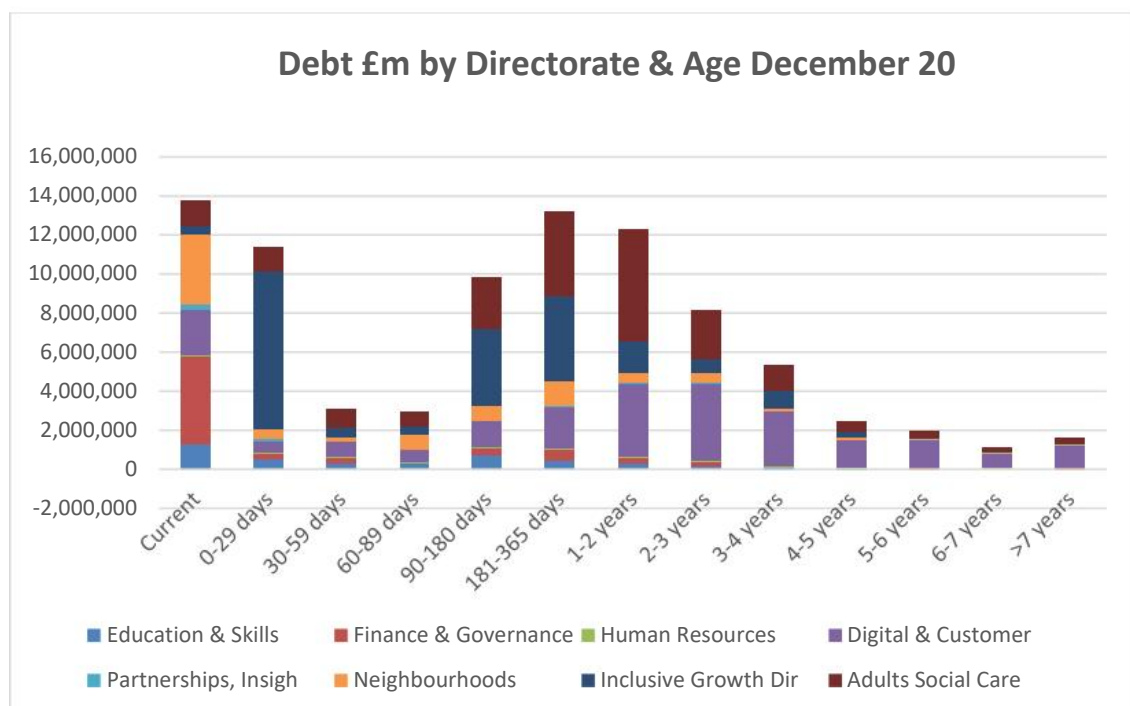
- 4.1. Gross loan debt is currently £3,145m, with the year-end projection estimated to be £3,461m, significantly below the planned level of £3,722m. Some government grants have been received early and there has been a reduced borrowing requirement for the capital programme. The annual cost of servicing debt represents approximately 27% of the net revenue budget.
- 4.2. Positive cashflows within the local government sector mean that the Council's treasury investments remain temporarily higher at £112m, against a planned level of £40m. This has meant the Council has been able to delay some of its short term and long-term borrowing needs and helps to explain the lower gross loan debt above. Uncertainty remains about the continued impact of Covid on the Council's cashflow.

Level of Debt and Provision

- 4.3. The Council's total sundry debt position at end of December 2021 was £88.2m. This was a decrease of £0.6m compared to end of December 2020 when total debt was £88.8m.



- 4.4. The chart below shows the age bands up to 89 days are relatively static. Debts 90 – 180 days are down by £2.2m which is a positive reflection of recovery activities undertaken. Of the older debts, the age band 1 – 2 years shows a year on year increase of £2.8m. There are factors which have contributed to this increase – e.g. Government legislation / local decisions in place which are to be reviewed again in March 22.



- 4.5. The targeted approach adopted will continue and this includes understanding the Council's top 50 debtors, analysis of which is given below.

Top 50 Debtors Profile

- 4.6. As of December 2021, the value of the top 50 aged debtors (+ 90 days) was £8.67m which is 9.8% of total sundry debt. Analysis of this debt shows that £2.44m is highly likely to be or has been recovered, £5.40m is in the balance and £0.83m is high risk and unlikely to be or will not be recovered. Example being insolvent companies with no assets.

Table 25: Debt profile and Risk rating

RAG Summary	£m	No. debts
Highly likely to be or has been recovered	2.44	12
In the balance	5.40	31
Unlikely to be or will not be recovered	0.83	7
TOTALS	8.67	50

- 4.7. The profile of the £8.7m is spread across directorates as shown below.

Table 26: Debt profile across the directorates

Directorate	Value £m	Nature of debts
Adult Social Care	3.91	Residential care provision & NHS contributions
Finance & Governance	0.73	Suppliers of meals, schools receiving meals & school payroll re imbursement
Inclusive Growth	3.61	Commercial property rents & development charges
Neighbourhoods	0.19	Market rents & supplies to contractors
Education	0.13	NHS recharges
Digital & Customer	0.10	Overpaid Housing Benefit
TOTAL	8.67	

- 4.8. Action plans have been produced for all these debts which are subject to monthly reviews. Reports for the top 20 debtors for each directorate continue to be produced with associated action plans for each of these.

Reserves

- 4.9. 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.
- 4.10. The Council anticipated the net use of £155.9m of reserves in setting the 2021/22 budget. This is summarised in Table 6 together with the current forecast outturn balance. At Quarter 3, £37.4m of uses of reserves that were approved by Cabinet as part of the Outturn Report on June 29th have been reflected. There is a forecast of further changes that represent a net contribution to reserves of £107.0m.

- 4.11. It is expected that that corrective action will take place to ensure the budget is balanced by March 2022. If it is not, there will need to be a use of Reserves.
- 4.12. Given the significant financial pressures that are still facing the Council due to the Covid-19 emergency it may become necessary to utilise reserves in 2021/22 to support the budget, but only as a last resort. In-year requests to use reserves will be considered on an exception basis.

Table 27: Reserve Summary

Table 27: Reserves	Balance as at 31st March 2021 *	Original Budgeted (Use) / Contribution	Change to budget approved at Outturn	Further changes forecast	Forecast Outturn Balance at 31st March 2022
	£m	£m	£m	£m	£m
Corporate General Fund Balance	38.382	0.000	0.000	0.000	38.382
Delivery Plan Reserve (formerly Invest to Save)	70.097	3.296	0.000	(13.115)	60.278
<i>Financial Resilience Reserve Gross</i>	<i>101.119</i>	<i>42.964</i>	<i>0.000</i>	<i>(11.426)</i>	<i>132.657</i>
<i>Net Borrowing from Financial Resilience Reserve</i>	<i>(11.863)</i>	<i>(9.017)</i>	<i>0.000</i>	<i>(0.600)</i>	<i>(21.480)</i>
Financial Resilience Reserve Net	89.257	33.947	0.000	(12.026)	111.177
General Reserves and Balances	197.735	37.243	0.000	(25.141)	209.836
Other Corporate Reserves **	407.378	(205.454)	(21.954)	129.521	309.491
Grant	318.094	(7.419)	(15.480)	0.531	295.726
Earmarked	57.007	19.717	0.000	2.132	78.856
Schools	69.389	0.000	0.000	0.000	69.389
Non Schools DSG	12.660	0.000	0.000	0.000	12.660
Subtotal Other Reserves	864.529	(193.156)	(37.434)	132.184	766.122
Grand total	1,062.264	(155.914)	(37.434)	107.043	975.958

*The Opening Reserves Balances is subject to confirmation when the Accounts have been finalised. The figures are based on the draft accounts as published.

** Please note that the further changes forecast for Other Corporate Reserves includes the £124.4m as described in paragraph 4.15 below.

- 4.13. There are forecast further uses of reserves as follows:
- The **£17.5m** of Covid Reserves carried forward from 2020/21 will be required in 2021/22 as referred to in paragraph 1.2.
 - **£18.0m** of Covid related Corporate Grant Reserves will be fully utilised in 2021/22.
 - In order to facilitate the further improvement to the SEND service Cabinet approved the drawdown of **£5.1m** from the Financial Resilience Reserve (FRR) in July 2021.
 - It is also expected that the **£2.0m** SEND Reserve created at the end of 2020/21 will be fully utilised in 2021/22.
 - Cabinet also approved in October 2021 the use of **£4.8m** of the Delivery Plan Reserve in 2021/22 to fund improvements in SEND and Home To School Transport.
 - A use of £20.0m of the Delivery Plan Reserve to fund the Delivery Plan was approved by Cabinet in April, July, and November. It is now forecast that only **£6.4m** will be spent by the end of the year. The remainder is expected to be required in 2022/23, so a budget will be created in Specific Policy Contingency.
 - There will be a use of **£9.1m** of Public Health Grant Reserve to fund eligible spending.

- Cabinet is asked to approve the use of **£6.1m** of the FRR to fund one-off pressures identified relating to Home To School Transport as referred in paragraphs 3.5 and 3.6.
- There will be a further use of **£1.1m** of the Delivery Plan Reserve to fund New Ways of Working (NWOW) as approved by Cabinet in July 2021. Cabinet approved a release of £4.8m, and the remainder will be required in 2022/23, so a budget will be created in the Directorate.
- Cabinet approved the drawdown of **£0.7m** for two years for the Digital Inclusion Strategy and Action Plan from the £10.0m Community Recovery Reserve in September 2021, leaving a balance on that reserve of £9.3m.
- There will be a use of **£1.4m** of Section 31 Grant Reserve to set against the shortfall in Business Rates Income in 2020/21 that will be charged to the General Fund in 2021/22.
- There will be a use of **£0.9m** of the Delivery Plan Reserve to fund the Corporate Programme Management Office and the Chief Executive's Delivery Unit project team. This is within the funding of £1.1m approved by Cabinet in April 2021.
- Cabinet approved the use of **£0.3m** of the FRR to fund costs of the Route to Zero (R20) team in October 2021.
- There is expected to be a reduction of **£0.6m** to a budgeted repayment of borrowing from the FRR as the repayment was made at the end of 2020/21, so is no longer required.
- There is a forecast use of **£1.0m** of Policy Contingency Reserves.

4.14. This is partially offset by a forecast reduction in uses of reserves of the following:

- The Council is using **£5.4m** less of the Tax Income Compensation Reserve than planned as there is less available to use, as referred to in paragraph 1.8.
- The Council is using **£6.2m** less of the Capital Receipts Flexibility Reserve than planned. This is a timing issue and does not affect the bottom line.

4.15. There are also forecast contributions to reserves as follows:

- As set out in paragraph 3.87 in the Collection Fund section, the Council will receive from the Government additional grants of **£124.4m** to offset the Collection Fund deficit caused by the granting of reliefs to businesses. This will be received into the General Fund in 2021/22 and will be required to be set aside as a contribution to reserves in the current year, to be used in to offset the forecast deficit in the Collection Fund related to 2021/22 that will be charged to the General Fund in 2022/23.
- £16.5m of Covid pressures have been identified as on-going in 2022/23. To fund this, **£16.5m** of Covid-related funds have been identified in order to fund the on-going pressure.
- There will be a contribution of **£3.2m** to Policy Contingency Reserves from an underspend in Policy Contingency on Modernisation Fund-Social Care to enable this to be funded in 2022/23.
- A contribution of **£14.5m** from Government Grant will be set aside to fund Council Tax Hardship payments that will affect the Collection Fund in 2021/22 and will be charged to the General Fund in 2022/23.
- There is a forecast net contribution of **£2.1m** to Directorate Earmarked Reserves.
- There is a forecast net contribution of **£9.6m** to Directorate Grant Reserves, excluding the use of Public Health Grant Reserve mentioned above.

- 4.16. Please note that Cabinet is also asked to approve the use of up to a maximum of £3.3m of the FRR to fund pressures on Home To School Transport related to additional costs of procuring an alternative provider after terminating the contract with North Birmingham Travel, as set out in paragraph 3.8. As the amount required is not certain, this is not included within the figures above.

List of Annexes

- 1. Covid Costs details**
- 2. Write off details**
- 3. Treasury Management**
- 4. Capital Programme tables**
- 5. Investment Property Portfolio Monitoring Dashboard**

Annex 1 Covid Cost Details

Detail of Covid Forecast Costs by Directorate

Directorate	Service	Description	Sum of Covid Cost (£m)
Adult Social Care	Packages of Care	Loss of day centre income due to closure	0.212
Adult Social Care	Packages of care	Support to care market not covered by grant or specific ASC provision	0.070
Adult Social Care	Assessment & Support Planning	Additional Adults staffing costs	0.503
Adult Social Care	Other Minor		0.086
Adult Social Care Total			0.872
Education & Skills	BCC Early Years, BCT	additional Covid expenditure approved by Coordination Response Group	0.300
Education & Skills	Birmingham Children's Trust - other	Increased costs in BCT Children's Social Care - Other - estimate only at this stage to be refined	1.280
Education & Skills	EWS	reduction in income from fixed penalty notices for school absences	0.105
Education & Skills	Libraries	Strategic and Community Libraries. Loss of income from sales, fees and room hire. Also potential loss of rental income at Sutton library.	0.070
Education & Skills	SENDIASS	SENDIASS - additional expenditure to cover work that would have been undertaken by social work placements	0.339
Education & Skills	Other Minor		0.071
Education & Skills Total			2.165
Council Management	IT&D	IT equipment and support to respond to immediate Business Continuity requests including project work and staff time	1.992
Council Management	Development & Commercial	City Catering – loss of income from functions	0.170
Council Management	Development & Commercial	City Catering – saving CC104 19+ Commercialism	0.116
Council Management	Development & Commercial	Loss of commercial advertising income from outdoor digital advertising, lamp posts, roundabouts etc	0.148
Council Management	CityServe	Non-payment of 2020-21 invoices to schools under advisory guidance PPN 02/20	0.374
Council Management	Commercial Hub - Cityserve	Cityserve – loss of income from the schools	0.317
Council Management	Procurement	CRG Decision - Pandemic Response and Recovery Procurement Support	0.150
Council Management	Other Minor		0.289
Council Management Total			3.556
City & Municipal	Property Services	Commercial Rent Property Strategy Growth (Inclusive Growth only): non-achievement of savings proposal in Council Financial Plan 2020+	1.065
City & Municipal	Property Services	Operational Hub Programme - non achievement of savings targets in Council Financial Plan 2020+	0.322
City & Municipal	Other Minor		0.442
City & Municipal Total			1.828
City Operations	Street Scene	Additional costs primarily agency as a result of responding to Covid related requirements (Lateral flow tests collection and disposal, cleaning of vehicles, supporting the reopening of hospitality venues, covering for staff who are being vaccinated or taking annual leave owed from 2020/21. (updated 20/06/20)	2.190
City Operations	Street Scene	Loss of income due to loss of customers as business have shut and delayed reopening loss of trade waste income	0.959
City Operations	Street Scene	Additional protective measures in 2021/22 such as PPE - Requirements for Parks, Street Scene Operations (incl Waste Collection) as a result of COVID, increased sanitisation of vehicles	1.071
City Operations	Neighbourhoods	Loss of income due to closure of Leisure Centres	1.443
City Operations	Neighbourhoods	Estimated Claims from External contractors	2.192
City Operations	Neighbourhoods	Loss of income Community Centres and delay in transfer of Oddingley (updated 29/05/20)	0.252
City Operations	Regulation & Enforcement	Additional cost of gate security at cemeteries and crematoria - costs arranged through Security Services (Inclusive Growth) using Extra Personnel resources	0.201
City Operations	Regulation & Enforcement	Register Office additional contracted hours for officers continued initially in 2021/22	0.162
City Operations	Regulation & Enforcement	Markets - Open Market St Martins 2021/22 Impact of traders continuing to leave and giving up stalls and storage units directly attributed to COVID-19 closure and reduced demand	0.113
City Operations	Regulation & Enforcement	Markets - Rag Market 2021/22 impact of traders giving up stalls and storage units directly attributed to COVID-19 closure and reduced demand. Vacancies unlikely to be re-filled	0.267
City Operations	Regulation & Enforcement	Trading Standards - Reduction in court costs expected to continue to affect 2021/22 due to closure of courts over COVID response period and prioritisation of serious criminal hearings only.	0.150
City Operations	Regulation & Enforcement	Temp Mortuary facilities BCC / West Midlands Regional incl Registration with HTA £200k is expected BCC contribution to decommissioning - parts in Oct21, Dec21 and final decommissioning February 2022	0.200
City Operations	Car Parking	Car Parking On Street F&C	1.008
City Operations	Car Parking	Car Parking On Street-Bay Suspensions	0.779
City Operations	Car Parking	Car Parking Off Street F&C	2.731
City Operations	Car Parking	Car Parking Off Street Season Tickets	0.653
City Operations	Car Parking	Civil Parking enforcement	0.642
City Operations	Car Parking	Local Car Parks	0.488
City Operations	Street Scene - Parks	Parks Loss of income from Bowls/Cricket/Car Parks/Shop Sales/catering income, plus other expenditure items relating to loss of tree assets	0.116
City Operations	Other Minor		0.383
City Operations Total			16.000
City Housing	Housing Options	Continued impact in 2021/22 from the loss of Income Temporary Accommodation Hostels	0.592
City Housing	Housing Options	Additional NRPF costs incurred in 2021/22 (third party and bed&breakfast)	0.175
City Housing	Other Minor	Reduced Capacity Hostels during 2021/22 resulting in additional bed & breakfast costs	0.825
City Housing Total			1.592
Strategic, Equalities & Participation	Community Safety	Support re Domestic Abuse	0.100
Strategic, Equalities & Participation	Community Safety	Improving standards of Supported Accommodation (Exempt)	0.105
Strategic, Equalities & Participation	Other Minor		0.006
Strategic, Equalities & Participation Total			0.211
Corporate	Council Tax	Council Tax Support	4.000
Corporate	Corporately Managed Budgets	Dividends	7.470
Corporate Total			11.470
Covid Grand total			37.694

Write-off of Irrecoverable Housing Benefit, Council Tax and Business Rates

a. Irrecoverable Housing Benefit

1. 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.
2. 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.
3. In 2021/22, from 1st October up to 31st December, 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	0.046	0.111	0.110	0.268
Total	0.046	0.111	0.110	0.268

Annex 2c to this report gives a more detailed age analysis of overpayments and income written off.

b. Irrecoverable Council Tax

1. In circumstances where Council Tax is identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for this 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.
2. The accounts submitted this quarter are debts that have been part of a debt collection pilot with external debt collection agencies and is deemed irrecoverable.

3. In 2021/22, from 1st October up to 31st December the below debts were submitted for write off, which has already been agreed by the Assistant Director and Director for Digital and Customer Services:

Age analysis	Over 6 years	3 to 6 years	Under 3 years	Total
	£m	£m	£m	£m
Council Tax Debt	0.01	0.634	0.00	0.635
Total	0.01	0.634	0.00	0.635

Summary 01.10.21 – 31.12.21

c. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division (Housing Benefit)

Detail	Pre 2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£1,873.09	£558.80	£680.37	£23,347.17	£4,302.45	£15,597.85	£17,146.56	£54,082.53	£39,923.28	£31,999.68	£41,424.08	£36,686.86	£267,622.72	329
TOTAL	£1,873.09	£558.80	£680.37	£23,347.17	£4,302.45	£15,597.85	£17,146.56	£54,082.53	£39,923.28	£31,999.68	£41,424.08	£36,686.86	£267,622.72	329
No of debts in Age band	17	5	7	16	6	43	36	58	61	91	134	250	724	

Debt Size	Small		Medium		Large
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000
280	£58,937.70	38	£100,692.72	11	£107,992.30

d. **Schedule of Sundry debts recommended for write off.**

Cabinet is requested to approve the writing off of debts greater than £0.025m due to the Council, totalling £1.0m. Table 1 details the nature of the debt.

Directorate/ Service Area	Invoice Date(s) or Liability period	Amount (£)	Comments
Adult Social Care and Health / Client Financial Services	Jul 2015 to Dec 2018	£25,431.56	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Sep 2009 to Apr 2014	£89,303.73	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Jun 2014 to Nov 17	£37,175.17	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Apr 2020 to Jan 2021	£25,098.71	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Mar 2019 to Mar 2021	£52,623.20	Nature of the debt: Social care charges for residential care supplied

Adult Social Care and Health / Client Financial Services	Nov 2016 to Oct 2021	£127,263.23	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Oct 2018 to Feb 2021	£27,370.37	Nature of the debt: Social care charges for residential care supplied
Adult Social Care and Health / Client Financial Services	Aug 2017 to Apr 2020	£40,022.66	Nature of the debt: Social care charges for residential care supplied
Inclusive Growth Birmingham Property Services	Jun 2016 to Jun 2020	£73,749.68	Nature of the debt: Ground Rent Due in Arrears
Inclusive Growth Birmingham Property Services	Jun 2018 to Jun 2020	£54,986.30	Nature of the debt: Ground Rent Due in Arrears
Inclusive Growth Birmingham Property Services	Jun 2019 to Nov 2019	£28,457.55	Nature of the debt: Rent Due in Advance & Locksmith Fees
Inclusive Growth Birmingham Property Services	Sep 2017 to Mar 2019	£71,890.41	Nature of the debt: Rent Due in Advance, Admin fees, legal costs & dilapidations claim
Inclusive Growth Birmingham Property Services	Mar 2020 to Sep 2021	£132,215.36	Nature of the debt: Rent Due in Advance,
Inclusive Growth Birmingham Property Services	Jun 2017– Sep 2018	£25,601.78	Nature of the debt: Rent & Service Charges due in advance
Neighbourhoods Parks and Nature	29 - 30 Aug 2015	£32,398.24	Nature of the debt: Use of Park
Neighbourhoods / Markets	Jan 2015 to Sep 2021	£92,355.52	Nature of the debt: Market stall rent

Neighbourhoods / Markets	Jan 2015 to Sep 2021	£50,103.68	Nature of the debt: Market stall rent
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TREASURY MANAGEMENT MONITORING DASHBOARD: 31 DECEMBER 2021

	value	comparator	difference
1 Gross loan debt	£m	£m	£m
at month end	3,145		
year end Forecast (vs Plan)	3,461	3,722	-261
year end Forecast (vs Pru Limit for loan debt)	3,461	4,103	-642

Forecast year end debt is below the year end plan and prudential limit due to the impact of Covid and reduced borrowing required for the capital programme. Some uncertainty remains about the continued impact of Covid on the Council's cashflow.

2 short term borrowing			
at month end (vs Guideline)	139	588	-449
interest rate year to date on outstanding deals (vs assumption)	0.17%	0.50%	-0.33%

Short term borrowing is currently lower than forecast. Covid grants received in advance has allowed the Council to use internal borrowing to meet its borrowing needs. As these grants are utilised, the Council expects to resume short term borrowing in the fourth quarter.

3 Treasury investments			
at month end (vs Guideline)	112	40	72
interest rate year to date on outstanding deals (vs assumption)	0.12%	0.20%	-0.08%

Treasury investments remain temporarily higher than the guideline, due to the favourable cashflows referred to at Note 1.

4 Long term loans taken			
year to date (vs Plan)	30	130	-100
ave. interest rate obtained (vs assumption)	1.83%	2.40%	-0.57%

£30m loan taken with PWLB in November 2021 to secure fixed rate borrowing at a low rate.

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			
<i>This appendix summarises the Council's loan debt and treasury management investments outstanding</i>			
	this quarter		last quarter
	31/12/2021		30/09/2021
	£m		£m
PWLB	2,514.2		2,484.2
Bonds	373.0		373.0
LOBOs	71.1		71.1
Other long term	47.4		47.4
Salix	0.4		0.4
Short term	138.9		214.3
Gross loan debt	3,145.0		3,190.4
less treasury investments	(112.3)		(198.9)
Net loan debt	3,032.7		2,991.5
Budgeted year end net debt	3,681.8		3,681.8
Prudential limit (gross loan debt)	4,102.7		4,102.7

Short term borrowing was lower at the end of the quarter as the use of internal borrowing has allowed the Council to repay maturing loans without refinancing.

Treasury investments by source	
	£m
UK Government	0
Money Market Funds	82
Banks and Building Societies	31
	113

Treasury investments by credit quality			
£m			
AAA			0
AAAmmf			82
AA			31
A			0
			113

In line with the Strategy, the Council holds its treasury investments in diversified liquid funds of high credit quality. The Covid grants received in advance have been retained in liquid funds until their distribution.

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.

	Getting Building Fund	Growing Places Fund	AMSCI	Regional Growth Fund	GBSLEP Fund	LGF3	LGF4	NMCL	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
UK Government	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	15.0
Birmingham City Council ¹	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	2.2
Money Market Funds	5.2	13.6	23.1	12.7	0.0	0.2	2.5	1.8	59.1
	5.2	13.6	38.1	12.7	2.2	0.2	2.5	1.8	76.3

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

Annex 3.3

Treasury management: summary of delegated decisions in the quarter

This appendix summarises decisions taken under treasury management delegations to the Chief Finance Officer during the quarter.

1. Short term (less than 1 year)	borrowing		investments
	£m		£m
opening balance	214		-199
new loans/investments	91		-524
loans/investments repaid	-166		611
closing balance	139		-112

These loans and investments are for short periods from one day up to 365 days. Short term loans have decreased as loans have been repaid upon maturity.

2. Long term borrowing:				
date	lender	£m	rate	maturity
17/11/2021	PWLB	30	1.83%	17/11/2041

£30m loan taken with PWLB in November 2021 to secure fixed rate borrowing at a low rate.

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 repay long term loans prematurely if this provides a financial saving 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		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
Capital Finance									
1	Capital Expenditure - Capital Programme	639.7	675.7	461.6	531.7	261.1	331.4	204.2	171.5
2	Capital Expenditure - other long term liabilities	37.8	37.6	33.2	33.0	33.4	33.2	34.3	34.1
3	Capital expenditure	677.5	713.3	494.8	564.7	294.5	364.5	238.5	205.6
4	Capital Financing Requirement (CFR)	4,797.1	4,719.4	4,891.5	4,696.9	4,723.3	4,654.1	4,663.3	4,604.5
Planned Debt									
5	Peak loan debt in year	3,740.0	3,478.7	3,717.7	3,633.1	3,659.7	3,580.0	3,493.6	3,460.8
6	+ Other long term liabilities (peak in year)	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
7	= Peak debt in year	4,137.3	3,876.5	4,091.4	4,007.1	4,008.1	3,928.5	3,815.7	3,782.9
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no	no	no
Prudential limit for debt									
9	Gross loan debt	4,102.7	3,478.7	4,226.3	3,633.1	4,151.6	3,580.0	4,077.9	3,460.8
10	+ other long term liabilities	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
11	= Total debt	4,500.0	3,876.5	4,600.0	4,007.1	4,500.0	3,928.5	4,400.0	3,782.9
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 Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances.								
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 3.4b

HOUSING REVENUE ACCOUNT		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
Capital Finance									
1	Capital expenditure	126.0	122.3	165.0	143.7	144.4	157.9	120.1	137.3
HRA Debt									
2	Capital Financing Requirement (CFR)	1,113.4	1,082.0	1,144.0	1,129.6	1,156.4	1,163.2	1,161.7	1,180.6
Affordability									
3	HRA financing costs	102.9	102.6	103.8	103.8	104.4	105.1	105.8	106.7
4	HRA revenues	281.5	279.3	288.1	287.7	296.2	294.7	304.2	302.7
5	HRA financing costs as % of revenues	36.6%	36.7%	36.0%	36.1%	35.2%	35.7%	34.8%	35.2%
6	HRA debt : revenues	4.0	3.9	4.0	3.9	3.9	3.9	3.8	3.9
7	Forecast Housing debt per dwelling	£18,782	£18,327	£19,271	£19,272	£19,513	£19,934	£19,764	£20,321

Notes

- Financing costs include interest and depreciation rather than Minimum Revenue Provision (MRP) in the HRA.
- This indicator is not in the Prudential Code but is a key measure of long term sustainability.
- 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 3.4c

GENERAL FUND		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		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)	551.6	591.0	329.8	421.0	150.1	206.6	118.4	68.3
2	Capital Financing Requirement (CFR)	3,683.7	3,637.4	3,747.5	3,567.3	3,566.9	3,490.9	3,501.6	3,424.0
General Fund debt									
3	Peak loan debt in year	2,626.6	2,396.7	2,573.7	2,503.5	2,503.3	2,416.8	2,331.9	2,280.2
4	+ Other long term liabilities (peak in year)	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
5	= Peak General Fund debt in year	3,023.9	2,794.5	2,947.4	2,877.5	2,851.7	2,765.3	2,654.0	2,602.3
General Fund Affordability									
6	Total General Fund financing costs	222.4	222.1	218.3	223.1	241.6	241.9	241.7	241.2
7	General Fund net revenues	828.7	828.7	852.2	759.2	872.4	879.7	909.7	919.4
8	General Fund financing costs (% of net revenues)	26.8%	26.8%	25.6%	29.4%	27.7%	27.5%	26.6%	26.2%

Notes

- 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.

PRUDENTIAL INDICATORS

Annex 3.4d

TREASURY MANAGEMENT		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
1	General Fund impact of an unbudgeted 1% rise in interest rates	£4.1m	£3.6m	£3.7m	£3.4m	£2.3m	£2.3m	£2.2m	£2.3m
2	Variable rate exposures vs upper limit 30%	19%	17%	18%	19%	18%	18%	17%	18%
Maturity structure of borrowing		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
(lower limit and upper limit)		Year End	Year End	Year End	Year End	Year End	Year End	Year End	Year End
3	under 12 months	18%	17%	18%	17%	16%	16%	16%	17%
4	12 months to within 24 months	1%	1%	2%	2%	2%	2%	2%	2%
5	24 months to within 5 years	5%	6%	7%	7%	8%	8%	9%	9%
6	5 years to within 10 years	16%	18%	14%	14%	15%	16%	14%	14%
7	10 years to within 20 years	23%	20%	24%	23%	22%	22%	23%	22%
8	20 years to within 40 years	35%	37%	33%	34%	35%	35%	34%	34%
9	40 years and above	2%	2%	2%	2%	2%	2%	2%	1%
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

Notes

- 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.

Capital Monitoring Summary - Period 9 2021/22

Annex 4a

Expenditure

	2021/22 £m	2022/23 £m	2023/24 £m	Later Years £m	Total Plan £m
Period 6 Budget 2021/22	754.770	473.563	337.241	1,605.798	3,171.372
New Resources Periods 7 - 9	31.738	(15.141)	13.489	3.004	33.090
Budget reductions re Savings Exercise Periods 7 - 9	(15.800)	(29.989)	(27.276)	(35.806)	(108.871)
Revised Budget Period 9	770.708	428.433	323.454	1,572.996	3,095.591
Forecast Slippage	(107.715)	63.119	(0.475)	45.071	0.000
Forecast Overspend / (Underspend)	12.701	20.163	8.375	(0.817)	40.422
Forecast Outturn at Period 9	675.694	511.715	331.354	1,617.250	3,136.013

Resources

Use of Specific Resources:

Grants & Contributions	148.912	141.311	98.380	65.215	453.818
Earmarked Capital Receipts	100.764	58.051	49.069	179.294	387.178
Revenue Contributions - Departmental	16.678	20.047	13.794	2.022	52.541
Revenue Contributions - HRA	74.313	74.093	74.305	580.554	803.265

Use of Corporate or General Resources:

Corporate Resources	17.333	0.368	0.000	0.000	17.701
Prudential Borrowing	317.694	217.845	95.806	790.165	1,421.510

Forecast Use of Resources at Period 9

675.694	511.715	331.354	1,617.250	3,136.013
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Capital Forecast 2021/22 by Directorate

Directorate	(a) 2021/22 Period 6 Budget	(b) 2021/22 Period 7-9 Budget Movements	(c) 2021/22 Period 9 Revised Budget (a+b)	(d) 2021/22 Spend to Date	(e) Previously Reported Variance Period 6	(f) Further Forecast Variation Period 9	(g) 2021/22 Forecast Outturn
	£m	£m	£m	£m	£m	£m	£m
Commonwealth Games	72.5	0.0	72.5	52.8	0.0	0.4	72.9
Council Management							
Development & Commercial	1.1	0.0	1.1	1.8	0.0	4.7	5.8
Corporately Held Funds	88.4	(9.5)	78.9	2.9	(13.6)	(15.4)	49.9
ICT & Digital	9.3	0.0	9.3	2.8	(1.3)	(1.0)	7.0
Total Council Management	98.8	(9.5)	89.3	7.5	(14.8)	(11.7)	62.7
City Operations							
Control Centre Upgrade	0.3	0.7	1.0	0.0	0.0	0.0	1.0
Street Scene	39.3	(6.0)	33.4	16.3	0.0	(3.0)	30.3
Private Sector Housing	2.7	0.0	2.7	0.2	0.0	(1.0)	1.7
Neighbourhoods	3.2	(0.3)	2.9	0.1	(1.2)	0.0	1.7
Regulation & Enforcement	1.6	0.0	1.6	1.2	0.0	0.0	1.6
Highways Infrastructure	4.7	0.2	4.9	1.3	0.8	(2.2)	3.4
Total City Operations	51.7	(5.3)	46.4	19.0	(0.4)	(6.3)	39.7
City Housing							
Housing Options Service	2.1	0.0	2.1	0.7	0.0	1.0	3.1
HRA	118.3	0.0	118.3	81.0	5.5	(1.5)	122.3
Total City Housing	120.4	0.0	120.4	81.7	5.5	(0.5)	125.4
City & Municipal Development							
Planning & Development	53.3	0.6	53.9	29.3	0.0	(0.7)	53.2
Transport & Connectivity	82.6	0.6	83.2	14.7	(26.8)	(21.9)	34.6
Housing Development	1.6	0.0	1.6	0.0	0.0	0.0	1.6
Perry Barr Residential Scheme	156.8	25.5	182.4	104.3	0.0	(0.0)	182.4
Property Services	60.6	0.0	60.6	6.4	0.0	(5.0)	55.6
Total City & Municipal Development	354.9	26.7	381.7	154.7	(26.8)	(27.5)	327.4
Education & Skills	46.9	0.1	46.9	18.6	(9.0)	(3.0)	34.9
Adult Social Care	9.6	3.9	13.5	8.9	0.0	(0.7)	12.8
TOTAL	754.8	15.9	770.7	343.2	(45.6)	(49.4)	675.7

Period 9		Budget Movements					
		Current Year			All Years		
Ref.		Period 6 Budget £m	Period 9 Budget £m	Change £m	Period 6 Budget £m	Period 9 Budget £m	Change £m
COMMONWEALTH GAMES 2022							
CW1	●	44.282	45.024	0.742	49.639	50.644	1.005
CW2	●	28.263	27.521	(0.742)	34.791	33.786	(1.005)
TOTAL COMMONWEALTH GAMES		72.546	72.545	0.000	84.430	84.430	0.000
COUNCIL MANAGEMENT							
Development & Commercial							
	Gateway/Grand Central Residual Costs	0.600	0.600	0.000	18.291	18.291	0.000
	Capital Loans & Equity	0.500	0.500	0.000	3.032	3.032	0.000
Total Development & Commercial		1.100	1.100	0.000	21.323	21.323	0.000
Corporately Held Funds							
	Revenue Reform Projects	43.704	43.704	0.000	43.704	43.704	0.000
CM1	●	27.600	18.100	(9.500)	119.360	20.600	(98.760)
	Corporate Capital Contingency	17.060	17.060	0.000	20.000	20.000	0.000
Total Corporately Held Funds		88.364	78.864	(9.500)	183.064	84.304	(98.760)
SAP Investments		0.000	0.000	0.000	3.733	3.733	0.000
ICT & Digital Services							
	ICT & Digital	9.313	9.313	0.000	13.184	13.184	0.000
Total Digital & Customer Services Directorate		9.313	9.313	0.000	13.184	13.184	0.000
TOTAL COUNCIL MANAGEMENT		98.777	89.277	(9.500)	221.304	122.544	(98.760)
CITY OPERATIONS							
Control Centre Upgrade							
	Control Centre Upgrade - CCTV Cameras	0.250	0.995	0.745	0.250	0.995	0.745
Total Control Centre Upgrade		0.250	0.995	0.745	0.250	0.995	0.745
Street Scene							
	Waste Management Services	27.388	27.388	0.000	74.628	73.880	(0.748)
CO1	●	11.921	5.967	(5.954)	15.576	10.005	(5.571)
Total Street Scene		39.310	33.355	(5.954)	90.204	83.885	(6.319)
Private Sector Housing		2.710	2.710	0.000	3.778	3.778	0.000
Neighbourhoods							
	Community, Sport & Events	2.225	2.225	0.000	4.830	4.830	0.000
	Neighbourhoods	0.013	0.013	0.000	0.013	0.013	0.000
C02	●	0.924	0.624	(0.300)	3.124	0.824	(2.300)
Total Neighbourhoods		3.162	2.862	(0.300)	7.967	5.667	(2.300)
Regulation & Enforcement							
	Bereavement	0.252	0.252	0.000	0.252	0.252	0.000
	Markets Services	0.000	0.000	0.000	0.759	0.759	0.000
	Environmental Health	0.000	0.000	0.000	0.000	0.000	0.000
	Mortuary/Coroners	1.273	1.273	0.000	1.330	1.330	0.000
	Illegal Money Lending	0.028	0.028	0.000	0.028	0.028	0.000
Total Regulation & Enforcement		1.553	1.553	0.000	2.369	2.369	0.000
Highways Infrastructure		4.670	4.895	0.225	17.036	17.256	0.220
TOTAL CITY OPERATIONS		51.655	46.371	(5.284)	121.604	113.950	(7.654)
CITY HOUSING							
Housing Options Service		2.057	2.057	0.000	4.377	4.377	0.000
Housing Revenue Account							
	Housing Improvement Programme	74.076	74.076	0.000	687.825	687.825	0.000
	Redevelopment	42.363	42.363	0.000	490.119	490.119	0.000
	Other Programmes	1.904	1.904	0.000	19.292	19.292	0.000
Total Housing Revenue Account		118.343	118.343	0.000	1,197.236	1,197.236	0.000
TOTAL CITY HOUSING		120.399	120.399	0.000	1,201.613	1,201.613	0.000
CITY & MUNICIPAL DEVELOPMENT							
Planning & Development							
Major Projects							
	Enterprise Zone - Paradise Circus	21.885	21.885	0.000	28.776	28.776	0.000
	Enterprise Zone - Other	15.511	15.511	0.000	806.027	806.027	0.000
CMD1	●	15.030	15.630	0.600	19.300	20.500	1.200
Total Major Projects		52.426	53.027	0.600	854.103	855.303	1.200
Public Realm		0.873	0.873	0.000	0.873	0.873	0.000
Infrastructure		0.000	0.000	0.000	0.234	0.234	0.000
Total Planning & Development		53.300	53.900	0.600	855.210	856.410	1.200

Budget Movements						
Ref.	Current Year			All Years		
	Period 6 Budget £m	Period 9 Budget £m	Change £m	Period 6 Budget £m	Period 9 Budget £m	Change £m
Transport Connectivity						
Major Schemes						
Tame Valley Phase 2 & 3	5.104	5.104	0.000	86.032	86.032	0.000
A457 Dudley Road	4.803	4.803	0.000	23.441	23.441	0.000
Birmingham City Centre Retail Core Public Realm	8.676	8.676	0.000	11.236	11.236	0.000
Snowhill Public Realm	4.074	4.074	0.000	5.714	5.714	0.000
Other (Major Schemes)	5.578	5.432	(0.146)	15.270	14.619	(0.651)
Total Major Schemes	28.235	28.089	(0.146)	141.693	141.042	(0.651)
Brum Breathes & Route To Zero	23.143	23.868	0.725	40.409	41.135	0.726
Active Travel	17.486	17.226	(0.260)	23.266	22.994	(0.272)
Public Transport	10.050	10.267	0.217	10.882	11.617	0.735
Infrastructure Development	1.804	1.804	0.000	9.009	9.009	0.000
Places for People (Local Neighbourhoods)	1.900	1.960	0.060	4.502	5.403	0.901
Section 278/106	0.024	0.024	0.000	0.063	0.024	(0.039)
Local Measure	0.000	0.000	0.000	0.000	0.000	0.000
Total Transport Connectivity	82.642	83.238	0.596	229.824	231.224	1.400
Housing Development						
In Reach	1.563	1.563	0.000	7.900	7.900	0.000
Total Housing Development	1.563	1.563	0.000	7.900	7.900	0.000
Perry Barr Residential Scheme	156.815	182.353	25.538	249.382	265.196	15.814
Property Services						
Property Strategy	47.000	47.000	0.000	64.458	64.458	0.000
Other Schemes	13.629	13.629	0.000	28.629	28.629	0.000
Total Property Services	60.629	60.629	0.000	93.087	93.087	0.000
TOTAL CITY & MUNICIPAL DEVELOPMENT	354.948	381.682	26.734	1,435.402	1,453.816	18.414
EDUCATION AND SKILLS DIRECTORATE						
Education & Early Years						
Devolved Capital Allocation to Schools	3.075	3.075	0.000	3.075	3.075	0.000
School Condition Allocations	14.364	14.364	0.000	24.887	24.887	0.000
Basic Need - Additional School Places	24.080	24.080	0.000	59.821	59.821	0.000
Other Minor Schemes - Schools	0.013	0.000	(0.013)	0.013	0.000	(0.013)
IT Investment	1.083	1.083	0.000	1.683	1.683	0.000
Other Major Projects (Children's Trust Accom)	1.854	1.854	0.000	1.854	1.854	0.000
Total Education & Early Years	44.469	44.456	(0.013)	91.333	91.320	(0.013)
Skills & Employability						
Adult Ed & Youth	1.270	1.270	0.000	1.983	1.270	(0.713)
Birmingham Libraries	1.132	1.198	0.066	4.132	4.132	0.000
Total Skills & Employability	2.402	2.468	0.066	6.115	5.402	(0.713)
TOTAL EDUCATION & SKILLS	46.871	46.924	0.053	97.448	96.722	(0.726)
ADULT SOCIAL CARE DIRECTORATE						
Adult Care & Health						
Property Schemes	0.276	0.276	0.000	0.276	0.276	0.000
Adults IT	0.733	0.733	0.000	0.733	0.733	0.000
Independent Living	8.565	12.500	3.935	8.565	21.508	12.943
TOTAL ADULT SOCIAL CARE	9.573	13.509	3.935	9.573	22.517	12.943
TOTAL CAPITAL PROGRAMME	754.770	770.708	15.939	3,171.372	3,095.591	(75.783)

COMMONWEALTH GAMES

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CWG1	Commonwealth Games - Alexander Stadium	£1m additional expenditure was indentified for the Stadium which has been funded by contingency budget within Organising Committee (See below)	0.742	1.005
CWG2	Commonwealth Games -Organising Committee	£1m additional expenditure was indentified for the Alexandra Stadium which has been funded by contingency budget (See above)	(0.742)	(1.005)

COUNCIL MANAGEMENT

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CM1	Corporate Capital Contingency & Modernisation Fund	Corporate Capital Contingency Budget reduced by £59.9m and Modernisation Fund of £38.8m removed following the December 2021/22 capital savings and programme review exercise. Areed by Capital Board on 5th January 2022 and approval being sought within the Month 9 Monitoring Report. Capital resources will still be available within corporate reserves to fund new initiatives and assessed on their own merits against affordability and strategic priorities.	(9.500)	(98.760)

CITY OPERATIONS

Ref.	Project/Programme	Comments	2021/22 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CO1	Parks & Nature Conservation	Corporate Prudential Borrowing Budget of £6m for Grounds Maintenance Vehicles removed against the original budget. After procuring the necessary level of vehicles for the service to be delivered in-house a saving of £6m was identified. This will have no impact on the future delivery of the service.	(5.954)	(5.571)
CO2	Cultural Development - Making an Entrance	Budget removed, as agrred by Capital Board on 5th January 2022 as the scheme is now complete and funding is no longer required. Approval to remove is being sought within the Period 9 Monitoring report.	(0.300)	(2.300)

CITY & MUNICIPAL DEVELOPMENT				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CMD1	Planning & Development - Birmingham Wheels	Redevelopment of the Bordesley Park (formerly Wheels) site in accordance with the Bordesley Park Area Action Plan adopted by the Council on 14th January 2020 as approved by Cabinet on 12th October 2021. £1.2m budget funded from service prudential borrowing to commence procurement and treatment of Japanese Knotweed, site investigations, site clearance and ecological mitigation works.	0.600	1.200
CMD1	Perry Barr Residential Scheme	In July 2021 an Updated Revised Full Business Case was approved by Cabinet (original Cabinet approval March 2020). The revision accelerated the accommodation construction programme adding £42.1m and reducing the site Infrastructure work by £14.7m in 2021/21. For future years a Retrofitting programme has been added to the Accommodation project which required £19.3m and demolitions required a further £4.9m however a reduction in Capitalised Interest and Contingency of £8.9m was also approved.	25.538	15.814

ADULT SOCIAL CARE DIRECTORATE				
Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
ASC1	Adult Social Care - Independent Living	Inclusion of the Disabled Facilities Grant allocation from Ministry of Housing, Communities and Local Government for 2021/22.	3.935	12.943

Capital Forecast 2021/22 - Period 9

Forecast Variations											
Ref.	Current Year						All Years				
	Period 9 Budget £m	Current Actuals £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m	Period 9 Budget £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m
COMMONWEALTH GAMES 2022											
CWG Alexander Stadium	45.024	33.501	45.374	0.350	0.000	0.350	50.644	50.644	0.000	0.000	0.000
CWG Organising Cttee	27.521	19.284	27.521	0.000	0.000	0.000	33.786	33.786	0.000	0.000	0.000
TOTAL COMMONWEALTH GAMES DIRECTORATE	72.545	52.785	72.895	0.350	0.000	0.350	84.430	84.430	0.000	0.000	0.000
COUNCIL MANAGEMENT											
Development & Commercial											
Gateway/Grand Central Residual Costs	0.600	1.798	5.300	4.700	0.000	4.700	18.291	18.291	0.000	0.000	0.000
Capital Loans & Equity	0.500	0.000	0.500	0.000	0.000	0.000	3.032	3.032	0.000	0.000	0.000
Total Development & Commercial	1.100	1.798	5.800	4.700	0.000	4.700	21.323	21.323	0.000	0.000	0.000
Corporately Held Funds											
Revenue Reform Projects	43.704	2.912	27.370	(16.334)	(0.300)	(16.034)	43.704	43.404	(0.300)	(0.300)	0.000
Corporate Capital Contingency	18.100	0.000	5.600	(12.500)	(12.500)	0.000	20.600	20.600	0.000	0.000	0.000
ERP Implementation	17.060	0.000	16.903	(0.157)	(0.757)	0.600	20.000	20.000	0.000	0.000	0.000
Total Corporately Held Funds	78.864	2.912	49.873	(28.991)	(13.557)	(15.434)	84.304	84.004	(0.300)	(0.300)	0.000
SAP Investments	0.000	0.000	0.000	0.000	0.000	0.000	3.733	3.733	0.000	0.000	0.000
ICT & Digital Services											
ICT & Digital	9.313	2.775	7.031	(2.282)	(1.274)	(1.008)	13.184	13.184	0.000	0.000	0.000
Total Digital & Customer Services	9.313	2.775	7.031	(2.282)	(1.274)	(1.008)	13.184	13.184	0.000	0.000	0.000
TOTAL COUNCIL MANAGEMENT DIRECTORATE	89.277	7.486	62.704	(26.573)	(14.831)	(11.742)	122.544	122.243	(0.300)	(0.300)	0.000
CITY OPERATIONS											
Cotrol Centre Upgrade											
Control Centre Upgrade - CCTV Cameras	0.995	0.000	0.995	0.000	0.000	0.000	0.995	0.995	0.000	0.000	0.000
Total Control Centre Upgrade	0.995	0.000	0.995	0.000	0.000	0.000	0.995	0.995	0.000	0.000	0.000
Street Scene											
Waste Management Services	27.388	13.348	24.366	(3.022)	0.000	(3.022)	73.880	73.880	0.000	0.000	0.000
Parks & Nature Conservation	5.967	2.913	5.967	0.000	0.000	0.000	10.005	10.005	0.000	0.000	0.000
Total Street Scene	33.355	16.261	30.333	(3.022)	0.000	(3.022)	83.885	83.885	0.000	0.000	0.000
Private Sector Housing	2.710	0.155	1.702	(1.008)	0.000	(1.008)	3.778	3.778	0.000	0.000	0.000
Neighbourhoods											
Community, Sport & Events	2.225	0.035	1.025	(1.200)	(1.200)	0.000	4.830	4.830	0.000	0.000	0.000
Neighbourhoods	0.013	0.019	0.013	0.000	0.000	0.000	0.013	0.013	0.000	0.000	0.000
Cultural Development	0.624	0.030	0.624	0.000	0.000	0.000	0.824	0.824	0.000	0.000	0.000
Total Neighbourhoods	2.862	0.084	1.662	(1.200)	(1.200)	0.000	5.667	5.667	0.000	0.000	0.000
Regulation & Enforcement											
Bereavement	0.252	0.000	0.252	0.000	0.000	0.000	0.252	0.252	0.000	0.000	0.000
Markets Services	0.000	0.018	0.000	0.000	0.000	0.000	0.759	0.759	0.000	0.000	0.000
Mortuary/Coroners	1.273	1.216	1.273	0.000	0.000	0.000	1.330	1.330	0.000	0.000	0.000
Illegal Money Lending	0.028	0.000	0.028	0.000	0.000	0.000	0.028	0.028	0.000	0.000	0.000
Total Regulation & Enforcement	1.553	1.234	1.553	0.000	0.000	0.000	2.369	2.369	0.000	0.000	0.000
Highways Infrastructure	4.895	1.293	3.411	(1.484)	0.751	(2.235)	17.256	17.256	0.000	3.376	(3.376)
TOTAL CITY OPERATIONS DIRECTORATE	46.371	19.026	36.114	(6.114)	(0.449)	(6.265)	113.950	113.950	0.000	3.376	(3.376)

Capital Forecast 2021/22 - Period 9

Forecast Variations												
Current Year							All Years					
Ref.	Period 9 Budget £m	Current Actuals £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m	Period 9 Budget £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m	
CITY HOUSING												
Housing Options Service	CH4	2.057	0.683	3.100	1.043	0.000	1.043	4.377	6.820	2.443	0.000	2.443
Housing Revenue Account												
Housing Improvement Programme	CH1	74.076	58.407	86.812	12.736	12.098	0.638	687.825	732.674	44.849	12.098	32.751
Redevelopment	CH2	42.363	22.643	34.777	(7.586)	(6.632)	(0.954)	490.119	486.437	(3.682)	0.000	(3.682)
Other Programmes	CH3	1.904	0.000	0.704	(1.200)	0.000	(1.200)	19.292	19.149	(0.143)	0.000	(0.143)
Total Housing Revenue Account		118.343	81.049	122.293	3.950	5.466	(1.516)	1,197.236	1,238.260	41.024	12.098	28.926
TOTAL CITY HOUSING DIRECTORATE		120.399	81.732	125.393	4.994	5.466	(0.472)	1,201.613	1,245.079	43.467	12.098	31.369
CITY & MUNICIPAL DEVELOPMENT												
Planning & Development												
Major Projects												
Enterprise Zone - Paradise Circus	CMD1	21.885	18.545	24.118	2.233	0.000	2.233	28.776	28.776	0.000	0.000	0.000
Enterprise Zone - Other	CMD2	15.511	1.670	14.633	(0.878)	0.000	(0.878)	806.027	807.416	1.389	0.000	1.389
Other Major Projects	CMD3	15.630	8.881	13.585	(2.045)	0.000	0.000	20.500	18.455	(2.045)	0.000	(2.045)
Total Major Projects		53.027	29.096	52.336	(0.691)	0.000	1.355	855.303	854.647	(0.656)	0.000	(0.656)
Public Realm		0.873	0.233	0.873	0.000	0.000	0.000	0.873	0.873	0.000	0.000	0.000
Infrastructure/Site Enabling Programme		0.000	0.000	0.000	0.000	0.000	0.000	0.234	0.234	0.000	0.000	0.000
Grants/Loans Programme		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Planning & Development		53.900	29.329	53.209	(0.691)	0.000	1.355	856.410	855.754	(0.656)	0.000	(0.656)
Transport Connectivity												
Major Schemes												
Tame Valley Phase 2 & 3		5.104	0.286	1.368	(3.736)	(3.736)	0.000	86.032	86.032	0.000	0.000	0.000
A457 Dudley Road	CMD4	4.803	3.077	4.500	(0.303)	0.000	(0.303)	23.441	24.603	1.162	0.000	1.162
Birmingham City Centre Retail Core Public Realm	CMD5	8.676	0.855	2.700	(5.976)	0.000	(5.976)	11.236	11.236	0.000	0.000	0.000
Snowhill Public Realm		4.074	2.645	2.800	(1.274)	(1.274)	0.000	5.714	5.714	0.000	0.000	0.000
Other (Major Schemes)	CMD6	5.432	1.127	2.633	(2.799)	(1.474)	(1.325)	14.619	13.362	(1.257)	(4.056)	2.799
Total Major Schemes		28.089	7.990	14.001	(14.088)	(6.484)	(7.604)	141.042	140.947	(0.095)	(4.056)	3.961
Brum Breathes & Route To Zero	CMD7	23.868	3.374	6.684	(17.184)	(10.600)	(6.584)	41.135	41.861	0.726	0.000	0.726
Active Travel	CMD8	17.226	1.369	4.667	(12.559)	(5.863)	(6.696)	22.994	23.090	0.096	0.000	0.096
Public Transport	CMD9	10.267	1.102	5.590	(4.677)	(3.823)	(0.854)	11.617	8.799	(2.818)	0.000	(2.818)
Infrastructure Development		1.804	0.429	1.804	0.000	0.000	0.000	9.009	9.009	0.000	0.000	0.000
Places for People (Local Neighbourhoods)		1.960	0.202	1.846	(0.114)	0.000	(0.114)	5.403	5.403	0.000	0.000	0.000
Section 278/106		0.024	0.230	0.024	0.000	0.000	0.000	0.024	0.024	0.000	0.000	0.000
Local Measure		0.000	0.009	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Transport Connectivity		83.238	14.705	34.616	(48.622)	(26.770)	(21.852)	231.224	229.133	(2.091)	(4.056)	1.965
Housing Development												
In Reach		1.563	0.000	1.563	0.000	0.000	0.000	7.900	7.900	0.000	0.000	0.000
Total Housing Development		1.563	0.000	1.563	0.000	0.000	0.000	7.900	7.900	0.000	0.000	0.000
Perry Barr Residential Scheme		182.353	104.323	182.353	(0.000)	0.000	(0.000)	265.196	265.196	0.000	0.000	0.000
Property Services												
Property Strategy	CMD10	47.000	0.000	42.000	(5.000)	0.000	(5.000)	64.458	64.458	(0.000)	0.000	(0.000)
Other Schemes		13.629	6.361	13.629	0.000	0.000	0.000	28.629	28.629	0.000	0.000	0.000
Total Property Services		60.629	6.361	55.629	(5.000)	0.000	(5.000)	93.087	93.087	(0.000)	0.000	(0.000)

Capital Forecast 2021/22 - Period 9

		Forecast Variations										
		Current Year					All Years					
Ref.		Period 9 Budget £m	Current Actuals £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m	Period 9 Budget £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m
TOTAL CITY & MUNICIPAL DEVELOPMENT DIRECTORATE		381.682	154.718	327.370	(54.312)	(26.770)	(25.497)	1,453.816	1,451.069	(2.747)	(4.056)	1.309
<u>EDUCATION AND SKILLS DIRECTORATE</u>												
<u>Education & Early Years</u>												
ES1	Devolved Capital Allocation to Schools	3.075	0.508	3.075	0.000	0.000	0.000	3.075	3.075	0.000	0.000	0.000
	School Condition Allocations	14.364	4.728	10.364	(4.000)	(1.000)	(3.000)	24.887	24.887	0.000	0.000	0.000
	Basic Need - Additional School Places	24.080	11.935	17.080	(7.000)	(7.000)	0.000	59.821	59.821	0.000	0.000	0.000
	Other Minor Schemes - Schools	0.000	0.016	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	IT Investment	1.083	0.163	1.083	0.000	0.000	0.000	1.683	1.683	0.000	0.000	0.000
	Other Major Projects (Children's Trust Accom)	1.854	0.000	1.854	0.000	0.000	0.000	1.854	1.854	0.000	0.000	0.000
	Total Education & Early Years	44.456	17.350	33.456	(11.000)	(8.000)	(3.000)	91.320	91.320	0.000	0.000	0.000
<u>Skills & Employability</u>												
	Adult Ed & Youth	1.270	1.225	1.270	0.000	0.000	0.000	1.270	1.270	0.000	0.000	0.000
	Birmingham Libraries	1.198	0.000	0.149	(1.049)	(1.000)	(0.049)	4.132	4.132	0.000	0.000	0.000
Total Skills & Employability		2.468	1.225	1.419	(1.049)	(1.000)	(0.049)	5.402	5.402	0.000	0.000	0.000
TOTAL EDUCATION & SKILLS DIRECTORATE		46.924	18.575	34.875	(12.049)	(9.000)	(3.049)	96.722	96.722	0.000	0.000	0.000
<u>ADULT SOCIAL CARE DIRECTORATE</u>												
<u>Adult Care & Health</u>												
	Property Schemes	0.276	0.003	0.222	(0.054)	0.000	(0.054)	0.276	0.276	0.000	0.000	0.000
	Adults IT	0.733	0.000	0.080	(0.653)	0.000	(0.653)	0.733	0.733	0.000	0.000	0.000
	Independent Living	12.500	8.864	12.500	0.000	0.000	0.000	21.508	21.508	(0.000)	0.000	(0.000)
TOTAL ADULT SOCIAL CARE DIRECTORATE		13.509	8.866	12.802	(0.708)	0.000	(0.708)	22.517	22.517	(0.001)	0.000	0.000
TOTAL CAPITAL PROGRAMME		770.707	343.189	675.694	(95.013)	(45.584)	(47.384)	3,095.591	3,136.013	40.420	11.118	29.303

COUNCIL MANAGEMENT DIRECTORATE				
Ref	Project/Programme	Comments	Current Year (£m)	All Years (£m)
CM1	Gateway/Grand Central Residual Costs	The budget has been accelerated from 2022/23 to meet the cost of compensation payments made earlier than anticipated to ex-tenants of the former Pallasade Shopping Centre. In addition a £3m purchase order has been raised to appoint solicitors for ongoing negotiations with Network Rail.	4.700	0.000
CM2	Revenue Reform Projects	ICT - Slippage of £5.4m within 3 projects, Customer Programme slippage of £3.9m - pending approval of a report being approved by Cabinet mid December. Cyber Security £1.1m slippage due to the forecast being reprofiled in line with current spending plans - this does not have an impact on the service delivery or project costs. Insight Programme £0.4m slippage based on assumptions of some infrastructure data storage spend to be utilised next year. In addition £10m slippage within the Inclusive Growth Delivery Plan pending the identification of eligible projects within the current financial year. The forecast can be accelerated at a later date if necessary.	(16.034)	0.000
CM3	ICT & Digital	ICT & Digital Services current capital budget for 2021/22 is £7.031m of which £2.2m has slipped to next financial year (FY). This is mainly due to APM with was expected to deliver £3.3m this FY, £869k has slipped of which £469k relates to hardware purchases awaiting clarity on capacity and whether additional hardware is required. £400k costs relate to document management solution now being delivered by IT operations, completion expected next FY. Field Work Project (Flexible Use of Capital Receipts) £350k slippage as funding approved by Cabinet to deliver the MVP (Minimal Viable Product), the £350k will move into the next financial year as contingency in the event we want to accelerate the onboarding of additional services. Corporate Voice Telephony slippage £954k the telephony tender has been withdrawn from the market following review of clarification questions from suppliers and will be re-issued shortly. This delay will move the project spend on this item into next financial year. This will not affect operational delivery of the existing service and is not anticipated to affect delivery costs of the existing service which is currently being assessed by operations and commercials.	(1.008)	0.000

CITY OPERATIONS DIRECTORATE				
Ref	Project/Programme	Comments	Current Year (£m)	All Years (£m)
C01	Waste Management Services	£2.1m slipped - The Essential Programme for Tyseley ERF is a five year engineering programme, with a series of packages to be completed over that five year period. The programme has assigned specific years for each of the packages to be completed, however it is needed from time to time to move packages between years. The movement of packages between the years of the programme will have no impact on the overall completion of the programme. This year a few of the packages have been found to be better suited to next year's programme due to the time needed to complete and the nature of the works. One package of works has had a design period longer than originally anticipated and as such will now need to be completed next year. £0.9m has been slipped for the Perry Barr Depot which has encountered planning issues that has caused a minor delay in completing the overall £6.9m project.	(3.022)	0.000
C02	Private Sector Housing	Slippage on the Energy Efficiency scheme (LAD2) which was initially due to complete by 31st March 2022, but due to contractor availability, supply chain issues, disappointing resident engagement so far and access issues the scheme has been extended into 2021/22 with a revised target date of June 2022 agreed by Midlands Energy Hub	(1.008)	0.000
C03	Highways Infrastructure	The slippage relates to a few projects that have been delayed until 2022/23 in the Flood Management programme, this is due to the Perry Barr & Witton and Bromford Flood Alleviation Schemes, and to take into account HS2 hydraulic modelling. Further announcements are expected from the Environment Agency as to the partnership funding arrangements and additional funding streams which could help make schemes 'stack up' for future outline business cases.	(2.235)	(3.376)

CITY HOUSING DIRECTORATE				
Ref	Project/Programme	Comments	Current Year (£m)	All Years (£m)
CH1	Housing Improvement	The Programme is forecasting an in year variation of £0.638m, this is made up of an overspend of £2.478m and net slippage of (£1.840m). The principal variations in this financial year are as follows: Overspend is due mainly to additional fire protection works not previously identified following from the removal of exterior panels to high rise blocks. Acceleration £6.357m prompted by an increase in the number of void properties requiring new installations particularly kitchens and bathrooms and rewiring along with Fire Protection works being accelerated to meet Government expectations. Slippage of (£8.197m) mainly on the Structural Investment Programme due to delays in scheme design and on the Energy Efficiency scheme (LAD2) which was initially due to complete by 31st March 2022, but due to contractor availability, supply chain issues, disappointing resident engagement so far and access issues the scheme has been extended into 2021/22 with a revised target date of June 2022 agreed by Midlands Energy Hub. The all years increase of £32.751m is mainly due to structural and ongoing fire safety works to high rise buildings £15.757m along with the new Retrofit scheme of £16.994m subject to Cabinet approval in due course. This is all fully funded within the revised HRA Business Plan. A Housing Investment report will be taken to Cabinet in due course providing more detail.	0.638	32.751

CH2	Redevelopment	The in year variation of (£0.954m) is made up of net slippage of (£0.466m) and an underspend of (£0.388m). There is little change from the Q2 forecast for 2020/21 taking account of the variations both up and down and these stem from delays with planning, party wall issues and procurement to a large extent. Re-tendering of Highfield Lane makes up the majority of the net slippage of £0.466m and the underspend £0.388m is mainly to do with changes to Abbeyfields phase 4, resulting in the loss of 2 units because of the cost of relocating undergrounds services while achieving some savings from tenure changes. The greater and more significant impact is on future years stemming from Short Heath Road no longer being taken forward due to viability constraints and Bellefield Park deferred until the wider master planning of the area is concluded.	(0.954)	(3.682)
CH3	Other Programmes	Narrative awaited	(1.200)	(0.143)
CH4	Housing Options Service	This is a forecast overspend on Oscott Gardens Temporary Accommodation scheme due to additional works required to the building including Asbestos removal, stolen boilers, replacement fire doors and includes £0.5m of contingency. This scheme will help deliver large revenue savings in the future. An updated report will be presented to Cabinet in due course.	1.043	2.443

CITY & MUNICIPAL DEVELOPMENT DIRECTORATE

Ref	Project/Programme	Comments	Current Year (£m)	All Years (£m)
CMD1	Enterprise Zone - Paradise Circus	Changes required to the EZ programme forecast drawdown for the current year in line with the latest GBSLEP approved Enterprise Zone model assumptions.	2.233	0.000
CMD2	Enterprise Zone - Other	Changes required to the EZ programme forecast drawdown for the current year in line with the latest approved GBSLEP Enterprise Zone model assumptions. Predominantly this relates to the Smithfield Project.	(0.878)	1.389
CMD3	Planning & Development - Other Major Projects	Changes required to the EZ programme forecast drawdown for the current year in line with the latest approved GBSLEP Enterprise Zone model assumptions. Specifically this relates to the WSM Enabling Works project that is EZ funded.	0.000	(2.045)
CMD4	Transport & Connectivity - A457 Dudley Road	The forecast variation relates to additional LEP funding received in 2020/21, which is currently being held in the capital grants unapplied reserve. The budget is to be adjusted once the budget transfer has been approved, there is no impact on City Council resources.	(0.303)	1.162
CMD5	Transport & Connectivity - Birmingham City Centre Retail Core Public Realm	Due to proximity of Commonwealth Games, a high level decision was taken to reduce the scope of works to avoid any clashes during the games. Works this year will include the fountain in Victoria Square being refurbished along with some minor cosmetic repairs in the area. The rest of the planned works will now take place after the Commonwealth Games.	(5.976)	0.000
CMD6	Transport & Connectivity - Major Schemes other	The forecast variation relates to the Iron Lane Scheme, costs have reduced due to statutory undertaker reductions on site and contingency / risk allowance not materialising. Some value engineering also took place on site. There is expected to be an overall saving of approximately £1m on the scheme overall, although this needs to be held for the foreseeable future due to a pending land compensation claims. Some money from this year will need to be slipped to next year. The overall net variation (£2.8m) is due to a technical adjustment following a hierarchy restructure since Q2.	(1.325)	2.799
CMD7	Transport & Connectivity - Brum Breathes & Route to Zero	As reported in September the slippage in spend against the original profile is primarily due to a later than planned implementation of the Clean Air Zone (i.e. 1 June 2021 v. 1 January 2020) and relates to the utilisation of the Mitigations budget. Demand for grants that support Birmingham's taxi community has been positive due to the introduction of the Clean Air Zone and the daily fee which has encouraged the owners/drivers of non-compliant vehicles to upgrade or replace these vehicles. By contrast demand for the Heavy Duty Vehicle Fund has been lower than forecast due to a higher than modelled level of compliance in the HGV and coach vehicle categories. Similarly, demand for the scrappage scheme has been relatively low but this scheme was originally intended to be introduced towards the end of the 12 month exemption from the daily fee, which low income works in the Clean Air Zone can apply for. It is highly likely that demand will accelerate for the scrappage scheme as exemptions for this group end at the end of May 2022 and the HDV scheme due to some expected changes to the scheme in the new year. Despite this, further slippage against the original spend profile before the end of this FY and into the next is also expected.	(6.584)	0.726
CMD8	Transport & Connectivity - Active Travel	The slippage is for the Common Wealth Games Public Realm schemes there have been delays in getting the full business case approved in 2021-22, this delay has had an impact on key milestones of the project. The works will be delivered in time for the games but construction has been pushed back to end of the financial year rather than starting in February. The emergency active travel fund phase 2 projects have been delayed and some of the projects will now be completed in 2022/23.	(6.696)	0.096
CMD9	Transport & Connectivity - Public Transport	The forecast variation relates to the SPRINT schemes which are TfWM led, one of the schemes (Sutton Coldfield to Langley) is currently discontinued, TfWM will decide in the new financial year whether to continue the scheme. All of the other SPRINT schemes forecasts have been refined, the original forecast was based on the maximum estimation set out in the S278 agreement, the forecast is now based on actual costs to deliver the works. The schemes are funded by TfWM.	(0.854)	(2.818)
CMD10	Property Strategy	Public Hub Programme – slippage of £5m into future years pending completion of a Cabinet Report setting out the strategic plan – due to go to Cabinet in early 2022/23.	(5.000)	0.000

EDUCATION & SKILLS DIRECTORATE

Ref	Project/Programme	Comments	Current Year (£m)	All Years (£m)
ES1	Schools Condition Allowance	A combination of delays in Academisations and some of the final balances advised by the Schools team for Academy Conversions being lower than forecasted, this funding will be slipped into future years to support further conversions.	(3.000)	0.000

Prudential Borrowing - Additions or Reductions Period 9 (October to December) 2021

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	#	2021/22 £'000	2022/23 £'000	Later Years £'000	Total £'000
Borrowing Needing Budget Support					
Council Management					
Corporate Capital Contingency	A	(7,500)	(15,000)	(37,431)	(59,931)
Modernisation Fund	A	(2,000)	(12,276)	(24,553)	(38,829)
Waste Management Services	A	(3,023)	3,023	0	0
TOTAL BORROWING NEEDING BUDGET SUPPORT		(12,523)	(24,253)	(61,984)	(98,760)
SELF SUPPORTED					
Commonwealth Games					
Alexander Stadium	A	331	(331)	0	0
Council Management					
Major Projects - Grand Central / Gateway	A	4,700	(4,700)	0	0
ICT Infrastructure	A	(914)	914	0	0
City Operations					
Control Centre Upgrade	A/N	745	0	0	745
Atlas Works - Montague St & Redfern Road Depot Relocation	N	0	350	0	350
Street Scene - Parks & Nature	A	(6,000)	0	0	(6,000)
Cultural Development	A	(300)	(2,000)	0	(2,300)
City Housing					
HRA	A	(1)	9,725	6,270	15,994
Housing Options	A/N	1,043	1,400	0	2,443
City Municipal Development					
Enterprise Zone Investment Plan Phases 1 & 2	A	1,288	(217)	320	1,390
Planning & Development	A/N	(1,446)	600	0	(846)
Transportation & Connectivity	A/N	(1,479)	1,479	0	0
Prop Services - Perry Barr Residential Scheme	A/N	21,640	(16,203)	16,478	21,915
Education & Skills:					
Schools Condition Allowances	A	(3,000)	3,000	0	0
Community Libraries	A	66	(3,566)	3,500	0
TOTAL SELF SUPPORTED BORROWING		16,673	(9,549)	26,568	33,692
TOTAL ADDITIONS / (REDUCTION) IN PRUDENTIAL BORROWING					
		4,150	(33,802)	(35,416)	(65,068)

fund A07

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 PROGRAMME - PERIOD 9 2021/22 - 10 YEAR CAPITAL EXPENDITURE PLAN 2021/22 to 2030/31+

Annex 4h

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.

	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31+ Forecast	Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<u>DIRECTORATE:</u>											
COMMONWEALTH GAMES 2022	72.896	11.535	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	84.431
COUNCIL MANAGEMENT	62.704	36.208	18.332	5.000	0.000	0.000	0.000	0.000	0.000	0.000	122.244
CITY OPERATIONS	39.655	36.938	19.911	11.540	4.882	1.025	0.000	0.000	0.000	0.000	113.951
CITY HOUSING											
Housing Options	3.100	1.400	0.298	0.000	0.000	0.000	0.000	0.329	0.000	1.693	6.820
HRA	122.293	143.747	157.877	137.274	137.618	124.306	110.367	104.316	97.571	102.891	1,238.260
TOTAL CITY HOUSING	125.393	145.147	158.175	137.274	137.618	124.306	110.367	104.645	97.571	104.584	1,245.080
CITY & MUNICIPAL DEVELOPMENT											
Planning & Development	53.209	28.598	12.349	8.482	14.021	11.727	7.168	0.000	0.000	720.202	855.756
Transport & Connectivity	34.616	94.898	86.284	4.645	4.370	4.320	0.000	0.000	0.000	0.000	229.133
Housing Development	1.563	3.817	2.520	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.900
Perry Barr Residential Scheme	182.353	66.364	13.475	3.003	0.000	0.000	0.000	0.000	0.000	0.000	265.195
Property Services	55.629	32.358	5.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	93.087
TOTAL CITY & MUNICIPAL DEVELOPMENT	327.370	226.035	119.728	16.130	18.391	16.047	7.168	0.000	0.000	720.202	1,451.071
EDUCATION & SKILLS DIRECTORATE	34.875	46.138	15.208	0.500	0.000	0.000	0.000	0.000	0.000	0.000	96.721
ADULT SOCIAL CARE DIRECTORATE	12.802	9.715	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.517
TOTAL FORECAST CAPITAL PROGRAMME Q2	675.694	511.715	331.354	170.444	160.891	141.378	117.535	104.645	97.571	824.786	3,136.013

RESOURCES:**USE OF SPECIFIC RESOURCES:**

Grants & Contributions

Use of earmarked Capital Receipts

Revenue Contributions - Departmental

- HRA (incl reserves & S106)

TOTAL SPECIFIC RESOURCES**USE OF CORPORATE OR GENERAL RESOURCES:**

Corporate Resources

Unsupported Prudential Borrowing - Corporate

Unsupported Prudential Borrowing - Directorate

TOTAL CORPORATE RESOURCES**TOTAL FORECAST USE OF RESOURCES Q2**

148.912	141.311	98.380	37.856	16.580	9.779	0.250	0.250	0.250	0.250	453.818
100.764	58.051	49.069	35.008	48.233	23.299	23.591	19.820	11.796	17.547	387.178
16.678	20.047	13.794	0.000	0.000	0.000	0.000	0.329	0.000	1.693	52.541
74.313	74.093	74.305	77.591	73.666	93.678	82.343	82.657	85.525	85.094	803.265
340.667	293.502	235.548	150.455	138.479	126.756	106.184	103.056	97.571	104.584	1,696.802
17.333	0.368	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.701
62.706	63.860	40.224	5.700	0.000	0.000	0.000	0.000	0.000	0.000	172.490
254.989	153.985	55.582	14.289	22.412	14.622	11.351	1.589	0.000	720.202	1,249.021
335.028	218.214	95.806	19.989	22.412	14.622	11.351	1.589	0.000	720.202	1,439.212
675.694	511.715	331.354	170.444	160.891	141.378	117.535	104.645	97.571	824.786	3,136.013

INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 2 2021/22

1 Portfolio objectives

The Portfolio is comprised of non-operational service properties which were historically held to earn a financial return.

2 Portfolio summary

	budget £m	forecast £m	variance
Direct property	-23.98	-22.92	1.06
Loans on property			
less portfolio prudential borrowing	3.39	3.39	0.00
less management costs	2.39	2.39	0.00
net total	-18.20	-17.14	1.06

3 Limit on borrowing for Investment property portfolio

	value £m	limit £m	variance £m
prudential borrowing from 1 April 2019	7.91	50.00	42.09
borrowing repaid from sale proceeds	-18.82	0.00	18.82
	-10.91	50.00	60.91

4 Portfolio completions in the quarter (acquisitions and disposals)

	£m
Sales completed to quarter 3	
Sales	6.62
Purchase	0.00

Commentary:

Sales in 2021/22 include Upper Gough Street car park, John Bright Street, the balance for Northside Business Centre, Princip & Lancaster St and deposit for Coleridge & Ruskin Chambers.
Sales in Q3 2021/22 - Unit 4 Small Heath Business Park

5 Planned activity in the coming quarter

Receipts from the sale of Brickfield Road and the balance for Chamberlain Buildings are expected in Quarter 4.
The purchase of Parade/Newhall Walk Retail Park in Sutton Coldfield and the Garretts Green Industrial Estate are proposed in Q4 (subject to approval).

6 Assurance

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

commentary:

All properties fully evaluated and disposed with in the appropriate manner.

Invest to Save Initiatives

Delivery Plan Reserve and Transformation Programme – January 2022.

1. Transformation Programme

1.1 Establishing programme architecture to support the delivery of the Delivery Plan and the associated programmes of work has been underway for several months. The Transformation Programme structure is being defined and development of the associated architecture to support delivery has been progressing well. The development of outline business cases, programme artefacts and discovery/feasibility work are continuing across the programme.

1.2 Reporting mechanisms and assurance processes are in place and the embedding of these monitoring arrangements is underway. The expediting and driving forward key areas of activity has been enabled due to specialist programme capacity and support.

1.3 The Transformation programme is centred on three main themes;

- Shifting our focus from crisis to prevention.
- Increasing the pace and scale of growth, for those that need it the most, while delivering our climate change objectives
- New ways of working and creating a fit for purpose Council for the future.

1.4 These three key themes have been used to create a portfolio structure to support development of the significant programmes of work needed to deliver them.

1.5 In recent months a number of programmes have taken reports, outline business cases and target operating model proposals to Cabinet for approval. These programmes report regularly on progress of delivery and implementation.

- Acceleration of City Housing Transformation to Enable Reduction in Temporary Accommodation
- Customer Service Strategy and Delivery Programme
- New Ways of Workings
- East Birmingham Inclusive Growth Programme*
- Education and Skills Transformation Programme including Send Improvement and Home To School Transport
- Route to Zero*
- HR and Organisational Development (People Services)Transformation*

1.6 There are also several programmes scheduled to bring business cases to Cabinet for approval in the next few months.

- Perry Barr 2040 -Masterplan and Delivery Plan (February)
- Our Future City Plan (May)
- Connected Digital City (April)

*Programmes allocated funding sources other than the Delivery Plan reserve or the allocated draw down.

1.7 Subject to Medium Term Financial Plan approval in February, it is anticipated that a further set of savings initiatives will form part of the programme. The CPMO have mechanisms in place to rigorously, track savings delivery and progress against plans. This will be reported regularly as part of the Transformation programme monitoring process.

2. Delivery Plan Reserve

2.1 Initial sourcing of appropriate support for the organisation, was funded primarily by the Transformation Fund (£5.25m). With regards to the Transformation Fund, the total spend to date 2021/22 Quarter 3 is £2.1m with a remaining £0.9m. Of this amount, £0.7m is committed leaving a remainder of £0.2m uncommitted funds.

2.2 As part of the decision to use the Delivery Plan Reserve to accelerate Transformation, Cabinet agreed in April 2021, that funds from the Delivery Plan Reserve would be released in to a corporate budget and allocations from this budget would be delegated to the Chief Executive in consultation with the CFO, City Solicitor, Leader of the Council and Cabinet Member for Finance and Resources.

2.3 This process is managed by the CPMO and the Invest to Deliver Group was established to ensure due diligence, they review and recommend funding requests for approval. They also provide oversight and challenge through the business case development process.

2.4 An initial £5M was also approved by Cabinet in April 2021 from the Delivery Plan Reserve to advance business case development and programme support. A second further draw down of £5M was approved in July 2021, this was to enable and expedite programme management support across the Portfolios within the Transformation Programme and specialist capacity to lead and drive forward key areas of activity.

2.5 An additional £10m was approved by Cabinet in November 2021 in order to support the pump priming of transformation at pace. Therefore, a total of £20m has now been approved by Cabinet for draw down, from the Delivery Plan Reserve.

2.6 The total amount approved by the Invest to Deliver group and the delegated allocation for spend to date is £12.8m although, not of all this will be spent in 2021/22. The request forecast for spend is £0.6m and the request pipeline forecast is £0.3m. This leaves a remainder of £6.3m unallocated funds.

2.7 The drawdown of Delivery Plan reserves has supported several key areas:

- Specialist Capacity & Programme Support to all three portfolios and key programmes such as Early Intervention and Prevention, People Services Target Operating Model, Finance Improvement Programme and Procurement TOM

- Design, scoping, feasibility and business case development support has been undertaken for significant programmes such as East Birmingham, Perry Barr 2040, Customer Service, Levelling up and Corporate Landlord.
- The reserve has also provided funding for the approved Cabinet report – Acceleration of City Housing Transformation to Enable Reduction in Temporary Accommodation.
- It has also supported savings and income generation through the introduction of automation, procurement savings and software to support enhanced income growth from Council Tax.

Specialist Capacity & Programme Support	Design scoping and business case development Support	Cabinet report	Savings/Income generation
**£5,312,819	£2,983,621	£3,500,000	£1,058,001

**Figures don't include forecasted requests.

2.8 Further funding requests are expected in the coming months as structured and sustainable change is designed and implemented at pace. It is important to keep up the pace and scale of transformation enabling work, which is increasingly focussing on invest to save initiatives which will improve citizen outcomes whilst reducing net service delivery costs.

Table 1

CEO Transformation Fund - £5.25M 2020-2021 allocation £4M 2021-2022 Allocation £1.25M Q3 2021/22	
Actual spend 20/21	£m
Total Allocation 20/21	2.190
Remaining funds carried forward to 21/22	4.000
	1.810
Allocation 2021 – 2022	1.250
Remaining funds carried forward from 20/21	1.810
Total Allocation for 21/22	3.060
Spend Q3 21/22	2.131
Remaining	0.930
Committed funds	0.758
Remainder	0.172

Table 2

Delivery Plan Reserve - Draw Down £20M Quarter 3	
	£m
Total Spend Approved	12.754
Request Forecast	0.647
Pipeline Forecast	0.270
Total	13.672
Remaining unallocated funds	6.328

Birmingham City Council

Report to Cabinet

Date: 8th February 2022



Subject: **PLANNED PROCUREMENT ACTIVITIES (MARCH 2022 – MAY 2022)**

Report of: **ASSISTANT DIRECTOR – PROCUREMENT (INTERIM)**

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

Relevant O &S Chair(s): **Councillor Mohammed Aikhlaq, Resources**

Report author: Steve Sandercock, Assistant Director, Procurement (Interim)
Email Address: steve.sandercock@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 March 2021 – May 2022. 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 March 2021 – May 2022 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 consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £10m (excluding VAT). 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 procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.5 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where 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 / Engagement

5.1 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.

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 March 2022 – May 2022
 - 2. Appendix 2 – Background Briefing Paper
 - 3. Appendix 3 – Exempt Information
 - 4. Appendix 4 – Quarterly Awards Schedule (October 2021 – December 2021)

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (MARCH 2022 – MAY 2022)

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
Approval to Tender Strategy	Professional Services for the Commonwealth Games 2022 Programme Team	TBC	To ensure that delivery of the Commonwealth Games 2022 is not compromised by unforeseen circumstances it is considered prudent to ensure that access to professional and advisory services is available and therefore it is proposed to procure one or more call-off contracts as required. The services may include services such as legal advice, project management, technical subject matter expertise in relation to supporting a major event.	Various	Commonwealth Games	Leader	Guy Olivant	Guy Olivant / Charlie Short	23/03/2022
Approval to Tender Strategy	Statutory Assessment Moderation and Monitoring of KS1 and KS2	TBC	Moderation of key stage 1 (KS1) and key stage 2 (KS2) and Monitoring of key stage 2 (KS2) SATS. Local Authorities are required to validate a sample of KS1 Teacher assessment (TA) judgements in English writing.	4 years with a break clause in years 3 and 4	Education and Skills	Education and Skills	Clare Sandland	Lisa Fraser / Sandra Asiedu	01/04/2022
Strategy / Award	Payment Card Industry Data Security Standards (PCI DSS) Compliant Solution	TBC	There is a requirement for a solution for accepting card payments over the telephone without the need for Council agents capturing card details and manually entering into payment solutions.	2 years with option to extend for a further 12 months	Digital and Customer Services	Deputy Leader	Lee Bickerton	Andrew Eden / Kanwaljit Shinhmar	01/04/2022
Strategy / Award	Provision of a Managed Service Provider	TBC	To outsource the function of low value/high volume IT contract renewals across the Council to a managed service provider for a management fee.	2 years with option to extend for a further two 12 month extensions	Digital and Customer Services	Deputy Leader	Lee Bickerton	Emma Coles / Jamie Parris	23/03/2022
Strategy / Award	Cisco Hardware Refresh to Support Lancaster Circus Exit	TBC	Cisco Networking Hardware and Services are required to be procured. The Cisco Hardware that runs the councils IT network across our estates and underpins most of our users and applications requires modernisation as it is reaching end of life and requires refresh. This planned modernisation has been moved forward in order support the following strategic benefits and drivers.	3 years with option to extend for a further two 12 month extensions	Digital and Customer Services	Deputy Leader	Lee Bickerton	Chris Nairn / Jamie Parris	23/03/2022
Strategy / Award	CWG - Colmore Row and Church Street Marathon Preparation and Footway Works	TBC	Civil engineering works to enable the last mile of the marathon route for the Commonwealth Games to accommodate athletes and vehicles. These works are: •Removal and subsequent re-instatement of hospitality build outs in carriageway on Church Street. •Amendments to the footway and carriageway at Church Street. •Removal and subsequent reinstatement of parklets on Church Street and Colmore Row. •Refresh of footway paving on Colmore Row outside of the Grand Hotel. •Removal and alteration of the build out and traffic signals on Colmore Row and Newhall Street.	10 weeks	Council Management	Leader	Guy Olivant	Michael Watson / Charlie Short	23/03/2022

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 8TH FEBRUARY 2022**

Title of Contract	Professional Services for the Commonwealth Games 2022 Programme Team
Contact Officers	Director / Assistant Director: Craig Cooper, Programme Director Commonwealth Games 2022 Client Officer: Guy Olivant Procurement Officer: Charlie Short, Procurement Manager
Briefly describe the service required	To ensure that delivery of the Commonwealth Games 2022 is not compromised by unforeseen circumstances it is considered prudent to ensure that access to professional and advisory services is available and therefore it is proposed to procure one or more call-off contracts as required. The services may include services such as legal advice, project management, technical subject matter expertise in relation to supporting a major event. There are not the skills, experience or availability of staff within the Council to deliver the support therefore, there is a requirement for suitably qualified resources to be engaged externally. The services will be called off as and when required subject to satisfactory performance and budget availability.
What is the proposed procurement route?	An open procurement exercise advertised on Find a Tender, Contracts Finder and www.finditnbirmingham.com or a further competition exercise / direct award using the most appropriate collaborative framework agreement which demonstrates the best value for money.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These will be either a new requirement or entering into new contracts for services approved in the PPAR report dated 8 th September 2020.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and as this is a one-off contract for technical professional services and the test demonstrated this is not suitable to be carried out in-house as there are not the skills and capacity to deliver internally.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in transport.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council does not have a statutory duty to provide this service. However, there is a requirement for specialist support to complement the Council's internal delivery team.
What budget is the funding from for this service?	The cost of the service will be met from the cash limited and approved CWG budgets as appropriate.
Proposed start date and duration of the new contract	Various start dates.

Title of Contract	Statutory Assessment Moderation and Monitoring of KS1 and KS2
Contact Officers	Director / Assistant Director: Lisa Fraser, Assistant Director Education and Early Years Client Officer: Lisa Fraser Procurement Officer: Sandra Asiedu, Procurement Manager
Briefly describe the service required	Moderation of key stage 1 (KS1) and key stage 2 (KS2) and Monitoring of key stage 2 (KS2) SATS. Local Authorities are required to validate a sample of KS1 Teacher assessment (TA) judgements in English writing. External moderation is used to confirm that KS1 English writing TA judgements are accurate and consistent with national standards. This ensures that schools are assessing accurately, and the system is fair to all pupils.
What is the proposed procurement route?	An open procurement exercise advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is not a current contract in place. The existing contract expired 31 st August 2019. However, the services have continued to be provided by Services For Education under the contractual arrangements.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	All LA moderators must be qualified teachers. The Standards and Testing Agency (STA) guidelines require LAs to recruit an external moderation team with appropriate and recent experience of the KS1 and KS2.
How will this service assist with the Council's commitments to Route to Zero?	Training for the moderators will be delivered online which will reduce individual travel, venue hire and related logistics.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	Yes. This provision is a statutory requirement in accordance with guidance set out by the Standards and Testing Agency (STA) for KS1 and KS2 national curriculum assessment and reporting.
What budget is the funding from for this service?	This is funded from Education and Skills budget.
Proposed start date and duration of the new contract	The proposed start date is 1 st August 2022 for a period of 4 years with a break clause in years 3 and 4.

Title of Contract	Payment Card Industry Data Security Standards (PCI DSS) Compliant Solution
Contact Officers	Director / Assistant Director: Director – Digital and Customer Services Client Officer: Andrew Eden Procurement Officer: Kanwaljit Shinhmar
Briefly describe the service required	<p>There is a requirement for a solution for accepting card payments over the telephone without the need for Council agents capturing card details and manually entering into payment solutions.</p> <p>The solution must be compliant with the Payment Card Industry Data Security Standards (PCI DSS) for taking agent mediated payment card transactions completely over the telephone. The solution must remove the need for the agent to have access to the customer's card details, ideally through DTMF suppression. Dual-tone multi-frequency signalling (DTMF) is a telecommunication signalling system using the voice-frequency band over telephone lines between telephone equipment and other communications devices and switching centers.</p> <p>The solution must allow the payer to make payments completely via a standard landline telephone and not require the payer to have any type of web or internet access. Currently the Council use WorldPay, Civica WebPay, and chip and pin (PDQ) with Cardholder Not Present (CNP) (Barclaycard/Veriphone) solutions to take payments over the phone via Council agents. The agents capture the cardholder details and enter them. The proposed solution should work alongside or provide some level of integration with these existing payment solutions.</p>
What is the proposed procurement route?	The proposed route to market will be via a compliant national framework agreement, CCS, ESPO, KCS, HTE or YPO dependent on the appropriateness of the framework, the lot and the best fit for the purposes of the requirement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	No In-House solution is available.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
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 to deliver this service. The service will, however, strengthen the Council's compliance with GDPR.
What budget is the funding from for this service?	This will be funded from the IT Budget for BEP revenue costs using code TA-02268-01.
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2022 for a period of 2 years, with an option to extend for a further 1 year.

Title of Contract	Provision of a Managed Service Provider
Contact Officers	Director / Assistant Director: Director – Digital and Customer Services Client Officer: Emma Coles Procurement Officer: Jamie Parris
Briefly describe the service required	To outsource the function of low value/high volume IT contract renewals across the Council to a managed service provider for a management fee.
What is the proposed procurement route?	To undertake a further competition via an established compliant framework, e.g. Health Trust Europe IT Solutions Framework Agreement or Crown Commercial Services.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are no existing arrangements.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	The service is currently delivered by premium in-house IT&D contractors with limited capabilities – hence the purpose of this PPAR is to outsource this requirement.
How will this service assist with the Council's commitments to Route to Zero?	N/A, as this is a low value/high volume software licensing, support and maintenance service requirement.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is no statutory duty for this service. However, this service supports the delivery of the Council's IT and Council services.
What budget is the funding from for this service?	This is funded from efficiency savings on expenditure against the budget for third party contracts on RF007.
Proposed start date and duration of the new contract	The proposed start date is March 2022 for a duration of 2 years with two options to extend for a period of 24 months subject to satisfactory performance and budget availability.

Title of Contract	Cisco Hardware Refresh to Support Lancaster Circus Exit
Contact Officers	Director / Assistant Director: Director – Digital and Customer Services Client Officer: Chris Nairn Procurement Officer: Jamie Parris
Briefly describe the service required	Cisco Networking Hardware and Services are required to be procured. The Cisco Hardware that runs the councils IT network across our estates and underpins most of our users and applications requires modernisation as it is reaching end of life and requires refresh. This planned modernisation has been moved forward in order support the following strategic benefits and drivers: - The NWOW Programme exit of Lancaster Circus where the Council's core networking hub and internet termination points reside linking our technical estate together. These services need to be migrated to vacate the basement area of the site. The current hardware cannot be 'lifted and shifted' due to age and technical constraints thus requiring the refreshed hardware to facilitate exit - The wider property strategy by reducing the reliance/ dependency on IT points of presence in council buildings through IT network consolidation - An increase in the councils security posture through the removal of legacy hardware
What is the proposed procurement route?	The proposed route to market will be via a compliant national framework agreement, CCS, ESPO, KCS, HTE or YPO dependent on the appropriateness of the framework, the lot and the best fit for the purposes of the requirement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is no current hardware contract with sufficient headroom to purchase the hardware required in a compliant manner. Several contracts exist with existing suppliers for Cisco Hardware and support but would not be compliant in this instance.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	This is not applicable as the service being procured is predominantly hardware related.
How will this service assist with the Council's commitments to Route to Zero?	This will support the wider council move to managed data centres in addition to moving applications currently running in Lancaster Circus to newer hardware which has lower electricity draw, therefore contributing to the councils Route to Zero.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	No. However the networking technology the Council uses underpins the delivery of the majority if not all Council statutory and/or discretionary services. The services to be procured will maintain the Council's ability to manage value for money in the delivery of these services by the provider and enable better ways of working and supporting the exit of Lancaster Circus
What budget is the funding from for this service?	The budget will be funded from 2 sources: 1) IT&D Hardware and 3rd Party refresh budget (circa 70%) 2) NWOW Programme Budget (circa 30%)
Proposed start date and duration of the new contract	The proposed start date is March 2022 for a period of 5 years (2+1+1+1) to allow for periodic market/value of money appraisal.

Title of Contract	CWG - Colmore Row and Church Street Marathon Preparation and Footway Works
Contact Officers	Director / Assistant Director: Philip Edwards, Assistant Director, Transport and Connectivity Client Officer: Michael Watson Procurement Officer: Charlie Short, Procurement Manager
Briefly describe the service required	<p>Civil engineering works to enable the last mile of the marathon route for the Commonwealth Games to accommodate athletes and vehicles. These works are:</p> <ul style="list-style-type: none"> • Removal and subsequent re-instatement of hospitality build outs in carriageway on Church Street. • Amendments to the footway and carriageway at Church Street. • Removal and subsequent reinstatement of parklets on Church Street and Colmore Row. • Refresh of footway paving on Colmore Row outside of the Grand Hotel. • Removal and alteration of the build out and traffic signals on Colmore Row and Newhall Street. <p>It should be noted that these works do not include any works to remove any existing granite paving recently installed in a similar area and the Business Improvement District has been fully consulted and are supportive of the proposals.</p> <p>A direct award will be undertaken in accordance with the framework rules to the supplier with the overall lowest cost using the framework rates</p> <p>A contract will not be entered into on any of these projects unless the appropriate approvals are in place.</p>
What is the proposed procurement route?	A direct award will be undertaken using the Black Country Minor Works Framework Agreement 2022 - 2025.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
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)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and as this is a one-off contract for works, the test demonstrated this is not suitable to be carried out in-house.
How will this service assist with the Council's commitments to Route to Zero?	The works support the Birmingham Transport Plan's aspirations to promote active travel and also the Games Transport Plan as a key Games event which will harness the themes of the Games to promote walking and cycling as a preferred mode of transport for spectators in this area. The Parklets will also be replanted and provide a green space in the city.
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, works will support the staging of the CWG marathon. There is also a legal agreement between the Council and the CWG OC which requires this work to be undertaken.
What budget is the funding from for this service?	The funding will be from the existing approved CWG City Readiness budget.
Proposed start date and duration of the new contract	The anticipated start date is Monday 25th April for a duration of 10 weeks.

APPENDIX 4 - QUARTERLY CONTRACT AWARD SCHEDULE (OCTOBER 2021 – DECEMBER 2021)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources	Finance Officer	Contact Name	- including any request from Cabinet Members for more details	Comments	Contractor(s) Awarded to	Value of Contracts	Chief Officer	Actual Go Live date
Delegated Award Report	Security Measures for Victims of Domestic Abuse	P0779	The provision of security measures to support the Sanctuary Scheme to enable the prevention of homelessness as a result of domestic abuse.	4 years	City Housing	Homes and Neighbourhoods	Carl Tomlinson	Debbie Parkes Henrietta Jacobs	Presented to Cabinet for info 20/04/2021. Approval to Tender Strategy Report signed 21/05/2021 and delegated the award to CO. Delegated Award Report signed 17/09/2021.		Team Security Limited	£1,200,000	Rob James / Steve Sandercock	01/08/2021
Strategy / Award	Repair and Maintenance of physical disability lifts and hoists	P0716	There is a requirement to maintain and repair vertical lift, step lift and ceiling track hoists provided by the Occupational Therapy Service for disabled citizens. This service is in place to enable citizens to remain independent in their own home, increasing their safety, reducing the risk of falls for both citizens and carers and reducing hospital admission.	4 years	Adults Social Care	Adults Social Care	Andrew Healey	Timsey Deb Satinder Bains	Presented to Cabinet for info 15/12/2020. Strategy / Award Report signed 30/07/2021.		Dolphin Lifts Midlands Limited	£178,220	Graeme Betts/ Steve Sandercock	22/11/2021
Delegated Award Report	Single Pupil Record Case Management Solution		The Council requires a new contract for the Impulse application. This is the core application used by the Education & Skills directorate to record and track a child's path through all stages of educational support. The application stores data related to a child / school / care provider / parents / guardians / professional, etc.	3 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	Nita Vriyapari	Presented to Cabinet for info 16/03/2021. SCN signed 28/09/2021. Delegated Award Reports signed 04/10/2021.		CACI Limited	£1,500,000	Kevin Crompton / Steve Sandercock	13/10/2021
Strategy / Award	Works for the Pershore Road / Priory Road Highway Safety Improvement Scheme		There is a requirement for delivery of civil engineering works for the Pershore Road/ Priory Road Highway Safety Improvement Scheme.	1 year, 6 months	Planning, Transport & Sustainability	Transport and Environment	Carl Tomlinson	Periminder Balu Charlie Short	Presented to Cabinet for info 15/12/2020. Strategy / Award Report signed 11/10/2021..		Fitzgerald Contractors Limited	£2,150,000	Ian MacLeod / Steve Sandercock	18/10/2021
Delegated Award Report	Provision of Legal Advice for the Commonwealth Games 2022		For the provision of legal advice to support the Commonwealth Games 2022 called off under the Crown Commercial Services Wider Public Sector Legal Services Framework Agreement by direct award.	1 year	Planning, Transport & Sustainability	Leader	Guy Olivant	Guy Olivant/ Charlie Short	Presented to Cabinet for info 08/09/2020. Strategy / Award Report signed 14/10/2021.		Trowers and Hamlin LLP	£200,000	Craig Cooper / Steve Sandercock	02/11/2021
Strategy / Award	Traffic Enforcement Cameras		The road network in the city of Birmingham includes a number of bus lanes on key arterial routes and in the city centre. The maintenance of these bus lanes is the responsibility of the highway authority, the Council who is also responsible for enforcing compliance with the Traffic Regulation Orders that apply to these bus lanes. A camera enforcement solution is required to instal, maintain and support future enforcement cameras.	5 years	Planning, Transport & Sustainability	Transport and Environment	Simon Ansell	Iain Davie / David Waddington	Presented to Cabinet for info 09/02/2021. Strategy / Award Report signed 01/11/2021.		Siemens Mobility Limited	£2,145,000	Ian MacLeod / Steve Sandercock	01/03/2022
Delegated Award Report	Specialist Engineering Support Framework Agreement (Waste Services)	P0775	There is a requirement for a technical engineering service to support Waste Management Services. The services required include but not limited to: •Engineering support; •Operational safety and environmental compliance; •Technical advice to support procurement activities related to waste services; and •Provide technical support to the Waste Management Services in its general contract management activities.	4 years	City Operations	Street Scene and Parks	Carl Tomlinson/ Peter Janes	Michelle Cimer/ Meena Chuhani	Presented to Cabinet for Info 18/05/2021. Approval to Tender Strategy Report signed 21/06/2021 and delegated the award to CO. Delegated Award Report signed 02/11/2021. Please note this is a Framework Agreement and therefore no set value, however the procurement committed to a maximum total framework spend of £5m.		1) Fichtner Consulting Engineers Limited 2) Stantec UK LTD 3) Wood PLC	£5,000,000	Rob James / Steve Sandercock	09/11/2021
Strategy Award Report	For the continued Provision of Data Migration Services		For the continued Provision of Data Migration Services to enable the delivery of a fully integrated ERP solution by the appointed System Integrator.	1 year	Digital and Customer Services	Deputy Leader	Lee Bickerton	Jamie Parris	Presented to Cabinet for info 22/01/2019. Strategy / Award Report signed 09/11/2021.		Egress Group Limited	£499,000	Peter Bishop / Steve Sandercock	17/11/2021
Strategy / Award	Development of Housing at Gressel Lane, Shard End	P0749	For the construction of 36 new homes for rent at Gressel Lane in Shard End.	30 months	Planning, Transport & Sustainability	Homes and Neighbourhoods	Carl Tomlinson	Bali Paddock / Siobhan MacDonald	Cabinet approved the tender strategy as part of the Report to Cabinet titled: Development of Housing at Gressel Lane, and accompanying FBC, approved by Cabinet on 16th March 2021. Strategy / Award Report signed 15/11/2021.		Jessup Brothers Ltd	£8,045,570	Ian MacLeod / Steve Sandercock	01/04/2022
Strategy / Award	Leisure Centre Management Software		A leisure activity booking management software for leisure centres across Birmingham. The software is installed and used across 23 sites, 22 leisure sites and 1 community centre.	3 years plus 2 years option to extend	Digital and Customer Services	Deputy Leader	Lee Bickerton	Scott Angus	Presented to Cabinet for info 20/04/2021. Strategy / Award Report signed 18/11/2021. The contract award value is just within the 20% tolerance allowance.		Bramble Hub Limited	£479,985	Peter Bishop / Steve Sandercock	01/04/2022
Delegated Extension Award	Employer's Agent Services for Birmingham Municipal Housing Trust Framework Agreement	P0476	Requirement to increase the expenditure under the Employers Agent Services Framework Agreement.		Planning, Transport & Sustainability	Homes and Neighbourhoods	Carl Tomlinson	Mark English / Siobhan MacDonald	This approval is within the value of the delegation approved in the Planned Procurement Activities reports to Cabinet dated August 2018 for the estimated value of £6m and November 2018 for the estimated value of £4.5m.		Arcadis LLP - Lot 1 Capita Property & Infrastructure Ltd - Lot 2	Increase of £744,435 Increase of £796,000 Total £1,540,435 - From £3,549,070 to £5,089,505	Ian MacLeod / Steve Sandercock	29/11/2021
Strategy / Award	Professional Support Services to develop the Our Future Delivery Plan (OFCP)		Our Future City Plan – Central Birmingham Framework 2040 will replace the existing Big City Plan with a new vision for the central area of the city to help deliver new homes, jobs and commercial development. The Draft Central Framework 2040 is now being produced and expert advice is required.	8 months	Planning, Transport & Sustainability	Transport and Environment	Carl Tomlinson	James Betjemann / Charlie Short	Presented to Cabinet for info 27/07/2021. Strategy / Award Report signed 24/11/2021.		Arcadis Consulting (UK) Limited	£593,350	Ian MacLeod / Steve Sandercock	22/12/2021
Strategy / Award	Fit out works for Plot 8 and 9 of the Perry Barr Regeneration Scheme	P0427-1	For the delivery of the additional fitout works to Plots 8 and 9 of the Perry Barr Regeneration Scheme (PBRIS).	1 year	Planning, Transport & Sustainability	Transport and Environment	Guy Olivant	Mumtaz Mohammed / Charlie Short	This contract was included in the Birmingham 2022 – Update on the Perry Barr Regeneration Scheme FBC report to Cabinet dated 27/07/2021 that advised of the procurement. Strategy / Award Report signed 09/12/2021.		Willmott Dixon Construction Limited	£6,589,000	Ian MacLeod / Steve Sandercock	13/12/2021
Strategy / Award	City Dressing to Support the Hosting of the Commonwealth Games 2022		To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectaculars and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include: •Banners and flags •Art installations and sculptures •Pavement graphics and building wraps •Building lighting and lighting shows	10 months	Commonwealth Games	Leader	Guy Olivant	Dan Tomlinson / Charlie Short	Presented to Cabinet for info 12/10/2021. Strategy / Award Report signed 09/12/2021.		CSM Sport & Entertainment LLP trading as CSM Live	£3,000,000	Craig Cooper / Steve Sandercock	14/12/2021
Strategy / Award	Childcare Vouchers	P0854	The provision of vouchers to enable employees to purchase childcare as a salary sacrifice scheme. The scheme operates as salary sacrifice and is a contractual arrangement whereby an employee gives up the right to receive part of their cash remuneration, usually in return for their employer's agreement to provide some form of non-cash benefit.	4 years	Finance and Governance	Finance and Resources	Lee Bickerton	Selina Erfani / Richard Tibbatts	Presented to Cabinet for info 09/11/2021. Strategy / Award Report signed 13/12/2021.		Sodexo Motivation Solutions UK Limited / as Sodexo Benefits and Rewards Services	£3,400,000	Steve Sandercock / Rebecca Hellard	15/12/2021



Resources O&S Committee: Work Programme 2021/22

Chair	Councillor Mohammed Aikhlaq
Deputy Chair	Councillor Barbara Dring
Committee Members:	Councillors David Barrie, Meirion Jenkins, Majid Mahmood, Shafique Shah, Paul Tilsley and Lisa Trickett
Committee Support:	Scrutiny Team: Christian Scade (303 1731) and Jayne Bowles (303 4810) Committee Manager: Sofia Mirza (675 0216)

1 Terms of Reference

To fulfil the functions of an Overview and Scrutiny Committee as they relate to any policies, services and activities concerning finance (including strategic finance, budget setting and financial monitoring); revenues and benefits; treasury management; council land use and property assets; human resources; contracting, commissioning and commercialisation.

2 Meeting Schedule

Date	Item	Officer contact
24 June 2021 1400 hours Informal Online Meeting Deadline for reports: 15 June 2021	Financial Outturn 2020/21	Rebecca Hellard, Interim Director of Council Management
	Implementation of the Council's Finance and HR Enterprise Resource Planning (ERP) System	Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
	CityServe Update	Alison Jarrett, AD, Development and Commercial
22 July 2021 1400 hours Deadline for reports: 13 July 2021	Financial Monitoring 2021/22 - Quarter 1 / Month 3	Rebecca Hellard, Interim Director of Council Management
	ERP Update	Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
	New Ways of Working	Peter Bishop, Director of Digital and Customer Services/Robin Burton, Programme Manager – New Ways of Working



9 September 2021 1400 hours Informal Online Meeting Deadline for reports: 31 August 2021	Financial Monitoring 2021/22 – Month 4	Rebecca Hellard, Interim Director of Council Management
	ERP Update	Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
7 October 2021 1400 hours Deadline for reports: 28 September 2021	Financial Monitoring 2021/22 – Month 5	Rebecca Hellard, Interim Director of Council Management
	HR Update: <ul style="list-style-type: none"> • People Services Transformation Programme • Update on Interims & Consultants 	Tim Normanton, Acting AD, HR
25 November 2021 1400 hours Deadline for reports: 16 November 2021	Financial Monitoring 2021/22 – Quarter 2/Month 6	Rebecca Hellard, Director of Council Management
	Medium Term Financial Plan Refresh	Rebecca Hellard, Director of Council Management
	ERP Update	James Couper, ERP Programme Director
20 January 2022 1400 hours Deadline for reports: 11 January 2022	Financial Monitoring 2021/22 – Month 8	Rebecca Hellard, Director of Council Management
	Commonwealth Games Finance Update (to include partner contributions)	Rebecca Hellard, Director of Council Management
	ERP Update	James Couper, ERP Programme Director
10 February 2022 1400 hours Deadline for reports: 1 February 2022	Financial Monitoring 2021/22 – Quarter 3/Month 9	Rebecca Hellard, Director of Council Management
	Invest to Save Initiatives	Rebecca Hellard, Director of Council Management
24 March 2022 1400 hours Deadline for reports: 15 March 2022	Financial Monitoring 2021/22 – Month 10	Rebecca Hellard, Director of Council Management
	ERP Update	James Couper, ERP Programme Director



28 April 2022
1400 hours
 Deadline for reports: 19 April 2022

3 Items to be programmed

- 3.1 Planned Procurement Activities Reports – standing item
- 3.2 Long Term Debt Strategy
- 3.3 Outcome of the CIPFA Budget Sufficiency Review of Education and Skills directorate

4 Other Meetings

Task & Finish: Commercial Governance

9 September 2021	Informal Session
18 November 2021	Informal Session
21 December 2021	Informal Session
20 January 2021	Informal Session

Call-in

Petitions

None scheduled

Councillor Call for Action requests

None scheduled

5 Forward Plan for Cabinet Decisions

009029/2022	Council Tax Tax-base for 2022/23	18 Jan 22
009031/2022	Draft Financial Plan 2022-2026	08 Feb 22

Leader		
007538/2020	Disposal of Surplus Properties	22 Mar 22
007884/2020	Proposed Compulsory Purchase Order – Digbeth & Allison Street, Birmingham for the Beorma Quarter Development	22 Mar 22
009030/2022	Business Rates Income 2022/23	18 Jan 22
009035/2022	Financial Monitoring Report Quarter 3 2021/22	08 Feb 22
009239/2021	Disposal of Murdoch and Pitman, 153-161 Corporation St, Birmingham	17 May 22
009552/2022	Proposed Compulsory Purchase Order – Princip Street Development	22 Mar 22



009664/2022	Disposal of Council Owned Land at Bordesley Park	18 Jan 22
009663/2022	Promotion of Council Owned Land within Bromsgrove	26 Apr 22
009692/2022	Sale of Land at Redfern Road, Tyseley	22 Mar 22

Cabinet Member for Finance and Resources

008907/2021	Gas and Power Procurement Strategy	18 Jan 22
009648/2022	Increasing Contract Value – Financial Reporting – Delivery Support, Technical and Strategic Advice Contract	18 Jan 22
009688/2022	Outline Business Case – Birmingham Museum and Art Gallery works funded by MEND fund	22 Mar 22

Cabinet Member for Homes and Neighbourhoods

009665/2022	Housing Revenue Account – Business Plan/Rent Setting Capital Investment	08 Feb 22
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Cabinet Member for Street Scene and Parks

007349/2020	Waste Vehicle Replacement Programme	22 Mar 22
008760/2021	Increase in Expenditure – Provision of Legal Advice to Support the Development of the Future Waste Strategy (P0610C)	20 Apr 21