

# **BIRMINGHAM CITY COUNCIL**

## **RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 20 SEPTEMBER 2018 AT 14:00 HOURS**  
**IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,**  
**BIRMINGHAM, B1 1BB**

### **A G E N D A**

**1     NOTICE OF RECORDING/WEBCAST**

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

**2     APOLOGIES**

To receive any apologies.

**3     DECLARATIONS OF INTERESTS**

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

**3 - 6**

**4     ACTION NOTES**

To confirm the action notes of the meeting held on the 4th September 2018.

**7 - 50**

**5     2018-19 BUDGET UPDATE**

Clive Heaphy, Corporate Director, Finance and Governance in attendance.

**51 - 80**

**6     PROPOSED NEW IT SYSTEM FOR FINANCE AND HR**

Clive Heaphy, Corporate Director, Finance and Governance and Dawn Hewins, Director of HR in attendance.

7 **WORK PROGRAMME**

To consider the Committee's work programme.

8 **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).

9 **OTHER URGENT BUSINESS**

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

10 **DATE OF NEXT MEETING**

The next meeting is scheduled to take place on Thursday, 18 October 2018 at 1400 hours in Committee Rooms 3 & 4, Council House

11 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

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

## BIRMINGHAM CITY COUNCIL

# RESOURCES O&S COMMITTEE – PUBLIC MEETING

**1200 hours on Tuesday 4 September 2018, Committee Rooms 3 & 4**

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**Present:**

Councillor Sir Albert Bore (Chair)

Councillors: Muhammad Afzal, Zaheer Khan, Narinder Kaur Kooner and Meirion Jenkins

**Also Present:**

Cllr Brett O'Reilly, Cabinet Member for Finance and Resources  
Kate Charlton, City Solicitor and Monitoring Officer  
Clive Heaphy, Corporate Director, Finance and Governance  
Amanda Simcox, Scrutiny Officer  
Emma Williamson, Head of Scrutiny Services

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**1. NOTICE OF RECORDING/WEBCAST**

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**2. APOLOGIES**

Apologies were received from Councillors Josh Jones, Ewan Mackey and Paul Tilsley. Also, an apology for lateness was received from Cllr Zaheer Khan.

**3. DECLARATIONS OF INTERESTS**

None.

**4. RESOURCES O&S ACTION NOTES - 19 JULY 2018**

(See document No 1)

The Chair updated Members on matters arising from the action notes:

- There had been nothing so far on the alternative timescales and whether it would be possible to produce financial monitoring reports which could be considered by Scrutiny on a monthly basis. The Corporate Director, Finance and Governance clarified that he was working with the governance team and it is likely that the reports will go for Cabinet Member sign off then to scrutiny on a monthly basis.

- With regards to overspends the Committee indicated that Acivico and the Waste Service were areas of concern. These will be flagged up in the work programme later on the agenda.
- The Chair is meeting with the Director of HR tomorrow, to ascertain whether the committee might want to look at the HR function at a future meeting.
- Cllr Afzal had asked how many cases in the last 5 years contracts had been terminated or penalties imposed. Information had been circulated, however, concerns and questions were raised with the response received:
  - It has taken six weeks to receive an answer and this should have been provided quicker.
  - Why is this information being treated as private rather than public?
  - Insufficient information was provided as it does not provide answers on the amounts of the contract, periods for the contract, at which stages they were cancelled or what penalties were imposed and dates.

Kate Charlton, City Solicitor and Monitoring Officer considered the request to be reasonable and will take this up and secure a more informative set of answers.

- The Committee's work around the financial planning process has received agreement from the Co-ordinating O&S Committee. This work should take 3-4 months, with sign off of the report happening towards the end of the year or beginning of 2019. The draft Terms of Reference is currently being drafted.

#### **RESOLVED:-**

The notes were agreed.

### **5. ANNUAL AUDIT FINDINGS REPORT**

(See documents No 2 and 3)

Cllr Brett O'Reilly, Cabinet Member for Finance and Resources, Clive Heaphy, Corporate Director, Finance and Governance and Kate Charlton, City Solicitor and Monitoring Officer attended for this item.

The following were among the main points raised:

- The City Council's Stocktake Report 2018 to the Birmingham Independent Improvement Panel mentions the lack of transparency and openness and this is repeated in the Audit Findings Report and in a generalised way, in the report that is going to City Council. Given the seriousness, it was felt that every Member of the Council should have by now been alerted to, or provided with, a copy of the Audit Findings. It was noted there were no formal requirements to notify, as this is not a section 114 notice. However, the Cabinet Member will look as to whether more should have been done.
- It was stated that the key pressure point for most metropolitan authorities is the social care budget, which is overwhelmingly demand driven and it is relatively unusual for the key financial challenges to relate to place-based services. However, the key pressure here is the waste service in the Place

Directorate. The report to Council does not address this and there is a concern that this shows complacency.

- Another particular concern is the subsidiaries that the Council has to concern itself with and it was questioned whether the Council was best placed to have these. The Cabinet Member confirmed he is looking at these.
- The Committee were assured that a lot of work has been done with the Improvement Panel to improve transparency and there is a complete focus on the financial position of the Council.
- The Cabinet Member does not think that it is a coincidence that the big increases in overspend coincided with the removal of the star chamber, where the lead Cabinet Member and officer were held to account. They are now asking for detailed implementation plans to hold Cabinet Members and / or officers to account.
- There appears to be a reduction in the overspend in month 4. There was acknowledgment of this trend and it was commended. However, there is no detail on the measures that were taken. The Committee needs access to this detail to undertake its remit.
- There is a statement that the Council are not going to use reserves in 2019/2020. However, £30.5m has been applied as reserves, so extra savings need to be found. Therefore, the scenario is worse than that being presented to Council and this highlights the lack of openness again.
- It was concerning that the Audit report states that 'the Month three report notes that there are no firm plans identified to mitigate the base pressures and non-delivery of savings. It is clear that budget accountability has not been operating effectively within the Place Directorate, which indicates a lack of leadership'. The Committee were informed that they have been working with the Acting Director and proposals for savings have been found. However, they are facing pressures, such as the price for the sale of paper recycling has been halved. With regards to the new waste employee structure, they are working closely with the unions to get this in place as soon as possible.
- The Cabinet Member would welcome the Committee inviting senior officers with their detailed plans to attend this committee to assist him with additional scrutiny.
- It was reiterated that this committee needs to operate in the public domain so there is full openness and transparency. Officers need to come up with the process and paperwork for this to happen.
- The Audit report states 'whilst we have not qualified our VfM conclusion in relation to the Commonwealth Games, we do recognise that a significant level of funding has not yet been received by the Council and there is a risk that hosting the games will impact upon the Council's future financial sustainability if it is not adequately managed.' The report to Council mentions having a contingency reserve of £14m over the next four years. It was clarified that it is prudent to do this, as the Council needs to demonstrate that it meets the various criteria for the funding from different partners, before it is released. The Committee can be provided with updates on this when it is available.
- The Chair will pick up the matter of transparency and Members having access to information at the Co-ordinating O&S Committee on Friday, as this is the

committee that will be addressing the governance issues within the Audit Findings report. The City Solicitor and Monitoring Officer will report back to the Resources O&S Committee or the Co-ordinating O&S Committee on how information can be shared.

**RESOLVED:-**

- The reports were noted.

**6. RESOURCES O&S COMMITTEE WORK PROGRAMME 2018/19**

(See document No 4)

It had been agreed at the previous meeting that the Committee would look at Acivico and the waste service. It is anticipated that discussion regarding the waste service will come out of addressing the budget issues. As for Acivico, there will be a report to Cabinet and therefore it is better to defer this slightly. It was felt that due to Acivico receiving a state-backed guarantee, then the Council is more than a shareholder and this discussion should be in public. The Chair would receive advice on this.

The Chair is meeting with the Director of HR and Councillor Afzal requested that a full report including equalities issues (i.e. BME breakdown), staffing structure, sickness, workforce and agency staff needs to be presented to the Committee. Councillor Kooner questioned whether HR recognises Sikhs as an ethnicity when capturing data. The Chair stated he would ask for this information and will get a note to Councillor Kooner if this is not the case.

Councillor Kooner would be interested to follow up a scrutiny inquiry she did on commissioning, as she is concerned that big organisations are getting all the contracts in the City. The Chair commented that a report will be going to Cabinet on a new Commissioning Strategy. Therefore, the scrutiny office will need to look at the new strategy and the previous scrutiny inquiry to ascertain whether there is further work to be done.

**RESOLVED:-**

- The Work Programme was noted and the Chair will firm up the 20<sup>th</sup> September 2018 agenda in the next day or two.

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

None.

**8. OTHER URGENT BUSINESS**

None.

**9. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

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The meeting ended at 13.25 hours.

**Report to Resources Overview & Scrutiny Committee**  
**20 September 2018**

**Financial Monitoring 2018/19 Month 04**

**1. Purpose of Report**

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To summarise the overall position for 2018/19 and future years as at Month 4.

**2. Information provided to Executive Management Team meeting 4 September 2018**

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- Appendix Ai - Report on Month 4 revenue monitoring position for 2018/19
- Appendix Aii - Summary of Month 4 Directorate Savings Templates
- Appendix B - Report on Month 4 Capital Revenue monitoring position for 2018/19
- Appendix C – Treasury Management Month 4 Report

**3. Summary of Key Issues**

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- Appendix A covers revenue monitoring. An overspend of £12.1m was forecast at Month 4.
- This was made up of forecast £4.3m base budget overspend and £9.2m of savings not deliverable in 2018/19 offset by partially accelerated achievement of £1.4m of the efficiency target of £5.7m.
- In future years, there were forecast savings that were not fully deliverable of £5.7m in 2019/20, reducing to £5.5m in 2021/22.
- Appendix B covers capital monitoring. The capital budget has increased by £484.3m to £3,342.7m primarily in relation to the Commonwealth Games Village 2022, funded from external grants and corporate resources. The capital programme has also been revised to take account of forecast slippage of £38.7m at Period 4 and a forecast additional cost of £9.9m for Revenue Reform Projects.
- Appendix C monitors Treasury Management, which is on track.

**Signatures**

**Date**

Corporate Director – Finance & Governance .....

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Cabinet Member for Finance & Resources .....

.....





**Report to EMT  
4 September 2018  
Month 4 Revenue Management**

## **1. Actions / Decisions required of EMT**

- Review the overall Month 4 revenue monitoring position for 2018/19.
- Note the summary of Savings Delivery in Appendix Aii.
- Agree how further mitigating actions will be developed to address the forecast overspend described in part e.
- Review the key issues and movements in forecast overspend described in parts f and g.

### **In Relation to Reserves:**

- Note Strategic Services proposal not to repay the World Indoor Athletics Negative Reserve, as referred to in part b.
- Agree whether to support the proposed use of reserves to mitigate Place Directorates forecast overspend.
- Agree release of reserves for Local Innovation Fund (LIF)
- Agree the use of Business Rates related grant reserves set aside at outturn 2017/18 to fund the 2018/19 shortfall in government grants.
- Agree the use of Policy Contingency underspends brought forward from Outturn 2017/18 of £2.0m in relation to the Mobile Investment Fund in Economy.

## **2. Purpose of Report**

To summarise the overall forecast revenue outturn position for 2018/19 and future year's savings delivery as at Month 4 and to identify / agree strategies to mitigate the forecast overspend.

## **3. Summary of key issues**

### **a) Overview of Month 4**

A gross revenue overspend of £12.1m in 2018/19 is being forecast at Month 4 (Month 3 £17.9m). This is made up of forecast £4.3m base budget overspend (Month 3 £10.1m) and £9.2m of savings not deliverable in 2018/19 (Month 3 £9.1m) offset by partially accelerated achievement of £1.4m (No Change) of the efficiency target of £5.7m. No specific mitigations have been identified yet.

Meetings have been held with Councillor O'Reilly and Directorates to identify further mitigations on the 9<sup>th</sup> and 13<sup>th</sup> August. Actions agreed will be reflected in the Month 5 report where appropriate.

The position is summarised in Table 1 overleaf.

This is an improvement of £5.8m since Month 3. The reduction in forecast overspends comes from general base budget management discussed in part f.

Table 1 - Summary forecast position of base budget and undeliverable savings

Directorate	Current Budget £m	Base Budget Overspend/(Underspend)			Savings not Deliverable			Efficiency Target			Total Forecast Overspend/(Underspend)		
		as at Month 4 £m	Month 3 £m	Movement £m	as at Month 4 £m	Month 3 £m	Movement £m	as at Month 4 £m	Month 3 £m	Movement £m	as at Month 4 £m	Month 3 £m	Movement £m
Adult Social Care & Health Directorate	336.068	(0.038)	1.549	(1.587)	0.000	0.000	0.000	0.000	0.000	0.000	(0.038)	1.549	(1.587)
Children & Young People Directorate	233.554	0.916	0.994	(0.078)	1.746	1.746	0.000	0.000	0.000	0.000	2.662	2.740	(0.078)
Place Directorate	136.187	5.057	7.321	(2.264)	3.237	3.481	(0.244)	0.000	0.000	0.000	8.294	10.802	(2.508)
Economy Directorate	93.236	(1.501)	(0.188)	(1.313)	3.340	2.644	0.696	(0.739)	(0.739)	0.000	1.100	1.717	(0.617)
Strategic Services Directorate	35.760	0.000	0.000	0.000	0.090	0.947	(0.857)	(0.354)	(0.354)	0.000	(0.264)	0.593	(0.857)
Finance & Governance Directorate	29.879	(0.956)	(0.362)	(0.594)	0.500	0.000	0.500	(0.244)	(0.244)	0.000	(0.700)	(0.606)	(0.094)
Chief Executive & Assistant Chief Executive	3.164	0.000	0.000	0.000	0.000	0.000	0.000	(0.025)	(0.025)	0.000	(0.025)	(0.025)	0.000
Sub-total Directorates Position	867.848	3.478	9.314	(5.836)	8.913	8.818	0.095	(1.362)	(1.362)	0.000	11.029	16.770	(5.741)
Policy Contingency	10.318	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate Savings	0.000	0.000	0.000	0.000	0.300	0.300	0.000	0.000	0.000	0.000	0.300	0.300	0.000
Other Corporate Items	(22.977)	0.801	0.801	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.801	0.801	0.000
Sub-total Corporate Position	(12.659)	0.801	0.801	0.000	0.300	0.300	0.000	0.000	0.000	0.000	1.101	1.101	0.000
City Council General Fund	855.189	4.279	10.115	(5.836)	9.213	9.118	0.095	(1.362)	(1.362)	0.000	12.130	17.871	(5.741)
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

- The total forecast overspend of £12.1m is related to overspends for Place Directorate (£8.3m), Children and Young People (£2.7m) and Economy (£1.1m), offset by underspends for Finance & Governance (£0.7m) and Strategic Services (£0.3m). There are also £1.1m of Corporate overspends.
- In the case of Place Directorate, the overspend of £8.3m relates to Waste Management services of £5.3m and Markets £0.7m, offset by other directorate net savings of £0.9m. In addition there are some savings delivery challenges totalling £3.2m.
- Children & Young People (CYP) relates largely to savings delivery challenges on Travel Assist.
- Economy Directorate relates largely to savings shortfall in Inreach and Birmingham Property Services
- Adult Social Care and Health is now forecast to be balanced.
- There is a savings shortfall of £0.3m on Other Corporate Items relating to the Corporate structure
- There is a forecast corporate base budget overspend of £0.8m, relating to Acivico.
- Strategic Services are now forecasting a £0.3m underspend
- Chief Executive and Assistant Chief Executive Directorate is forecasting a balanced position and there are £0.7m underspends in Finance & Governance
- Further work is being undertaken in conjunction with Acivico to establish the expected trading position for the company in 2018/19 and to consider any risk that there could be further costs which the Council will need to meet. The outcome of this will be reflected in future monitoring reports.

#### **b) Reserves**

- In line with the Council Plan and Budget 2018+ agreed in February 2018, the Council is planning for the strategic use of £30.5m of Corporate Reserves in 2018/19.
- In addition, there are both planned uses of and contributions to Other Reserves. A net contribution of £1.9m to Other Reserves was assumed as part of setting the budget.
- There has been no change to the planned strategic use of Reserves to balance the budget.
- There are £2.5m of additional forecast use of other Reserves including a lower than anticipated contribution to the Commonwealth Games Contingency Reserve of £1.5m, a £0.6m deferral of budgeted repayment of schools balances, a net use of grant reserves of £0.3m and the net use of other earmarked reserves of £0.1m.
- The net forecast overspend above includes the following assumptions:
  - i. Contributions to Reserves:
    - Strategic Services are not making a planned contribution of £0.7m to the World Indoor Athletics (WIA) Negative Reserve in order to mitigate lower than anticipated outdoor advertising income. The Directorate is expected to generate extra income on outdoor advertising or find alternative ways to make repayment to the negative reserve. This is not reflected in Table 2 below.
    - Children & Young People are deferring budgeted repayment of £0.6m to schools balances to mitigate base pressures. This was assumed at Month 3.
    - Finance & Governance are anticipating £0.9m contributions to Reserves relating, mainly, to a SAP development underspend.
  - ii. Use of Reserves:
    - Finance & Governance are not using a budgeted appropriation from Reserves of £0.3m for Audit, thus reducing their underspend.
    - Place are using Adult Education ring fenced Grant Reserve of £0.2m to mitigate base budget pressures including one off Adult Education costs of staffing changes and IT.

- Requests for access to earmarked Use of Reserves:
  - Place are requesting the release of reserves relating to the Local Innovation Fund (LIF). Expenditure on projects in relation to this, which include conditions of grant aid, will be completed in 2018/19 for which this funding has specifically been set aside.
  - At outturn 2017/18 there was a £2.1m corporate contribution to reserves relating to Business Rates compensatory grants which is intended to be used to offset a shortfall as a result of downwards adjustments to these grants by Central Government in 2018/19 as a result of a calculation error on their part. This shortfall became apparent after the budget for 2018/19 was set.
  - Economy are requesting the use of Policy Contingency underspends from Outturn 2017/18 of £2.0m in relation to the Mobile Investment Fund.

Table 2 below shows the forecast use of Reserves in 2018/19:

**Table 2 - 2018/19: (Use of)/Contribution to Reserves as at Month 4**

	Planned Base Budget £m	Year End Forecast as at Month 4 £m	Variance £m
<b>Corporate Reserves</b>			
Use of Organisational Transition Reserve (PFS)	(3.902)	(3.902)	0.000
Use of Financial Resilience Reserve	(11.575)	(11.575)	0.000
Use of One Off Resources from Previous Years	(13.250)	(13.250)	0.000
Treasury Management	(1.815)	(1.815)	0.000
<b>Strategic Use of Reserves</b>	<b>(30.542)</b>	<b>(30.542)</b>	<b>0.000</b>
Contribution to Capital Fund	3.326	3.326	0.000
Business Rates Appeals	9.349	9.349	0.000
Cyclical Maintenance	2.540	2.540	0.000
Commonwealth Games Contingency Reserve	4.746	3.254	(1.492)
<b>Other (Use of)/Contribution to Reserves</b>	<b>19.961</b>	<b>18.469</b>	<b>(1.492)</b>
<b>Sub Total (Use of)/Contribution to Reserves</b>	<b>(10.581)</b>	<b>(12.073)</b>	<b>(1.492)</b>
Repayments - Borrowing Highways PFI	0.985	0.985	0.000
<b>Total Corporate (Use of)/Contribution to Reserves</b>	<b>(9.596)</b>	<b>(11.088)</b>	<b>(1.492)</b>
<b>Other Reserves</b>			
Use of Grant Reserves	(8.594)	(8.923)	(0.329)
Contribution to Grant Reserves	1.477	1.477	0.000
Use of Other Earmarked Reserves	(14.848)	(14.971)	(0.122)
Contribution to Other Earmarked Reserves	2.364	2.364	0.000
Repayment of Schools' Balances	0.600	0.000	(0.600)
Use of Carry Forward Balances	(0.025)	(0.025)	0.000
<b>Total Other (Use of)/Contribution to Reserves</b>	<b>(19.027)</b>	<b>(20.078)</b>	<b>(1.051)</b>
<b>Total (Use of)/Contribution to Reserves</b>	<b>(28.623)</b>	<b>(31.166)</b>	<b>(2.543)</b>

### c) Overview of Efficiency Target

£5.7m of the FRR has been utilised in 2018/19 in order to allow time for services to identify in full their efficiency plans. The budget figures have been based on achieving those savings from 2019/20. However, there is an expectation placed on Corporate Directors to develop plans to deliver efficiency savings in 2018/19.

The current forecast position on delivering the efficiency target is summarised in Table 3 below:

**Table 3 – Summary of Efficiency Targets**

Directorates	Budget		Forecast Achievability in 2018/19	Forecast Achievability in 2019/20
	2018/19 £m	2019/20 £m	Delivery £m	Delivery £m
Adult Social Care & Health Directorate	0.000	(2.391)	0.000	(2.391)
Children & Young People Directorate	0.000	(0.664)	0.000	0.000
Place Directorate	0.000	(1.248)	0.000	(1.248)
Economy Directorate	0.000	(0.739)	(0.739)	(0.739)
Strategic Services Directorate	0.000	(0.354)	(0.354)	(0.354)
Finance & Governance Directorate	0.000	(0.244)	(0.244)	(0.244)
Chief Executive & Assistant Chief Executive	0.000	(0.025)	(0.025)	(0.025)
<b>Total</b>	<b>0.000</b>	<b>(5.665)</b>	<b>(1.362)</b>	<b>(5.001)</b>

### d) Overview of Future Years

In future years, there are forecast savings that are not fully deliverable of £5.7m in 2019/20, reducing to £5.5m in 2021/22.

Deliverability issues identified by Directorates are summarised in Table 4 below:

**Table 4 – Summary of Delivery in 18/19 and Future Years**

Directorate	2018/19			2019/20	2020/21	2021/22
	At Risk (£m)	One off Mitigations (£m)	Non-Delivery (£m)	Non-Delivery (£m)	Non-Delivery (£m)	Non-Delivery (£m)
Adult Social Care & Health Directorate	4.446	5.836	0.000	0.000	0.000	0.000
Children & Young People Directorate	0.270	0.000	1.746	1.510	1.722	1.722
Place Directorate	0.699	0.000	3.237	0.000	0.000	0.000
Economy Directorate	0.403	1.000	3.340	3.429	3.406	3.145
Strategic Services Directorate	0.430	5.429	0.090	0.778	0.667	0.667
Finance & Governance Directorate	0.025	0.009	0.500	0.000	0.000	0.000
Chief Executive & Asst Chief Exec Dir.	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Directorates</b>	<b>6.273</b>	<b>12.274</b>	<b>8.913</b>	<b>5.717</b>	<b>5.795</b>	<b>5.534</b>
Corporate Savings	0.300	1.105	0.300	0.000	0.000	0.000
<b>Grand Total</b>	<b>6.573</b>	<b>13.379</b>	<b>9.213</b>	<b>5.717</b>	<b>5.795</b>	<b>5.534</b>

The lack of detail in some implementation plans provided means that it is not clear that all savings currently shown as deliverable will be fully delivered. Further work is being undertaken to refine these plans as part of the budget process and as follow up to the last EMT Away Days.

#### e) Mitigations within the Base Budget

Base budget overspends have been reduced by a number of mitigating actions. These are not separately identified in Table 1 above. Table 5 below summarises pressures and mitigations within the base budget forecasts, and whether they are considered to be one-off or permanent pressures or mitigations.

Overall, £8.1m of mitigations within the base budget are considered to be one-off mitigations. After taking into account the £13.4m of one-off mitigations to savings programmes shown in Table 4, there is a total of £21.5m of one-off mitigations taken into account within the base budget and savings non-delivery.

**Table 5 – Summary of Pressures and Mitigations within base budget over/(under)spends**

Directorate	2018/19			2018/19			2018/19		
	One-off pressures (£m)	On-going pressures (£m)	Total pressures (£m)	One-off mitigations (£m)	Permanent mitigations (£m)	Total mitigations (£m)	One-off total (£m)	on-going total (£m)	base total (£m)
Adult Social Care & Health Directorate	0.3	4.3	4.6	(2.7)	(1.9)	(4.6)	(2.4)	2.4	0.0
Children & Young People Directorate	0.3	1.5	1.8	(0.9)	0.0	(0.9)	(0.6)	1.5	0.9
Place Directorate	4.6	1.6	6.2	(0.4)	(0.7)	(1.1)	4.2	0.9	5.1
Economy Directorate	0.8	0.8	1.6	(3.1)	0.0	(3.1)	(2.3)	0.8	(1.5)
Strategic Services Directorate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance & Governance Directorate	0.0	0.0	0.0	(1.0)	0.0	(1.0)	(1.0)	0.0	(1.0)
Chief Executive & Asst Chief Exec Dir.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Directorates</b>	<b>6.0</b>	<b>8.2</b>	<b>14.2</b>	<b>(8.1)</b>	<b>(2.6)</b>	<b>(10.7)</b>	<b>(2.1)</b>	<b>5.6</b>	<b>3.5</b>
Corporate Savings	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.8	0.8
<b>Grand Total</b>	<b>6.0</b>	<b>9.0</b>	<b>15.0</b>	<b>(8.1)</b>	<b>(2.6)</b>	<b>(10.7)</b>	<b>(2.1)</b>	<b>6.4</b>	<b>4.3</b>

#### f) Key issues

The following key areas are highlighted in the Month 4 position:

##### Summary comments

- There are base budget pressures of £4.3m identified at Month 4
- There are £9.2m of savings identified as not deliverable at Month 4
- There are other savings of £6.6m that have been identified as at risk and £13.4m that are being covered by one off mitigations
- Not all Directorates have identified plans to accelerate achievement of the efficiency savings in 2018/19.
- Meetings have been held with Councillor O'Reilly and Directorates to identify further mitigations on the 9<sup>th</sup> and 13<sup>th</sup> August. Updates from these meetings will be included in the Report to be considered at EMT on 28th August where appropriate.
- There are a number of implementation plans that have insufficient detail.

The remaining parts to section f are summary descriptions of the position for each Directorate including a split between Base Budget and Savings where appropriate.

**Adult Social Care and Health (ASC&H) – Net underspend (£0.038m)**

- There are base pressures on Packages of Care of £4.3m before mitigations of £4.5m were identified. It should be considered whether Older Adults placements can be moved on to the new framework contract at a faster pace.
- There are £0.2m other net overspends.
- Additional pressures from young people transitioning into Adult Care of £19m by 2021/22 are reported. The current assumption is that the “Transition Project” (reported to Cabinet in June) will mitigate these pressures.
- There has been use of £5.8m of IBCF to mitigate savings non-delivery in 2018/19.
- No implementation plans to deliver the efficiency savings have yet been identified for the current year or future years.

**Children and Young People (C&YP) - Net overspend £2.6m**

- Travel Assist – The Directorate is reporting a £1.5m base budget pressure and £1.3m non-achievement of savings. The Directorate has identified that a potential mitigation would be to reduce guides from September 2018 but it has also stated that this would be high risk and possibly require Cabinet approval. This potential mitigation was identified last month but it is unclear what progress has been made.
- There is also a forecast base budget pressure of £0.3m in Day Nurseries which cannot close until April 2019 at the earliest due to a delayed Cabinet Report. If not agreed by Cabinet this will be an on-going pressure.
- A one off saving of £0.6m has been identified by deferring repayment to school balances.
- No savings have been identified for £0.4m of the C&YP share of WOC Savings.
- Other minor underspends of £0.3m have been identified.
- No plans to deliver the efficiency savings have yet been identified for the current year or future years.
- No mitigations have been identified yet for the base pressures and non-delivery of savings.

**Place - Net overspend £8.3m**

- Place is forecasting an overspend of £8.3m (Month 3 £10.8m)
- There are £5.1m of base pressures reported (Month 3 £7.3m) comprising:
  - £5.3m (Month 3 £5.3m) relating to Waste Services – This is due to the delay in the implementation of the 5 day working week until 1 September (£1.8m), on-going commercial volatility and lower paper market prices (£1.2m), lower fleet services recharge income due to reduced demand from internal Council customers (£0.7m) and residual matters relating to external contractors commissioned during the industrial dispute (£1.6m) - (the projection assumes that the implementation of the Memorandum of Understanding agreed with the trades unions is cost neutral)
  - £0.7m for Markets (Month 3 £1.2m) – Due mainly to the transitional costs arising from the relocation of the wholesale market.
  - £0.2m overspend on Equalities and Community Cohesion/CCTV.

Offset by:

- underspends of £0.2m (Month 3 £0.4m overspend) for the Homeless Services (Housing Options) and other directorate underspends of £0.9m, mainly comprising £0.5m Private Sector Housing, £0.2m Adult Education and £0.1m Parks.
- There are £3.2m of savings forecast not to be delivered (Month 3 £3.5m) comprising:

- Waste Services (SN6) £0.4m – Capacity Fee and Overrun Agreement (pending the procurement of the new contract from October 2019) – this is the element that may not be realisable from the total of £1.8m based on the current position on the negotiations of the agreement. However, the focus on this will be continued as the negotiations progress to further improve the position.
  - Disposal of Parks Land (SN45) £0.5m – expected 8 acres per year subject to approval by Property Board (and prior year savings on Cofton Nursery)
  - Asset and Property Disposal Programme (HN7) £0.7m - £8m per annum to generate a revenue saving subject to approval by Property Board
  - Cross Cutting Workforce Savings £1.4m – £1.1m is achieved from the total of £2.5m (the non-delivery of £1.4m includes £0.8m for Waste Services). Plans are in development for a refreshed approach to delivery that will take a whole Directorate view rather than pro-rating savings to individual service areas.
  - Pension Strain Costs from Prior Years £0.2m
- There are Inter-Directorate Transfers of services planned for Markets from Place to Economy. However, a £0.7m pressure remains on this service and the transfer will not take place until this is resolved.
  - No plans to deliver the efficiency savings have yet been identified for the current year or future years.

#### **Economy - Net overspend £1.1m**

- Economy has a forecast £1.5m base budget underspend.
  - This includes pressures of £1.6m (made up by £0.5m for the loss of CAB income, £0.5m in year deficit on Street Lighting, £0.3m in year deficit on Licences and Permit Income and £0.3m Facilities Management (FM)- over recent years FM's year-end outturn position has been one of deficit, with the position for 2017/18 totalling £0.3m).
  - These are offset by forecast underspends of £3.1m (made up by £0.7m Civil Parking Enforcement, £0.3m Car Parking Income, £0.5m prudential borrowing, £0.3m HMMPFI Superannuation, £0.3m Developers Fee Income, and £1.0m other variations)

Economy is reporting Savings non-delivery of £3.3m.

- £1.4m is for CAB Buildings, after mitigations. There is a proposal to re-apportion costs across the Council, but this will only spread the overspend across Directorates, not provide a solution.
  - There is also £1.6m non-delivery of InReach savings, largely due to delays. Parts of the scheme are still awaiting approval from the Secretary of State. Due to delays in obtaining a formal decision, this part of the saving is assumed not be achievable.
  - There is a shortfall of £0.3m in savings on Expansion of City Centre parking due to delays. The scheme is now expected to deliver savings from February 2019.
- Economy has accelerated its efficiency savings to cover its target of £0.7m in the current year as required.

#### **Finance and Governance (F&G) - Net underspend (£0.7m)**

- F&G has a base underspend of £1.0m. This largely relates to an underspend on SAP Development.
- F&G has reported that £0.5m of Legal savings may not be achieved. A service review paper was agreed by CMT on 25<sup>th</sup> June. If full year charges can be made to Directorates, then the full saving may be made. But charges for partial year may result in a savings shortfall.



- F&G has accelerated its efficiency savings to cover its target of £0.2m in the current year as required.

#### **Strategic Services - Net underspend (£0.3m)**

- Strategic Services has not identified any base pressures.
- There are £0.1m (Month 3 £0.9m) of ICT&D savings shown as unachievable. This is after one off mitigations of £4.4m.
- HR has £0.2m of WOC savings that the Service considers unachievable in the short term while the new service model is implemented. These are expected to be mitigated in the short term with vacancy management.
- There are no plans to deliver future years increases in WOC savings.
- Strategic Services has identified plans for all of its £0.4m efficiency savings target in the current year. The share for HR has been shown as not achievable whilst the new service model is implemented, but is expected to be mitigated in the short term with vacancy management.

#### **Chief Executive and Assistant Chief Executive - Net underspend (£0.025m)**

- The Directorate is expecting to be within budget and achieve its share of savings.
- It is expecting to achieve its efficiency target in the current year.

#### **Corporate Position - Net overspend £1.1m**

- No templates have been received for any corporate savings apart from the Commercialism savings.
- There is a target of £1.2m from Commercialism savings. The template only expects a very small amount to be achieved in year as planned, with the rest achieved by one-off mitigations. It is essential that there is clear relationship between savings attributed to Commercialism and individual Directorate proposals to avoid the risk of double counts.
- There is a target of £0.6m from the planned review of senior structures. It has been assumed for this report that £0.3m of the savings are not achieved and £0.3m is at risk. It is assumed this will be fully delivered in future years.
- There is a forecast overspend of £0.7m related to budgeted Acivico profit share that, to be prudent, is being treated as unachievable, and a further £0.1m forecast costs for charges such as archiving and unfunded Highbury Hall costs.
- No corporate mitigations have been assumed at this stage.
- However, further work is being undertaken in conjunction with Acivico to establish the expected trading position for the company in 2018/19 and to consider any risk that there could be further costs which the Council will need to meet. The outcome of this will be reflected in future monitoring reports.

#### **g) Key Movements since Month 3 - £5.8m Net Improvement in 2018/19**

The following areas are the main movements since Month 3:

#### **Base Budget – Net Improvement £5.8m**

- **Place** - Housing Options – reduction of £0.6m forecast due to alternative strategy to reduce the use of B&Bs.
- **Place** - Markets – reduction of £0.5m forecast due to reduction in the anticipated costs of NNDR
- **Place** – Other Directorate Improvements of £1.1m

- The Directorate is reporting underspends totalling £0.7m across other services including a pressure of £0.2m for CCTV offset by other directorate underspends of £0.9m, mainly comprising £0.5m Private Sector Housing, £0.2m Adult Education use of reserves and £0.1m Parks. This is compared to a previous overspend at month 3 on other directorate services of £0.4m relating to pension fund costs and inflationary cost pressures relating to pay awards.
- **Economy** – Further net underspends of £1.4m identified, including £0.5m Prudential Borrowing and £0.3m Developer Fee Income and £0.6m other net improvements.
- **Childrens** – further minor saving of £0.1m has been identified.
- **Adults** – Packages of Care-£1.9m improvement in forecast partially offset by £0.3m other net worsening across the service.
- **Finance & Governance** - £0.8m underspend forecast related to SAP Development partially offset by £0.2m other net worsening across the service.

#### **Savings Non-Delivery – Net Worsening £0.1m**

- **Finance & Governance** – £0.5m of Legal savings are now forecast not to be delivered.
- **Economy** – Inreach non-delivery assumed to be £0.4m worse due to delays in getting scheme approved by Secretary of State
- **Economy** – On-street Parking non-delivery in 2018/19 assumed to be £0.3m due to consultation delays

Partially offset by:

- **Strategic Services** - £0.8m one off reduction in under-achievement of ICT savings following review of investment programme and identification of further savings.
- **Place** - £0.3m reduction/improvement in under-achievement of cross cutting workforce savings (WOC1).

**Clive Heaphy, Corporate Director of Finance & Governance**

**14 August 2018**

		2018/19					Budgeted Savings			Forecast Savings			Non-Delivery		
		Budgeted Savings	Full Delivery	At Risk	One off Mitigations (include in comments below)	Non-Delivery	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Savings Reference	Service Area	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Health															
HW1 17+ / MIA7 16+	Prevention & Early intervention	(2.046)	(0.246)	0.000	(1.800)	0.000	(2.051)	(2.063)	(2.063)	(2.051)	(2.063)	(2.063)	0.000	0.000	0.000
HW3 17+	Enablement efficiencies	(2.461)	0.000	(0.961)	(1.500)	0.000	(2.461)	(2.000)	(2.000)	(2.461)	(2.000)	(2.000)	0.000	0.000	0.000
HW4 17+ / HW11 17+ /AD002	Integrated community social work organisations	(2.536)	0.000	0.000	(2.536)	0.000	(3.529)	(4.350)	(5.643)	(3.529)	(4.350)	(5.643)	0.000	0.000	0.000
HW8 17+	External day care centres	(1.165)	0.000	(1.165)	0.000	0.000	(1.165)	(1.165)	(1.165)	(1.165)	(1.165)	(1.165)	0.000	0.000	0.000
HW7 17+&AD006	Public Health	0.450	0.450	0.000	0.000	0.000	0.440	(1.060)	(0.050)	0.440	(1.060)	(0.050)	0.000	0.000	0.000
HW13 17+	Carers grant	(0.222)	(0.222)	0.000	0.000	0.000	(0.222)	(0.222)	(0.222)	(0.222)	(0.222)	(0.222)	0.000	0.000	0.000
PFS	Corporate Funding of Pension Fund Strain	(0.722)	(0.722)	0.000	0.000	0.000	(0.406)	0.000	0.000	(0.406)	0.000	0.000	0.000	0.000	0.000
WOC1	Allocation of workforce savings	(2.185)	(2.185)	0.000	0.000	0.000	(2.859)	(3.962)	(3.962)	(2.859)	(3.962)	(3.962)	0.000	0.000	0.000
CC002	Efficiency Target +Rescheduling of BT repayment	0.000	0.000	0.000	0.000	0.000	(2.408)	(2.441)	(2.441)	(2.408)	(2.441)	(2.441)	0.000	0.000	0.000
AD001	Adult Packages of Care	0.000	0.000	0.000	0.000	0.000	(6.250)	(14.750)	(22.250)	(6.250)	(14.750)	(22.250)	0.000	0.000	0.000
AD005	Corporate Director	(0.350)	(0.350)	0.000	0.000	0.000	(0.350)	(0.420)	(0.420)	(0.350)	(0.420)	(0.420)	0.000	0.000	0.000
AD007	Specialist Care Services	(1.058)	0.000	(1.058)	0.000	0.000	(3.176)	(4.233)	(4.233)	(3.176)	(4.233)	(4.233)	0.000	0.000	0.000
Adult Social Care & Health Subtotal Savings		(12.295)	(3.275)	(3.184)	(5.836)	0.000	(24.437)	(36.666)	(44.449)	(24.437)	(36.666)	(44.449)	0.000	0.000	0.000

savings delivered on a one-off basis in 2017/18

HW3	Specialist Care Services	(1.500)	(1.500)	0.000	0.000	0.000	(1.500)	(1.500)	(1.500)	(1.500)	(1.500)	(1.500)	0.000	0.000	0.000
MYR1	Adult Packages of Care	0.000	0.000	0.000	0.000	0.000	0.000	(2.642)	(2.642)	0.000	(2.642)	(2.642)	0.000	0.000	0.000
HW1	ASCH Commissioning	0.000	0.000	0.000	0.000	0.000	(1.391)	(1.391)	(1.391)	(1.391)	(1.391)	(1.391)	0.000	0.000	0.000
HW8	Specialist Care Services	(1.262)	0.000	(1.262)	0.000	0.000	(1.262)	(1.262)	(1.262)	(1.262)	(1.262)	(1.262)	0.000	0.000	0.000
HW9	Assessment & Support Planning	0.000	0.000	0.000	0.000	0.000	(0.188)	(0.188)	(0.188)	(0.188)	(0.188)	(0.188)	0.000	0.000	0.000
Adult Social Care & Health One-off savings		(2.762)	(1.500)	(1.262)	0.000	0.000	(4.341)	(6.983)	(6.983)	(4.341)	(6.983)	(6.983)	0.000	0.000	0.000
Adult Social Care & Health Total Savings		(15.057)	(4.775)	(4.446)	(5.836)	0.000	(28.778)	(43.649)	(51.432)	(28.778)	(43.649)	(51.432)	0.000	0.000	0.000

Children & Young People

CH4 17+ / MIA3 16+	Education travel	(1.300)	0.000	0.000	0.000	(1.300)	(1.754)	(1.974)	(1.974)	(1.754)	(1.974)	(1.974)	0.000	0.000	0.000
CH5 17+	Early Help - commissioning and brokerage	(5.546)	(5.546)	0.000	0.000	0.000	(9.573)	(11.118)	(11.118)	(9.573)	(11.118)	(11.118)	0.000	0.000	0.000
CH6 17+	Educational psychologists	(0.050)	(0.050)	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
P22 16+	Early Years	(0.270)	0.000	(0.270)	0.000	0.000	(0.150)	(1.131)	(1.950)	(0.150)	(1.131)	(1.950)	0.000	0.000	0.000
WOC1	Allocation of workforce savings	(0.571)	(0.125)	0.000	0.000	(0.446)	(0.846)	(1.058)	(1.058)	0.000	0.000	0.000	0.846	1.058	1.058
CC002	Efficiency Target	0.000	0.000	0.000	0.000	0.000	(0.664)	(0.664)	(0.664)	0.000	0.000	0.000	0.664	0.664	0.664
CY001A	Education Psychology	(0.100)	(0.100)	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
CY003	Cityserve	(0.050)	(0.050)	0.000	0.000	0.000	(0.237)	(0.437)	(0.437)	(0.237)	(0.437)	(0.437)	0.000	0.000	0.000
CY010 CY013	School Setting / Improvements	(0.246)	(0.246)	0.000	0.000	0.000	(0.246)	(0.246)	(0.246)	(0.246)	(0.246)	(0.246)	0.000	0.000	0.000
CY012	School & Governor Support	(0.020)	(0.020)	0.000	0.000	0.000	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	0.000	0.000	0.000
CY016	Schools Financial Services	(0.035)	(0.035)	0.000	0.000	0.000	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	0.000	0.000	0.000
Children & Young People Total Savings		(8.188)	(6.172)	(0.270)	0.000	(1.746)	(13.725)	(16.883)	(17.702)	(12.215)	(15.161)	(15.980)	1.510	1.722	1.722

Place

HW2 17+	Review future options for wellbeing centres and community hubs	(0.700)	(0.700)	0.000	0.000	0.000	(1.300)	(1.300)	(1.300)	(1.300)	(1.300)	(1.300)	0.000	0.000	0.000
SN26 16+	Discontinue Non Framework Contract at Health and Wellbeing Centres	(0.560)	0.000	(0.560)	0.000	0.000	(0.750)	(0.750)	(0.750)	(0.750)	(0.750)	(0.750)	0.000	0.000	0.000
SN43 16+	Community leisure centres	(0.059)	(0.059)	0.000	0.000	0.000	(0.059)	(0.059)	(0.059)	(0.059)	(0.059)	(0.059)	0.000	0.000	0.000
PL001	Sport & Events	(0.170)	(0.170)	0.000	0.000	0.000	(0.170)	(0.170)	(0.170)	(0.170)	(0.170)	(0.170)	0.000	0.000	0.000
HN3 17+	Waste Management Contracts - Charging for traders to access Hubs	0.075	0.075	0.000	0.000	0.000	0.300	0.300	0.300	0.300	0.300	0.300	0.000	0.000	0.000
SN21 16+	Removal of Universal Superloos	(0.101)	(0.101)	0.000	0.000	0.000	(0.101)	(0.101)	(0.235)	(0.101)	(0.101)	(0.235)	0.000	0.000	0.000

		2018/19					Budgeted Savings			Forecast Savings			Non-Delivery		
		Budgeted Savings	Full Delivery	At Risk	One off Mitigations (include in comments below)	Non-Delivery	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Savings Reference	Service Area	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
SN6 16+	Waste Disposal Contract	(1.750)	(1.350)	0.000	0.000	(0.400)	(10.500)	(10.500)	(10.500)	(10.500)	(10.500)	(10.500)	0.000	0.000	0.000
HN1 17+	Parks - reduction to service	(0.727)	(0.600)	0.000	0.000	(0.127)	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	0.000	0.000	0.000
SN45 16+	Disposal of unwanted/under utilised parks land (8 acres per yea	(0.200)	0.000	0.000	0.000	(0.200)	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)	0.000	0.000	0.000
PL003	Parks and Nature Conservation	(0.200)	(0.200)	0.000	0.000	0.000	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)	0.000	0.000	0.000
SN24 16+	Provide above ground mausoleums and vaults	(0.209)	(0.070)	(0.139)	0.000	0.000	(0.209)	(0.209)	(0.209)	(0.209)	(0.209)	(0.209)	0.000	0.000	0.000
HN6a 17+	Increase commercial income on activities-Bereavement	(0.050)	(0.050)	0.000	0.000	0.000	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	0.000	0.000	0.000
PL004	Bereavement Services	(0.121)	(0.121)	0.000	0.000	0.000	(0.121)	(0.121)	(0.121)	(0.121)	(0.121)	(0.121)	0.000	0.000	0.000
HN6d 17+	Increase commercial income on activities-Marketing	0.000	0.000	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
CC12 17+	Equalities	(0.142)	(0.142)	0.000	0.000	0.000	(0.142)	(0.142)	(0.142)	(0.142)	(0.142)	(0.142)	0.000	0.000	0.000
PL008	Engineering & Resilience Services	(0.098)	(0.098)	0.000	0.000	0.000	(0.098)	(0.098)	(0.098)	(0.098)	(0.098)	(0.098)	0.000	0.000	0.000
EGJ8 16+	Create a West Midlands-wide trading standards service	(0.050)	(0.050)	0.000	0.000	0.000	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	0.000	0.000	0.000
PL011	Register Office	(0.172)	(0.172)	0.000	0.000	0.000	(0.172)	(0.172)	(0.172)	(0.172)	(0.172)	(0.172)	0.000	0.000	0.000
PL014	Waste Prevention	(0.110)	(0.110)	0.000	0.000	0.000	(0.165)	(0.165)	(0.165)	(0.165)	(0.165)	(0.165)	0.000	0.000	0.000
HN4 17+	Selective licensing	(0.250)	(0.250)	0.000	0.000	0.000	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)	0.000	0.000	0.000
CC27 16+	New Operating Model for Community Libraries	(0.545)	(0.545)	0.000	0.000	0.000	(0.388)	(0.388)	(0.388)	(0.388)	(0.388)	(0.388)	0.000	0.000	0.000
HN6c 17+	Increase commercial income on activities-LOB	(0.050)	(0.050)	0.000	0.000	0.000	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	0.000	0.000	0.000
PL016D	Neighbourhoods & Communities - Youth Service	(0.100)	(0.100)	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
PL016E	Neighbourhoods & Communities - Community	(0.040)	(0.040)	0.000	0.000	0.000	(0.120)	(0.120)	(0.120)	(0.120)	(0.120)	(0.120)	0.000	0.000	0.000
E29/E38 16+	Support to the Arts and Borrowing from Reserves - Arts	(1.000)	(1.000)	0.000	0.000	0.000	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	0.000	0.000	0.000
E30 16+	Major Events	(1.471)	(1.471)	0.000	0.000	0.000	(1.471)	(1.471)	(1.471)	(1.471)	(1.471)	(1.471)	0.000	0.000	0.000
PL020	City Centre Management	(0.030)	(0.030)	0.000	0.000	0.000	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	0.000	0.000	0.000
PL021	Housing Options	0.000	0.000	0.000	0.000	0.000	0.000	(0.500)	(1.009)	0.000	(0.500)	(1.009)	0.000	0.000	0.000
PL022	Shelforce	0.000	0.000	0.000	0.000	0.000	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	0.000	0.000	0.000
HN7 17+	Asset and property disposal programme	(0.700)	0.000	0.000	0.000	(0.700)	(1.100)	(1.100)	(1.100)	(1.100)	(1.100)	(1.100)	0.000	0.000	0.000
CC28 17+	Reductions in Operational Costs	0.050	0.050	0.000	0.000	0.000	0.050	0.050	0.050	0.050	0.050	0.050	0.000	0.000	0.000
WOC1	Allocation of workforce savings	(2.487)	(1.079)	0.000	0.000	(1.408)	(3.644)	(4.371)	(4.371)	(3.644)	(4.371)	(4.371)	0.000	0.000	0.000
CC002	Efficiency Target	0.000	0.000	0.000	0.000	0.000	(1.248)	(1.248)	(1.248)	(1.248)	(1.248)	(1.248)	0.000	0.000	0.000
	Corporate Funding of Pension Fund Strain	(0.365)	(0.269)	0.000	0.000	(0.096)	(0.034)	0.000	0.000	(0.034)	0.000	0.000	0.000	0.000	0.000
Place Subtotal Savings		(12.332)	(8.702)	(0.699)	0.000	(2.931)	(24.522)	(25.715)	(26.358)	(24.522)	(25.715)	(26.358)	0.000	0.000	0.000

savings delivered on a one-off basis in 2017/18

HN7	Asset & Property Disposal Programme	(0.100)	(0.100)	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
SN26*	Discontinue Non Framework Contract at Health and Wellbeing Centres	(0.230)	(0.230)	0.000	0.000	0.000	(0.230)	(0.230)	(0.230)	(0.230)	(0.230)	(0.230)	0.000	0.000	0.000
SN32 (16/17)	Income Generation from Cofton Nursery	(0.306)	0.000	0.000	0.000	(0.306)	(0.306)	(0.306)	(0.306)	(0.306)	(0.306)	(0.306)	0.000	0.000	0.000
Place One-off savings		(0.636)	(0.330)	0.000	0.000	(0.306)	(0.636)	(0.636)	(0.636)	(0.636)	(0.636)	(0.636)	0.000	0.000	0.000
Place Total Savings		(12.968)	(9.032)	(0.699)	0.000	(3.237)	(25.158)	(26.351)	(26.994)	(25.158)	(26.351)	(26.994)	0.000	0.000	0.000

Economy

CC6 17+	European & International Affairs - fund full cost from external / other sources	(0.376)	(0.376)	0.000	0.000	0.000	(0.376)	(0.376)	(0.376)	(0.376)	(0.376)	(0.376)	0.000	0.000	0.000
CC7 17+	Brussels Office - fund full cost from external / other sources	(0.060)	(0.060)	0.000	0.000	0.000	(0.060)	(0.060)	(0.060)	(0.060)	(0.060)	(0.060)	0.000	0.000	0.000
EGJ10 16+	Self financing of the Employment and Skills Service (ESS)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JS2 17+ / E17 16+ / EGJ9 16+ / EC009	West Midlands Growth Company [Marketing Birmingham]	(0.477)	(0.477)	0.000	0.000	0.000	(1.126)	(1.126)	(1.126)	(1.126)	(1.126)	(1.126)	0.000	0.000	0.000
EGJ10 16+/JS3 17+	Self financing of the Employment and Skills Service (ESS)/Economy Future Operating Model	(0.600)	(0.600)	0.000	0.000	0.000	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	0.000	0.000	0.000

		2018/19					Budgeted Savings			Forecast Savings			Non-Delivery		
		Budgeted Savings	Full Delivery	At Risk	One off Mitigations (include in comments below)	Non-Delivery	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Savings Reference	Service Area	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
JS4a&b 17+	Reduce West Midlands Combined Authority Transport Levy	(1.635)	(1.635)	0.000	0.000	0.000	(1.861)	(1.860)	(1.467)	(1.861)	(1.860)	(1.467)	0.000	0.000	0.000
JS6 17+	Parking Tariff Increase - city centre car parks	(0.500)	(0.500)	0.000	0.000	0.000	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	0.000	0.000	0.000
PL32 16+	Highways Maintenance	1.050	1.050	0.000	0.000	0.000	1.850	1.850	1.850	1.850	1.850	1.850	0.000	0.000	0.000
SN1 16+	Sharing of highways maintenance database with statutory undertakers	0.000	0.000	0.000	0.000	0.000	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	0.000	0.000	0.000
SN2 16+	The City Council will design and develop a modern transport network for the city in order to help develop attractive shopping areas, promote greener forms of transport and improve the environment.	(1.022)	(1.022)	0.000	0.000	0.000	(1.022)	(1.022)	(1.022)	(1.022)	(1.022)	(1.022)	0.000	0.000	0.000
MYR4/HN11/SN40	InReach Housing Programme	(0.721)	0.000	0.000	0.000	(0.721)	(1.326)	(1.670)	(1.670)	0.000	0.000	0.000	1.326	1.670	1.670
SN9 16+	Introduce a GIS mapping system to enable more efficient reporting of street scene issues	0.000	0.000	0.000	0.000	0.000	0.000	(0.010)	(0.010)	0.000	(0.010)	(0.010)	0.000	0.000	0.000
SN35 16+	Expansion of City Centre on-street parking, concessions and restrictions	(0.347)	(0.034)	0.000	0.000	(0.313)	(0.347)	(0.347)	(0.347)	(0.347)	(0.347)	(0.347)	0.000	0.000	0.000
CC26 16+	Council administrative buildings reduction	(2.400)	0.000	0.000	(1.000)	(1.400)	(2.400)	(2.400)	(2.400)	(0.912)	(0.969)	(0.969)	1.488	1.431	1.431
EGJ2 16+	Charging more costs to capital projects	(0.100)	(0.100)	0.000	0.000	0.000	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
SN37 16+	Transport joint data team	(0.055)	(0.055)	0.000	0.000	0.000	(0.055)	(0.055)	(0.055)	(0.055)	(0.055)	(0.055)	0.000	0.000	0.000
WOC1/CC002	Allocation of workforce savings/Efficiency Target	(0.494)	(0.494)	0.000	0.000	0.000	(1.414)	(1.589)	(1.589)	(1.414)	(1.589)	(1.589)	0.000	0.000	0.000
EC004	Birmingham Property Services	(0.173)	0.000	(0.173)	0.000	0.000	(0.231)	(0.231)	(0.231)	(0.231)	(0.231)	(0.231)	0.000	0.000	0.000
EC005	Employment Services	(0.114)	(0.114)	0.000	0.000	0.000	(0.114)	(0.114)	(0.114)	(0.114)	(0.114)	(0.114)	0.000	0.000	0.000
EC007	Housing Investment & Development	(0.005)	(0.005)	0.000	0.000	0.000	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	0.000	0.000	0.000
EC008	Business Enterprise & Innovation	(0.105)	(0.105)	0.000	0.000	0.000	(0.105)	(0.105)	(0.105)	(0.105)	(0.105)	(0.105)	0.000	0.000	0.000
EC010	Planning & Development	(0.333)	(0.333)	0.000	0.000	0.000	(0.333)	(0.333)	(0.333)	(0.333)	(0.333)	(0.333)	0.000	0.000	0.000
EC011	Transportation & Connectivity	(0.213)	(0.213)	0.000	0.000	0.000	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	0.000	0.000	0.000
EC016	Property Strategy	0.000	0.000	0.000	0.000	0.000	(0.500)	(1.000)	(1.000)	(0.500)	(1.000)	(1.000)	0.000	0.000	0.000
Economy Subtotal Savings		(8.680)	(5.073)	(0.173)	(1.000)	(2.434)	(10.975)	(12.003)	(11.610)	(8.161)	(8.902)	(8.509)	2.814	3.101	3.101

savings delivered on a one-off basis in 2017/18

SN35*	Transportation & Connectivity	(0.116)	(0.116)	0.000	0.000	0.000	(0.116)	(0.116)	(0.116)	(0.116)	(0.116)	(0.116)	0.000	0.000	0.000
MYR4/HN11/SN40	InReach Housing Programme	(1.072)	(0.166)	0.000	0.000	(0.906)	(1.072)	(1.072)	(1.072)	(0.457)	(0.767)	(1.028)	0.615	0.305	0.044
WOC1*/WOC2 (16/17)	Birmingham Property Services	(0.230)	0.000	(0.230)	0.000	0.000	(0.230)	(0.230)	(0.230)	(0.230)	(0.230)	(0.230)	0.000	0.000	0.000
Economy One-off savings		(1.418)	(0.282)	(0.230)	0.000	(0.906)	(1.418)	(1.418)	(1.418)	(0.803)	(1.113)	(1.374)	0.615	0.305	0.044

Economy Total Savings	(10.098)	(5.355)	(0.403)	(1.000)	(3.340)	(12.393)	(13.421)	(13.028)	(8.964)	(10.015)	(9.883)	3.429	3.406	3.145
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Accelerated Achievement of Efficiency Target

CC002	Efficiency Target	0.000	(0.506)	(0.233)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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Economy Total Savings including mitigations and savings brought forward	(10.098)	(5.861)	(0.636)	(1.000)	(3.340)	(12.393)	(13.421)	(13.028)	(8.964)	(10.015)	(9.883)	3.429	3.406	3.145
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Strategic Services

CC1 17+ / CC23 16+ / E23 16+	Implementation of ICT & D strategy	0.630	0.630	0.000	0.000	0.000	(1.130)	(1.940)	(1.940)	(1.130)	(1.940)	(1.940)	0.000	0.000	0.000
CC3 17+	Bringing Revenues and Benefits service contract back in house	0.300	0.300	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	0.000
CC4 17+	Increase advertising income from pavement advertising	(0.500)	0.000	0.000	(0.500)	0.000	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	0.000	0.000	0.000
CC5 17+	Surpluses expected to be generated on the Housing Benefit Sub	0.000	0.000	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	0.000

		2018/19					Budgeted Savings			Forecast Savings			Non-Delivery		
		Budgeted Savings	Full Delivery	At Risk	One off Mitigations (include in comments below)	Non-Delivery	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Savings Reference	Service Area	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CC13 16+	Targeted net improvement in the housing benefit subsidy	0.500	0.500	0.000	0.000	0.000	1.500	1.500	1.500	1.500	1.500	1.500	0.000	0.000	0.000
CC17 16+	Reduction in expenditure and subsidy loss for exempt accommo	(0.400)	0.000	(0.400)	0.000	0.000	(0.400)	(0.400)	(0.400)	0.000	(0.400)	(0.400)	0.400	0.000	0.000
WOC1	Allocation of workforce savings	(0.993)	(0.789)	0.000	(0.204)	0.000	(1.371)	(1.660)	(1.660)	(0.993)	(0.993)	(0.993)	0.378	0.667	0.667
WOC1	Allocation of workforce savings – fall out of use of reserves*	0.500	0.500	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	0.000
	Corporate Funding of Pension Fund Strain	(0.254)	(0.254)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SS001A	Business Improvement	(2.720)	(2.720)	0.000	0.000	0.000	(2.720)	(2.720)	(2.720)	(2.720)	(2.720)	(2.720)	0.000	0.000	0.000
SS002	Corporate Procurement Services	(0.085)	(0.055)	(0.030)	0.000	0.000	(0.085)	(0.085)	(0.085)	(0.085)	(0.085)	(0.085)	0.000	0.000	0.000
SS003	Human Resources	(0.200)	(0.200)	0.000	0.000	0.000	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)	0.000	0.000	0.000
SS006	IT & Digital Services	(0.413)	(0.413)	0.000	0.000	0.000	(0.413)	(0.413)	(0.413)	(0.413)	(0.413)	(0.413)	0.000	0.000	0.000
SS008	Customer Services Team	0.000	0.000	0.000	0.000	0.000	(0.285)	(0.373)	(0.647)	(0.285)	(0.373)	(0.647)	0.000	0.000	0.000
SS009	Communications	(0.251)	(0.251)	0.000	0.000	0.000	(0.251)	(0.251)	(0.251)	(0.251)	(0.251)	(0.251)	0.000	0.000	0.000
FG004	Shared Services	(0.075)	(0.075)	0.000	0.000	0.000	(0.075)	(0.075)	(0.075)	(0.075)	(0.075)	(0.075)	0.000	0.000	0.000
CC002	Efficiency Target	0.000	0.000	0.000	0.000	0.000	(0.354)	(0.354)	(0.354)	(0.354)	(0.354)	(0.354)	0.000	0.000	0.000
SS002A	Commissioning and Procurement -	(0.328)	(0.042)	0.000	(0.286)	0.000	(1.028)	(1.165)	(1.245)	(1.028)	(1.165)	(1.245)	0.000	0.000	0.000
SS005B	Benefits	(0.500)	(0.500)	0.000	0.000	0.000	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	0.000	0.000	0.000
SS010	Customer Services Citizens' Voice	(0.268)	(0.268)	0.000	0.000	0.000	(0.268)	(0.268)	(0.268)	(0.268)	(0.268)	(0.268)	0.000	0.000	0.000
Strategic Services Subtotal Savings		(5.057)	(3.637)	(0.430)	(0.990)	0.000	(6.580)	(7.904)	(8.258)	(5.802)	(7.237)	(7.591)	0.778	0.667	0.667

savings delivered on a one-off basis in 2017/18

CC1 17+, CC23 16+, E23 16+	ICT & D strategy	(10.920)	(6.391)	0.000	(4.439)	(0.090)	(10.920)	(10.920)	(10.920)	(10.920)	(10.920)	(10.920)	0.000	0.000	0.000
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Strategic Services Total Savings	(15.977)	(10.028)	(0.430)	(5.429)	(0.090)	(17.500)	(18.824)	(19.178)	(16.722)	(18.157)	(18.511)	0.778	0.667	0.667
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Accelerated Achievement of Efficiency Target

CC002	Efficiency Target	0.000	(0.276)	0.000	(0.078)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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Strategic Services Total Savings including mitigations and savings brought fwd	(15.977)	(10.304)	(0.430)	(5.507)	(0.090)	(17.500)	(18.824)	(19.178)	(16.722)	(18.157)	(18.511)	0.778	0.667	0.667
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Finance & Governance

CC13 17+	Impact of reduced numbers of councillors	(0.300)	(0.275)	(0.025)	0.000	0.000	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	0.000	0.000	0.000
WOC1 & CC002	Allocation of workforce savings / Efficiencies (inc Transferred from Strategic Services)	(0.438)	(0.438)	0.000	0.000	0.000	(0.859)	(1.022)	(1.022)	(0.859)	(1.022)	(1.022)	0.000	0.000	0.000
CC23 16+	Implementation of ICT & D strategy	(0.050)	(0.050)	0.000	0.000	0.000	(0.120)	(0.170)	(0.170)	(0.120)	(0.170)	(0.170)	0.000	0.000	0.000
	Corporate Funding of Pension Fund Strain	(0.106)	(0.106)	0.000	0.000	0.000	(0.063)	0.000	0.000	(0.063)	0.000	0.000	0.000	0.000	0.000
FG001	City Finance	(1.250)	(1.250)	0.000	0.000	0.000	(1.250)	(1.280)	(1.360)	(1.250)	(1.280)	(1.360)	0.000	0.000	0.000
FG002	Birmingham Audit	(0.248)	(0.239)	0.000	(0.009)	0.000	(0.351)	(0.351)	(0.351)	(0.351)	(0.351)	(0.351)	0.000	0.000	0.000
FG004	Shared Services	(0.125)	(0.125)	0.000	0.000	0.000	(0.185)	(0.245)	(0.305)	(0.185)	(0.245)	(0.305)	0.000	0.000	0.000
FG010	Legal & Governance	(1.915)	(1.415)	0.000	0.000	(0.500)	(2.208)	(2.208)	(2.208)	(2.208)	(2.208)	(2.208)	0.000	0.000	0.000
Finance & Governance Subtotal Savings		(4.432)	(3.898)	(0.025)	(0.009)	(0.500)	(5.336)	(5.576)	(5.716)	(5.336)	(5.576)	(5.716)	0.000	0.000	0.000

savings delivered on a one-off basis in 2017/18

WOC2 (16/17)	Improving Efficiencies	(0.030)	(0.030)	0.000	0.000	0.000	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	0.000	0.000	0.000
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Finance & Governance One-off savings	(0.030)	(0.030)	0.000	0.000	0.000	0.000	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	0.000	0.000	0.000
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Finance & Governance Total Savings	(4.462)	(3.928)	(0.025)	(0.009)	(0.500)	(5.366)	(5.606)	(5.746)	(5.366)	(5.606)	(5.746)	0.000	0.000	0.000
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Accelerated Achievement of Efficiency Target

		2018/19					Budgeted Savings			Forecast Savings			Non-Delivery		
		Budgeted Savings	Full Delivery	At Risk	One off Mitigations (include in comments below)	Non-Delivery	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Savings Reference	Service Area	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CC002	Efficiency Target	0.000	(0.144)	0.000	(0.100)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Finance & Governance Total Savings including mitigations and savings brought forward		(4.462)	(4.072)	(0.025)	(0.109)	(0.500)	(5.366)	(5.606)	(5.746)	(5.366)	(5.606)	(5.746)	0.000	0.000	0.000
Chief Executive & Assistant Chief Executive															
WOC1/CC002	Allocation of workforce savings Transferred from Strategic Services / Efficiency Target Transferred from Strategic Services	(0.037)	(0.037)	0.000	0.000	0.000	(0.089)	(0.116)	(0.116)	(0.089)	(0.116)	(0.116)	0.000	0.000	0.000
Chief Executive & Assistant Chief Executive Total Savings		(0.037)	(0.037)	0.000	0.000	0.000	(0.089)	(0.116)	(0.116)	(0.089)	(0.116)	(0.116)	0.000	0.000	0.000
Accelerated Achievement of Efficiency Target															
CC002	Efficiency Target	0.000	(0.025)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Chief Executive & Assistant Chief Executive Total Savings including mitigations and savings brought forward		(0.037)	(0.062)	0.000	0.000	0.000	(0.089)	(0.116)	(0.116)	(0.089)	(0.116)	(0.116)	0.000	0.000	0.000
Total Directorates Savings		(66.787)	(40.278)	(6.506)	(12.452)	(8.913)	(103.009)	(124.850)	(134.196)	(97.292)	(119.055)	(128.662)	5.717	5.795	5.534
Corporate Savings															
CC001	Review of senior structures	(0.600)	0.000	(0.300)	0.000	(0.300)	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	(0.600)	0.000	0.000	0.000
WOC2 16+	Workforce Costs	(0.137)	(0.137)	0.000	0.000	0.000	(0.137)	(0.137)	(0.137)	(0.137)	(0.137)	(0.137)	0.000	0.000	0.000
CC19 16+	Revenue Services Transformation Programme	0.060	0.060	0.000	0.000	0.000	0.080	0.080	0.080	0.080	0.080	0.080	0.000	0.000	0.000
CC23 16+	Implementation of ICT & D strategy	(0.010)	(0.010)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SS012	Commercialisation	(1.150)	(0.045)	0.000	(1.105)	0.000	(2.150)	(2.150)	(2.150)	(2.150)	(2.150)	(2.150)	0.000	0.000	0.000
Total Corporate Savings		(1.837)	(0.132)	(0.300)	(1.105)	(0.300)	(2.807)	(2.807)	(2.807)	(2.807)	(2.807)	(2.807)	0.000	0.000	0.000
Grand Total		(68.624)	(40.410)	(6.806)	(13.557)	(9.213)	(105.816)	(127.657)	(137.003)	(100.099)	(121.862)	(131.469)	5.717	5.795	5.534





## Overview

Appendix No	Description
B1	<a href="#"><u>Overview</u></a>
B2	<a href="#"><u>Capital Monitoring summary</u></a>
B3	<a href="#"><u>Adults Social Care &amp; Health</u></a>
B4	<a href="#"><u>Children, Young People &amp; Families</u></a>
B5	<a href="#"><u>Place</u></a>
B6	<a href="#"><u>Economy</u></a>
B7	<a href="#"><u>Finance &amp; Governance</u></a>
B8	<a href="#"><u>Strategic Services</u></a>

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

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

The capital budget is a resource and expenditure planning tool and does not confer approval for individual budget items to proceed. Individual approvals are sought through Business Case reports under the Gateway process

## Capital Monitoring Summary

Appendix B2

### Expenditure

	2018/19 £000	2019/20 £000	2019/21 £000	Later Years £000	Total Plan £000
Period 3 Approved Budget	479,086	366,243	470,645	1,542,394	2,858,368
New Resources Period 4	67,960	145,539	138,942	131,881	484,322
<b>Revised Budget Period 4</b>	<b>547,046</b>	<b>511,782</b>	<b>609,587</b>	<b>1,674,275</b>	<b>3,342,690</b>
Forecast Slippage - Period 4	(38,670)	28,153	(132,102)	142,619	0
Forecast Overspend (Underspend)	1,690	4,398	3,813	0	9,901
<b>Forecast Outturn at Period 4</b>	<b>510,066</b>	<b>544,333</b>	<b>481,298</b>	<b>1,816,894</b>	<b>3,352,591</b>

### Resources

#### **Use of Specific Resources:**

Grants & Contributions	(227,742)	(209,942)	(147,792)	(109,990)	(695,466)
Earmarked Capital Receipts	(89,423)	(74,530)	(57,372)	(234,324)	(455,649)
Revenue Contributions	(51,213)	(45,759)	(65,204)	(472,944)	(635,120)

#### **Use of Corporate or General Resources:**

Corporate Resources	(10,021)	(200)	(150)	(392)	(10,763)
Unsupported Prudential Borrowing - Corporate	(1,249)	0	0	0	(1,249)
Unsupported Prudential Borrowing - Directorate	(130,417)	(213,902)	(220,781)	(999,244)	(1,564,344)
<b>Forecast Use of Resources</b>	<b>(510,066)</b>	<b>(544,333)</b>	<b>(491,298)</b>	<b>(1,816,894)</b>	<b>(3,362,591)</b>

**CAPITAL MONITOR**

Directorate: Adult Social Care &amp; Health

Month: 4

**CHANGES IN BUDGETS**

Appendix B3 a

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
Property Schemes		513	513	0	1,456	1,456	0
IT Schemes		790	790	0	1,545	1,545	0
Improvements to Social Care Delivery		0	0	0	5,651	5,651	0
Independent Living		4,897	4,897	0	4,897	4,897	0
<b>Total Directorate Capital programme</b>		<b>6,200</b>	<b>6,200</b>	<b>0</b>	<b>13,549</b>	<b>13,549</b>	<b>0</b>

## CAPITAL MONITOR

Appendix B3 c

Directorate: Adult Social Care &amp; Health

## FORECAST VARIATIONS FROM BUDGET

Month: 4

	Ref	Current Year				All Years			
		Current Budget £000	Forecast £000	Variation £000	Last months variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
Property Schemes		513	513	0	0	1,456	1,456	0	0
IT Schemes		790	790	0	0	1,545	1,545	0	0
Improvements to Social Care Delivery		0	0	0	0	5,651	5,651	0	0
Independent Living		4,897	4,897	0	0	4,897	4,897	0	0
<b>Total Directorate Capital programme</b>		<b>6,200</b>	<b>6,200</b>	<b>0</b>	<b>0</b>	<b>13,549</b>	<b>13,549</b>	<b>0</b>	<b>0</b>

**CAPITAL MONITOR**

Appendix B4 a

Directorate: Children's, Young People &amp; Families

**CHANGES IN BUDGETS**

Month: 4

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
Devolved Capital Allocation to Schools		2,790	2,790	0	2,790	2,790	0
Schools Condition Allowance		12,785	12,785	0	16,690	16,690	0
Basic Need - Additional School Places		22,839	22,839	0	154,486	154,486	0
Early Years		941	941	0	2,071	2,071	0
IT Investment		1,594	1,594	0	3,586	3,586	0
Universal Infant Free School Meals		0	0	0	0	0	0
Other Minor Schemes		50	50	0	50	50	0
<b>Total Directorate Capital programme</b>		<b>40,999</b>	<b>40,999</b>	<b>0</b>	<b>179,673</b>	<b>179,673</b>	<b>0</b>

## CAPITAL MONITOR

Appendix B4 c

Directorate: Children's, Young People &amp; Families

## FORECAST VARIATIONS FROM BUDGET

Month: 4

	Ref	Current Year				All Years			
		Current Budget £000	Forecast £000	Variation £000	Last months variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
Devolved Capital Allocation to Schools		2,790	2,790	0	0	2,790	2,790	0	0
Schools Condition Allowance		12,785	12,785	0	0	16,690	16,690	0	0
Basic Need - Additional School Places		22,839	22,839	0	0	154,486	154,486	0	0
Early Years		941	941	0	0	2,071	2,071	0	0
IT Investment		1,594	1,594	0	0	3,586	3,586	0	0
Universal Infant Free School Meals		0	0	0	0	0	0	0	0
Other Minor Schemes		50	50	0	0	50	50	0	0
<b>Total Directorate Capital programme</b>		<b>40,999</b>	<b>40,999</b>	<b>0</b>	<b>0</b>	<b>179,673</b>	<b>179,673</b>	<b>0</b>	<b>0</b>


## CAPITAL MONITOR

Directorate: Place

Month: 4

## CHANGES IN BUDGETS

Appendix B5 a

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
<b>Place Other</b>	P1 						
Sport & Swimming Pool Facilities		6,877	6,886	9	7,999	8,584	585
Waste Management Services		6,015	6,015	0	53,063	53,063	0
Parks		2,903	2,903	0	4,774	4,774	0
Bereavement Services		349	349	0	349	349	0
Markets		1,815	1,815	0	1,815	1,815	0
Community Initiatives		0	0	0	392	392	0
Regulation and Enforcement		299	299	0	299	299	0
Highways - Land Drainage and Flood Defences		11	11	0	11	11	0
Adult Education & Youth		70	70	0	70	70	0
Strategic Libraries		180	210	30	180	210	30
Museums & Arts		20	20	0	20	20	0
Community Development & Play		34	34	0	34	34	0
Community Chest		0	0	0	0	0	0
Community Libraries		783	783	0	783	783	0
Housing Related Loans		56,494	56,494	0	260,957	260,957	0
Housing Options		9,925	9,925	0	9,925	9,925	0
<b>Total Place Other</b>		<b>85,777</b>	<b>85,816</b>	<b>39</b>	<b>340,671</b>	<b>341,286</b>	<b>615</b>
<b>Housing HRA</b>							
Housing Improvement Programme		68,754	68,754	0	609,102	609,102	0
Redevelopment		64,186	64,186	0	451,400	451,400	0
Other Programmes		4,809	4,809	0	46,922	46,922	0
<b>Total HRA</b>		<b>137,749</b>	<b>137,749</b>	<b>0</b>	<b>1,107,424</b>	<b>1,107,424</b>	<b>0</b>
<b>Total Directorate Capital programme</b>		<b>223,526</b>	<b>223,565</b>	<b>39</b>	<b>1,448,095</b>	<b>1,448,710</b>	<b>615</b>

**CAPITAL MONITOR****CHANGES IN BUDGETS****Appendix B5 b**

Directorate: Place

Month: 4

Ref	Comments	2018/19 increase / (decrease) £000	All years increase / (decrease) £000
P1	<b><u>Sport &amp; Swimming Pool Facilities</u></b> Additional Prudential Borrowing approved by Cabinet on 15.6.2018 for Icknield Port Loop new build	9	585
	<b>Total directorate over / (under)</b>	<b>9</b>	<b>585</b>



## CAPITAL MONITOR

Directorate: Place

Month: 4

Appendix B5 c

## FORECAST VARIATIONS FROM BUDGET

	Ref	Current Year				All Years			
		Current Budget £000	Forecast £000	Variation £000	Last months Variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
<b>Place Other</b>									
Sport & Swimming Pool Facilities		6,886	6,886	0	0	8,584	8,584	0	0
Waste Management Services		6,015	6,015	0	0	53,063	53,063	0	0
Parks		2,903	2,903	0	0	4,774	4,774	0	0
Bereavement Services		349	349	0	0	349	349	0	0
Markets		1,815	1,815	0	0	1,815	1,815	0	0
Community Initiatives		0	0	0	0	392	392	0	0
Regulation and Enforcement		299	299	0	0	299	299	0	0
Highways - Land Drainage and Flood Defences		11	11	0	0	11	11	0	0
Adult Education & Youth		70	70	0	0	70	70	0	0
Strategic Libraries		210	210	0	0	210	210	0	0
Museums & Arts		20	20	0	0	20	20	0	0
Community Development & Play		34	34	0	0	34	34	0	0
Community Chest		0	0	0	0	0	0	0	0
Community Libraries		783	783	0	0	783	783	0	0
Housing Related Loans	P1 ●	56,494	43,782	(12,712)	(12,712)	260,957	260,957	0	0
Housing Options		9,925	9,925	0	0	9,925	9,925	0	0
<b>Total Place Other</b>		<b>85,816</b>	<b>73,104</b>	<b>(12,712)</b>	<b>(12,712)</b>	<b>341,286</b>	<b>341,286</b>	<b>0</b>	<b>0</b>
<b>Housing HRA</b>									
Housing Improvement Programme		68,754	68,754	0	0	609,102	609,102	0	0
Redevelopment	P2 ●	64,186	39,423	(24,763)	(24,763)	451,400	451,400	0	0
Other Programmes		4,809	4,809	0	0	46,922	46,922	0	0
<b>Total HRA</b>		<b>137,749</b>	<b>112,986</b>	<b>(24,763)</b>	<b>(24,763)</b>	<b>1,107,424</b>	<b>1,107,424</b>	<b>0</b>	<b>0</b>
<b>Total Directorate Capital programme</b>		<b>223,565</b>	<b>186,090</b>	<b>(37,475)</b>	<b>(37,475)</b>	<b>1,448,710</b>	<b>1,448,710</b>	<b>0</b>	<b>0</b>

Directorate: Place

Month: 4

Ref	Major capital variations and associated key issues	2018/19		All years
		Reported last month £000	Reported this month £000	Month 4 variation £000
P1	<b><u>Housing Related Loans</u></b> Start of the HRA voids project is awaiting Secretary of State consent. Other aspects behind profile because of delays in completing land acquisitions.	(12,712)	(12,712)	0
P2	<b><u>Redevelopment</u></b> <b>BMHT (£20,930m):</b> the variation is due to delays in obtaining materials for certain sites, adverse weather and labour supply issues, delays during the tender process for new schemes, delays on obtaining highways approval for works, and estimated spend forecasts being amended as schemes are approved. <b>Clearance (£3,833m)</b> slippage due to slower than anticipated rehousing of larger families and voluntary acquisition of owner occupied properties. Specific delays in Druids Heath due to protracted consultation on masterplanning. <b>Action put into place:</b> Utilising development officer experience in order to make more accurate predictions with regard to predicted spend, handovers, start on site etc. Liaise with contractors more closely to discuss potential material delays and labour demands. Work more closely with highways to reduce delays obtaining approval.	(24,763)	(24,763)	0
<b>Total directorate over / (under)</b>		<b>(37,475)</b>	<b>(37,475)</b>	<b>0</b>


## CAPITAL MONITOR


Directorate: Economy

Month: 4

Appendix B6 a

## CHANGES IN BUDGETS

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
<b><u>Planning &amp; Regeneration Schemes</u></b>							
<b>Major Projects:</b>							
Enterprise Zone - Investment Plan		0	0	0	347	347	0
Enterprise Zone - Paradise Circus		15,359	15,359	0	18,518	18,518	0
Enterprise Zone - Site Development & Access		2,500	2,500	0	8,045	8,045	0
Enterprise Zone - Connecting Economic Opportunities		1,000	1,000	0	95,691	95,691	0
Enterprise Zone - Southern Gateway Site		1,000	1,000	0	34,530	34,530	0
Enterprise Zone - LEP Investment Fund		0	0	0	20,000	20,000	0
Enterprise Zone - HS2 Interchange Site		0	0	0	20,000	20,000	0
Enterprise Zone - Southside Links		80	80	0	278	278	0
EZ Phase II - HS2 Station Environment		1,814	1,814	0	60,000	60,000	0
EZ Phase II - HS2 Site Enabling		1,000	1,000	0	101,500	101,500	0
EZ Phase II - Local Transport Improvements		0	0	0	104,800	104,800	0
EZ Phase II - Connecting Economic Opportunities 2		0	0	0	52,900	52,900	0
EZ Phase II - Social Infrastructure		0	0	0	109,900	109,900	0
EZ Phase II - Metro Extension to E Bham/Solihull		0	0	0	183,300	183,300	0
Jewellery Quarter Cemetery		1,829	1,829	0	1,829	1,829	0
Unlocking Housing Sites		4,619	4,619	0	7,169	7,169	0
East Aston RIS		4,830	4,830	0	4,830	4,830	0
Life Sciences		973	973	0	973	973	0
Other (Major Projects)		32	32	0	32	32	0
<b>Public Realm:</b>							
Metro Centenary Square	E1 	3,820	4,026	205	3,820	4,026	205
Making the Connection		373	373	0	403	403	0
Longbridge		1,178	1,178	0	1,178	1,178	0
Other (Public Realm)		299	299	(0)	299	299	(0)

<b>Infrastructure:</b>							
One Station		251	251	0	251	251	0
A34 Corridor Perry Barr		246	246	0	281	281	0
<b>Grants/Loans:</b>							
Grand Hotel Development		1,000	1,000	0	1,000	1,000	0
Minor Projects		0	0	0	0	0	0
<b>Total Planning &amp; Regeneration Projects</b>		<b>42,202</b>	<b>42,407</b>	<b>205</b>	<b>831,873</b>	<b>832,079</b>	<b>205</b>
<b>Employment &amp; Skills</b>							
National College for HS2		203	203	0	203	203	0
ERDF Business Growth & Property Investment		5,450	5,450	0	5,918	5,918	0
<b>Total Employment &amp; Skills</b>		<b>5,653</b>	<b>5,653</b>	<b>0</b>	<b>6,121</b>	<b>6,121</b>	<b>0</b>
<b>Highways</b>							
Safer Routes to Schools		506	506	0	1,706	1,706	0
Section 106 & 278		19	19	0	19	19	0
Network Integrity		1,265	1,312	47	3,599	3,646	47
Road Safety		948	948	0	3,048	3,048	0
Other Minor Schemes		1,259	1,259	0	1,259	1,259	0
<b>Total Highways</b>		<b>3,996</b>	<b>4,043</b>	<b>47</b>	<b>9,631</b>	<b>9,677</b>	<b>47</b>
<b>Transportation</b>							
<b>Major Schemes:</b>							
Ashted Circus		5,276	5,276	0	5,777	5,777	0
Metro Extension		207	207	0	207	207	0
Iron Lane		6,816	6,816	0	12,033	12,033	0
Minworth Unlocking		0	0	0	0	0	0
Battery Way Extension		5,389	5,389	0	5,389	5,389	0
Longbridge Connectivity		4,623	4,623	0	4,643	4,643	0
A457 Dudley Road	<b>E2</b> 	3,386	500	<b>(2,886)</b>	29,491	29,191	<b>(300)</b>
Peddimore		79	79	0	79	79	0
Journey Reliability		273	273	0	513	513	0
Tame Valley Phase 2 & 3		4,986	4,986	0	86,618	86,618	0
Selly Oak New Road Phase 1B		1,655	1,655	0	8,762	8,762	0
Wharfdale Bridge		50	50	0	2,550	2,550	0
Snow Hill Station		438	438	0	2,558	2,558	0

Other (Major Schemes)		579	579	0	669	669	0
<b>Inclusive &amp; Sustainable Growth:</b>							
Holloway Circus		25	25	0	25	25	0
Bromford Gyratory		11	11	0	11	11	0
Southside / Hurst Street		106	106	0	106	106	0
Clean Air & Hydrogen Buses		12,340	12,340	0	12,340	12,340	0
Journey Reliability		302	302	0	302	302	0
Other (Inclusive & Sustainable Growth)		2,353	2,353	0	4,741	4,741	0
<b>Walking &amp; Cycling</b>		19,335	19,335	0	25,042	25,042	0
<b>Local Measures</b>		0	0	0	0	0	0
<b>Infrastrucure Development</b>		857	857	0	2,757	2,757	0
<b>Section 106 &amp; 278</b>		84	84	0	3,884	3,884	0
<b>Funding to be allocated</b>		193	193	0	3,271	3,271	0
<b>Total Transportation</b>		<b>69,364</b>	<b>66,478</b>	<b>(2,886)</b>	<b>211,770</b>	<b>211,470</b>	<b>(300)</b>
<b><u>Birmingham Property Services</u></b>							
Arena Central		1,249	1,249	0	1,249	1,249	0
Attwood Green Projects		239	239	0	239	239	0
Council House Complex Development Costs		546	546	0	546	546	0
Lee Bank Business Centre		135	135	0	135	135	0
NEC Hotels WOC		165	165	0	165	165	0
Other (BPS)		7	7	0	7	7	0
<b>Total Birmingham Property Services</b>		<b>2,341</b>	<b>2,341</b>	<b>0</b>	<b>2,341</b>	<b>2,341</b>	<b>0</b>
<b>Total Directorate Capital programme</b>		<b>123,557</b>	<b>120,923</b>	<b>(2,634)</b>	<b>1,061,736</b>	<b>1,061,688</b>	<b>(48)</b>


Ref	Comments	2018/19 increase / (decrease) £000	All years increase / (decrease) £000
E1	<b><u>Metro Centenary Square</u></b> Additional S106 Resources Sheepcote/Broad St	205	205
E2	<b><u>A457 Dudley Road</u></b> Budget repahsing and financing changes after the scheme was approved by cabinet on the 26/06/18.	(2,886)	(300)
	<b>Total directorate over / (under)</b>	<b>(2,680)</b>	<b>(94)</b>

**FORECAST VARIATIONS FROM BUDGET**

		Current Year				All Years			
	Ref	Current Budget £000	Forecast £000	Variation £000	Last months variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
<b><u>Planning &amp; Regeneration Schemes</u></b>									
<b>Major Projects:</b>									
Enterprise Zone - Investment Plan		0	0	0	0	347	347	0	0
Enterprise Zone - Paradise Circus		15,359	15,359	0	0	18,518	18,518	0	0
Enterprise Zone - Site Development & Access		2,500	2,000	(500)	(500)	8,045	8,045	0	0
Enterprise Zone - Connecting Economic Opportunities		1,000	1,000	0	0	95,691	86,138	(9,553)	(9,553)
Enterprise Zone - Southern Gateway Site	E1 ●	1,000	0	(1,000)	(1,000)	34,530	34,530	0	0
Enterprise Zone - LEP Investment Fund		0	0	0	0	20,000	20,000	0	0
Enterprise Zone - HS2 Interchange Site		0	0	0	0	20,000	20,000	0	0
Enterprise Zone - Southside Links		80	278	198	198	278	278	0	0
EZ Phase II - HS2 Station Environment		1,814	2,560	746	746	60,000	60,000	0	0
EZ Phase II - HS2 Site Enabling		1,000	1,000	0	0	101,500	101,500	0	0
EZ Phase II - Local Transport Improvements		0	0	0	0	104,800	104,800	0	0
EZ Phase II - Connecting Economic Opportunities 2		0	0	0	0	52,900	52,900	0	0
EZ Phase II - Social Infrastructure		0	0	0	0	109,900	109,900	0	0
EZ Phase II - Metro Extension to E Bham/Solihull		0	0	0	0	183,300	183,300	0	0
Jewellery Quarter Cemetery		1,829	1,829	0	0	1,829	1,829	0	0
Unlocking Housing Sites		4,619	4,619	0	0	7,169	7,169	0	0
East Aston RIS		4,830	4,830	0	0	4,830	4,830	0	0
Life Sciences		973	973	0	0	973	973	0	0
Other (Major Projects)		32	32	0	0	32	32	0	0
<b>Public Realm:</b>					0				0
Metro Centenary Square		4,026	4,026	0	0	4,026	4,026	0	0
Making the Connection		373	373	0	0	403	403	0	0
Longbridge		1,178	1,178	0	0	1,178	1,178	0	0
Other (Public Realm)		299	299	0	0	299	299	0	0
<b>Infrastructure:</b>					0				0

One Station	E2 ●	251	10	(241)	(241)	251	244	(7)	(7)
A34 Corridor Perry Barr		246	246	0	0	281	281	0	0
<b>Grants/Loans:</b>					0				0
Grand Hotel Development		1,000	1,000	0	0	1,000	1,000	0	0
Minor Projects		0	0	0	0	0	0	0	0
<b>Total Planning &amp; Regeneration Projects</b>		<b>42,407</b>	<b>41,610</b>	<b>(797)</b>	<b>(797)</b>	<b>832,079</b>	<b>822,519</b>	<b>(9,560)</b>	<b>(9,560)</b>
<b>Employment &amp; Skills</b>									
National College for HS2		203	203	0	0	203	203	0	0
ERDF Business Growth & Property Investment		5,450	5,450	0	0	5,918	5,918	0	0
<b>Total Employment &amp; Skills</b>		<b>5,653</b>	<b>5,653</b>	<b>0</b>	<b>0</b>	<b>6,121</b>	<b>6,121</b>	<b>0</b>	<b>0</b>
<b>Highways</b>									
Safer Routes to Schools		506	506	0	0	1,706	1,706	0	0
Section 106 & 278		19	19	0	0	19	19	0	0
Network Integrity		1,312	1,312	0	0	3,646	3,646	0	0
Road Safety		948	948	0	0	3,048	3,048	0	0
Other Minor Schemes		1,259	1,259	0	0	1,259	1,259	0	0
<b>Total Highways</b>		<b>4,043</b>	<b>4,043</b>	<b>0</b>	<b>0</b>	<b>9,677</b>	<b>9,677</b>	<b>0</b>	<b>0</b>
<b>Transportation</b>									
<b>Major Schemes:</b>									
Ashted Circus	E3 ●	5,276	4,378	(898)	(898)	5,777	5,777	0	0
Metro Extension		207	207	0	0	207	207	0	0
Iron Lane		6,816	6,816	0	0	12,033	12,033	0	0
Minworth Unlocking		0	0	0	0	0	0	0	0
Battery Way Extension		5,389	5,389	0	0	5,389	5,389	0	0
Longbridge Connectivity		4,623	4,623	0	0	4,643	4,643	0	0
A457 Dudley Road		500	500	0	0	29,191	29,191	0	0
Peddimore		79	79	0	0	79	79	0	0
Journey Reliability		273	273	0	0	513	513	0	0
Tame Valley Phase 2 & 3		4,986	4,986	0	0	86,618	86,618	0	0
Selly Oak New Road Phase 1B		1,655	1,655	0	0	8,762	8,762	0	0
Wharfdale Bridge		50	50	0	0	2,550	2,550	0	0
Snow Hill Station	E4 ●	438	(62)	(500)	(500)	2,558	2,558	0	0
Other (Major Schemes)		579	579	0	0	669	669	0	0
<b>Inclusive &amp; Sustainable Growth:</b>					0				0
Holloway Circus		25	25	0	0	25	25	0	0



Bromford Gyratory		11	11	0	0	11	11	0	0
Southside / Hurst Street	E5 	106	1,106	1,000	1,000	106	9,666	9,560	9,560
Clean Air & Hydrogen Buses		12,340	12,340	0	0	12,340	12,340	0	0
Journey Reliability		302	302	0	0	302	302	0	0
Other (Inclusive & Sustainable Growth)		2,353	2,353	0	0	4,741	4,741	0	0
<b>Walking &amp; Cycling</b>		19,335	19,335	0	0	25,042	25,042	0	0
<b>Local Measures</b>		0	0	0	0	0	0	0	0
<b>Infrastrucure Development</b>		857	857	0	0	2,757	2,757	0	0
<b>Section 106 &amp; 278</b>		84	84	0	0	3,884	3,884	0	0
<b>Funding to be allocated</b>		193	193	0	0	3,271	3,271	0	0
<b>Total Transportation</b>		<b>66,478</b>	<b>66,080</b>	<b>(398)</b>	<b>(398)</b>	<b>211,470</b>	<b>221,030</b>	<b>9,560</b>	<b>9,560</b>
<b><u>Birmingham Property Services</u></b>									
Arena Central		1,249	1,249	0	0	1,249	1,249	0	0
Attwood Green Projects		239	239	0	0	239	239	0	0
Council House Complex Development Costs		546	546	0	0	546	546	0	0
Lee Bank Business Centre		135	135	0	0	135	135	0	0
NEC Hotels WOC		165	165	0	0	165	165	0	0
Other (BPS)		7	7	0	0	7	7	0	0
<b>Total Birmingham Property Services</b>		<b>2,341</b>	<b>2,341</b>	<b>0</b>	<b>0</b>	<b>2,341</b>	<b>2,341</b>	<b>0</b>	<b>0</b>
<b>Total Directorate Capital programme</b>		<b>120,923</b>	<b>119,728</b>	<b>(1,195)</b>	<b>(1,195)</b>	<b>1,061,688</b>	<b>1,061,688</b>	<b>0</b>	<b>0</b>

Ref	Major capital variations and associated key issues	2018/19		All years
		Reported last month £000	Reported this month £000	Month 4 variation £000
E1	<b><u>Enterprise Zone - Southern Gateway Site</u></b> The programme has been slipped to reflect the timetable for selection of a preferred developer which will not be achieved until the final quarter of 2018. Action has been put in place to select a preferred development partner.	(1,000)	(1,000)	0
E2	<b><u>One Station</u></b> Work has been undertaken to identify the options for how the Moor Street/New Street link can be improved. This identified a number of issues which impact on the ability to deliver improvement works, these included structural works affecting the rail infrastructure below Swan Passage and a number of different land ownerships. Going forward the project and associated funding will be incorporated into the proposals to remodel Moor Street to reduce the level of traffic and increase the amount of space for pedestrians and cyclists. This will achieve the aspiration for creating a high quality arrival space in front on the HS2 Curzon Station that will help integrate it within the City Centre Core. Action has been put in place to undertake feasibility work in partnership with the West Midlands Combined Authority and West Midlands Rail to progress the options and provide solutions to the issues that were identified.	(241)	(241)	(7)
E3	<b><u>Ashted Circus</u></b> The Project start date slipped by 7 months, delays due to upcoming works including the installation of temporary signals and infilling of subways, expected completion date is February 2019. Actions; improved contractor efficiency on site has meant the works are catching up & should complete sooner.	(898)	(898)	0
E4	<b><u>Snow Hill Station</u></b> This is a multi-funded project and there is a need to seek approval by the GBSLEP to the Full Business Case in order to proceed to Cabinet in September 2018. The Traffic Regulation Order will be advertised in September. This is a more complicated scheme because of the current rerouting of public transport in and around Broad Street which needs to be resolved before proceeding. Action has been put in place to seek approval & prepare a Full Business Case for Cabinet in September 2018	(500)	(500)	0
E5	<b><u>Southside / Hurst Street</u></b> New Allocation from Connecting Economic Opportunities as approved by the EZ Board Investment Plan. Funded by Prudential Borrowing.	1,000	1,000	9,560
	<b><u>Connecting Economic Opportunities</u></b> Allocation to Southside/Hurst Street programme as approved by the EZ Board Investment Plan.	0	0	(9,553)
	<b>Total directorate over / (under)</b>	<b>(1,639)</b>	<b>(1,639)</b>	<b>0</b>


## CAPITAL MONITOR

Directorate: Finance &amp; Governance

Month: 4

## CHANGES IN BUDGETS

Appendix B7 a

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
Revenue Reform Projects		26,318	26,318	0	42,945	42,945	0
Gateway / Grand Central Residual Costs		2,678	2,678	0	2,678	2,678	0
Capital Loans & Equity Funds		2,542	2,542	0	10,784	10,784	0
SAP New Developments		400	400	0	4,062	4,062	0
Commonwealth Games	F1 	44,133	114,688	70,555	44,133	527,888	483,755
<b>Total Directorate Capital programme</b>		<b>76,071</b>	<b>146,626</b>	<b>70,555</b>	<b>104,602</b>	<b>588,356</b>	<b>483,755</b>

Ref	Comments	2018/19 increase / (decrease) £000	All years increase / (decrease) £000
F1	<u>Commonwealth Games</u> Outline Business Cases approved 26th June 2018, setting out the proposals for the Village, Infrastructure in the Perry Barr area and Alexander Stadium.	70,555	483,755
		<b>70,555</b>	<b>483,755</b>


## CAPITAL MONITOR

Appendix B7 c

Directorate: Finance &amp; Governance

## FORECAST VARIATIONS FROM BUDGET

Month: 4

	Ref	Current Year				All Years			
		Current Budget £000	Forecast £000	Variation £000	Last months variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
Revenue Reform Projects	F1 	26,318	28,008	1,690	0	42,945	52,846	9,901	0
Gateway / Grand Central Residual Costs		2,678	2,678	0	0	2,678	2,678	0	0
Capital Loans & Equity Funds		2,542	2,542	0	0	10,784	10,784	0	0
SAP New Developments		400	400	0	0	4,062	4,062	0	0
Commonwealth Games		114,688	114,688	0	0	527,888	527,888	0	0
<b>Total Directorate Capital programme</b>		<b>146,626</b>	<b>148,316</b>	<b>1,690</b>	<b>0</b>	<b>588,356</b>	<b>598,257</b>	<b>9,901</b>	<b>0</b>

Ref	Major capital variations and associated key issues	2018/19		All years
		Reported last month £000	Reported this month £000	Month 4 variation £000
F1	<u>Revenue Reform Projects</u> The projections for redundancy and pension strain costs have been updated following the Corporate Voluntary Redundancy Trawl, funded by capital receipts as part of the Governments capital receipts flexibility scheme.	0	1,690	9,901
	<b>Total directorate over / (under)</b>	<b>0</b>	<b>1,690</b>	<b>9,901</b>

## CAPITAL MONITOR

Directorate: Strategic Services

Month: 4

## CHANGES IN BUDGETS

Appendix B8 a

	Ref	Current Year			All Years		
		Previous Budget £000	Current Budget £000	Change £000	Previous Budget £000	Current Budget £000	Change £000
Corporate ICT Investment		8,039	8,039	0	49,994	49,994	0
Digital Birmingham		288	288	0	313	313	0
IT Projects		407	407	0	407	407	0
<b>Total Directorate Capital programme</b>		<b>8,733</b>	<b>8,733</b>	<b>0</b>	<b>50,714</b>	<b>50,714</b>	<b>0</b>

## CAPITAL MONITOR

Appendix B8 c

Directorate: Strategic Services

## FORECAST VARIATIONS FROM BUDGET

Month: 4

	Ref	Current Year				All Years			
		Current Budget £000	Forecast £000	Variation £000	Last months variation £000	Revised Budget £000	Forecast £000	Variation £000	Last months variation £000
Corporate ICT Investment		8,039	8,039	0	0	49,994	49,994	0	0
Digital Birmingham		288	288	0	0	313	313	0	0
IT Projects		407	407	0	0	407	407	0	0
<b>Total Directorate Capital programme</b>		<b>8,733</b>	<b>8,733</b>	<b>0</b>	<b>0</b>	<b>50,714</b>	<b>50,714</b>	<b>0</b>	<b>0</b>



## TREASURY MANAGEMENT MONITORING DASHBOARD: JULY 2018

	value	comparator	difference
<b>1 gross loan debt</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
at month end	3,308		
year end Forecast (vs Plan)	3,494	3,539	-45
year end Forecast (vs Pru Limit for loan debt*)	3,494	3,851	-357
<i>*monitoring of the full set of prudential indicators is reported quarterly to Cabinet</i>			
<b>2 short term borrowing</b>			
at month end (vs Guideline)	471	500	-29
interest rate year to date on outstanding deals (vs assumption)	0.61%	0.75%	-0.14%
<b>3 Treasury investments</b>			
at month end (vs Guideline)	52	40	12
interest rate year to date on outstanding deals (vs assumption)	0.50%	0.45%	0.05%
<b>4 Long term loans taken</b>			
year to date (vs plan for year)	0	180	-180
ave. interest rate obtained (vs assumption)	0	2.90%	-2.90%
<b>5 Assurance</b>			
were Credit criteria complied with?	yes		
were investment defaults avoided?	yes		
was the TM Code complied with?	yes		
were prudential limits complied with?	yes		





# Proposed New IT System for Finance and HR

## Resources O&S Committee

20<sup>th</sup> September 2018

### 1 Purpose and Attached Documents

Clive Heaphy, Corporate Director, Finance and Governance, and Dawn Hewins, Director of HR, have been asked to attend your committee to update your Committee on proposals for a new finance and HR system and how this supports both the strategy and operation of both services.

Cabinet is due to take a decision on this at its meeting on 18<sup>th</sup> September. The public report is attached for information. The private report, exempt under paragraph 3 of the categories outlined in 12A of the Local Government Act 1972 – *Information relating to the financial or business affairs of any particular person (including the authority holding the information)* – will be circulated to members separately. This private report cannot be discussed in the public meeting.

*Contact officer:*

Emma Williamson, Head of Scrutiny Services, 0121 464 6870

Jayne Power, Scrutiny Officer, 0121 303 4810

**BIRMINGHAM CITY COUNCIL  
PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Director of Finance and Governance &amp; Chief Operating Officer</b>
<b>Date of Decision:</b>	<b>18 September 2018</b>
<b>SUBJECT:</b>	<b>Outline Business Case and Options Appraisal for the Future Delivery of the Council's HR &amp; Finance Systems</b>
<b>Key Decision:</b>	<b>Yes</b>
<b>If not in the Forward Plan:</b>	<b>Relevant Forward Plan Ref: 005244/2018</b>
<b>(please "X" box)</b>	<b>Chief Executive approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member(s) or</b>	<b>O&amp;S Chair approved <input type="checkbox"/></b>
<b>Relevant Executive Member:</b>	<b>Councillor Brigid Jones – Deputy Leader</b>
	<b>Councillor Brett O'Reilly- Cabinet Member for Finance and Resources</b>
<b>Relevant O&amp;S Chair:</b>	<b>Councillor Sir Albert Bore – Chair of Resources Overview and Scrutiny</b>
<b>Wards affected:</b>	<b>All</b>

**1. Purpose of report:**

- 1.1 To inform Cabinet of the options appraisal undertaken and outline business case associated with the future of delivery our HR & Finance Enterprise Resource Planning (ERP) system.
- 1.2 The accompanying private report contains commercially confidential information.

**2. Decision(s) recommended:**

**That Cabinet:**

- 2.1 Notes the status, progress and options considered for the future delivery of the Councils HR & Finance Enterprise Resource Planning (ERP) system.

<b>Lead Contact Officer:</b>	Peter Bishop, Chief Information Officer and Assistant Director for Information, Technology and Digital Services, Strategic Services
<b>Telephone No:</b>	07864 926819
<b>E-mail address:</b>	<a href="mailto:peter.bishop@birmingham.gov.uk">peter.bishop@birmingham.gov.uk</a>

### **3. Consultation**

#### **3.1 Internal**

Senior officers across the Council involved in the delivery of HR & Finance services and a range of users of the existing SAP ERP solution have been consulted, including the use of workshops and product demonstrations to inform the options appraisal.

The Deputy Leader, Cabinet Member for Finance and Resources and senior officers in Finance, Legal, HR and Procurement, have been consulted and support this proposal.

#### **3.2 External**

Socitm Advisory Limited have provided subject matter expertise, project management, technology and commercial support and have contributed to the options appraisal. A number of software suppliers were engaged as part of a soft market testing exercise to inform the business requirements and lessons were shared from a number of local government organisations who are currently reviewing their own system solutions. It is assumed that the outcomes of the workshops will also hold true for the arms-length and wholly owned companies including Acivico and Birmingham Children's Trust and both will be jointly involved and working closely with the Council during the duration of the project as they will be key users of the resulting system.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

The Council's outcomes and priorities as detailed in the Council Plan approved by Cabinet in July 2018 will be supported by the adoption of this proposal through the implementation of a new system that will enable more effective decision-making by managers across the council and improve efficiency by reducing the cost of administration. It is also consistent with the ICT & Digital Strategy (2016 - 2021) approved by Cabinet in October 2016.

#### **4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)**

The private report on this agenda provides further details of the Outline Business Case and appraisal of each of the four options, including details of existing SAP ERP running costs, estimated running costs of a new ERP system for HR and Finance and estimated savings, subject to a detailed procurement exercise.

The Council's existing Financial Plan already assumes a level of ICT & Digital revenue savings from a review of its major ICT applications and it is estimated that a new ERP solution will deliver the required level of savings through a combination of reduced license and support costs.

In addition, it is estimated that additional efficiency savings will be delivered in HR and Finance support services through a combination of improved business processes, automation, system functionality and self-service capability. This additional saving will form part of the overall on-going saving from implementation of a new ERP system.

Implementation and transition costs will be phased over a three year period and will be funded on an Invest to Save basis on the assumption that on-going long term savings are deliverable.

Existing revenue budgets which support the current ICT & Digital infrastructure and ERP system together with associated running costs, will initially be re-directed to meet a proportion of the implementation costs. Invest to Save funding will be made available to meet any remaining funding gap on the basis that such funds will need to be repaid as quickly as possible to ensure funding continues to be available to support similar type projects or new savings proposals that require a level of upfront investment to deliver future savings. It is currently estimated that repayment can be made within an acceptable timescale.

The detailed procurement exercise will provide accurate running and implementation costs of the new ERP which will then form the basis of a Full Business Case for further consideration by Cabinet if required.

#### **4.3 Legal Implications**

Sec 112 of the Local Government Act 1972 confers power on the Council to appoint such officers as they think necessary for the proper discharge of their functions. S111 of the act confers power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

The Council are under a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

#### **4.4 Public Sector Equality Duty**

An Equality Impact Analysis has been completed and is attached at Appendix 1. This indicates that the equalities impact of the proposed implementation of a new HR and Finance ERP system is minimal and that the specification being developed to procure a new solution will ensure that all of the latest equality duty requirements, for example, accessibility for users with specific needs, will be met.

### **5. Relevant background / chronology of key events:**

- 5.1 The new Council Plan was approved by Full Council in July 2018 and sets out the Council's vision, outcomes and priorities for 2018-2022 and supports the Council's ambition of becoming fit for the 21st Century. The ICT&D Strategy (2016-21) is being implemented and sets out a clear agenda and key improvements that the Council needs to make to its technological and digital platforms. This includes investment in the Council's corporate HR and Finance systems (including procurement and payroll) to deliver significant cost reductions and drive changes in business processes to improve the effectiveness of managers and employees. It is anticipated that a new ERP system will provide enhanced functionality to support self-service for managers and employees and significantly improve management information and reporting capabilities, delivering efficiencies in service delivery in HR and Finance and directorates.
- 5.2 The Council has used SAP as its ERP system to support delivery of its HR and Finance (including procurement and payroll) services since 1999. The system has been hosted, maintained and supported by its existing ICT partner since the inception of the Council's partnership with Capita. The Council invested significantly in the development of the system through the Corporate Services Transformation Programme in 2007 and a major system upgrade in 2016.
- 5.3 The system is currently used to support a wide range of business processes associated with HR and Financial transactions, including supporting over 80 separate monthly

payrolls, making creditor payments in excess of £60m per month; completing over 1.6million payment transactions annually and accounting for over 18m income transactions annually.

- 5.4 The system is also used by the majority of the Council's arms-length bodies including Acivico and the Birmingham Children's Trust and underpins the provision of services to schools.
- 5.5 Due to a perception that the SAP ERP core functionality did not fully meet business requirements a variety of additional applications have been procured that integrate with SAP. The solution has developed over time in such a way that it's created a complex application landscape, which is difficult to manage and maintain. Although most Local Authorities follow a similar path by customising and adding to the solution, the current SAP ERP solution has become particularly complex.
- 5.6 The Council commissioned ATOS in March 2015, who in their Application Rationalisation Analysis report concluded that the cost of licences, hosting and support of the SAP ERP system was very expensive given the size of the Council. ATOS recommended exploring replacement of the current SAP HR People Solutions application with an alternative HR and Payroll Cloud based solution. ATOS, however, recognised that the SAP Finance (Voyager) System was a well-embedded solution but also recommended that as the Cloud ERP market developed it would be worth evaluating the options for a complete SAP ERP system replacement.
- 5.7 In developing this options appraisal, a series of interviews and workshops were held with a range of Council SAP users. It is clear that HR and Finance colleagues have different experiences and views in relation to their use of SAP and different business objectives moving forward. The Finance, Payroll and Procurement functions embrace SAP and recognise it as a very powerful ERP and would consider making further improvements to the current upgraded SAP system. However, they also recognise that parts of the system have been heavily be-spoked and understand that re-designing and adapting the current SAP system and business processes to meet with current business requirements could be as difficult as implementing a new ERP solution.
- 5.8 In contrast, the HR service and users are frustrated with the existing functionality, recognising that current processes don't support modern working practices and that key HR data is difficult to align with that held by Finance, due to the way the current SAP system was implemented, creating unnecessary manual intervention. HR officers have concluded that the current SAP solution cannot drive the HR business transformation they require, preferring to look for an alternative ERP solution. Although a roadmap was developed for how the HR and Finance system could be developed to support users and services, there has been no recent investment due to the Council re-defining its ICT & Digital strategy and future operating model and reviewing all the technology it uses to ensure it remains fit for purpose.
- 5.9 In February 2018 Socitm Advisory Limited was commissioned by the Council to complete an OBC and identify options for the development or replacement of its existing SAP HR & Finance system.
- 5.10 The OBC developed four alternative options which were appraised in consultation with senior officers and systems users. These were:
  1. Retain the current SAP solution (and those solutions in place that complement it) and undertake a programme to improve its ability to meet the Council's objectives and use requirements;

2. Move the current SAP system to a different hosted solution (SAP Hana Cloud) to reduce the cost of hosting and support charged through the current Capita contract;
3. Implement 'Best of Breed' solutions for Finance, HR, Payroll and Procurement – that is adopting separate solutions in each area based on the best available in the market as the basis of an integrated solution or
4. Migrate to an alternative single ERP (Cloud based) solution, which meets all business and functional requirements, following a market-testing exercise.

- 5.11 The financial appraisal of the four options concluded that Option 4 has the greatest potential to deliver the benefits required of a new system in terms of its fit to the Council's overall strategic ICT & Digital objectives, self-service capability, improved functionality and business process improvements, and delivery of significant financial savings.
- 5.12 The current system is hosted and supported by Capita as part of their partnership contract with the Council. The future direction of travel for the Council is to move to Cloud hosting solutions, where applicable. To align with the ICT & Digital strategy the recommendation is that the Council procure a Cloud-hosted ERP solution using a Software as a Service (SaaS) approach, procuring the system on a subscription basis, rather than hosting the solution itself.
- 5.13 It is recognised that this programme will run in parallel to the implementation of the Capita Transition project and Project Eclipse – Social Care system replacement for Birmingham Children's Trust, Adults and Finance. There will be extensive cross dependencies between these projects which will need to be coherently managed.
- 5.14 Experience of other local authorities has seen a trend over the last two years to move to Cloud-based (SaaS) solutions for their ERP requirements from former hosted systems. While there have been some examples of authorities who have adopted as 'Best of Breed' approach to replace hosted ERP solutions with separate HR and Finance systems (e.g. Worcestershire County Council and the London Borough of Barnet) these tend to have been exceptions and associated with new back-office outsourcing arrangements. A greater number of authorities have been replacing their ERP systems with new Cloud-ERP solutions, either from the same supplier or alternatives (e.g. London Boroughs of Lambeth and Croydon, Cheshire East and Cheshire West and Chester, Cornwall, Thurrock) or replacing separate systems with new cloud-ERP systems (e.g. Walsall, London Boroughs of Lewisham and Camden).
- 5.15 One significant difference with the approach to implementing Cloud-based systems experienced by other local authorities is the change of emphasis from the design and build of systems to meet local requirements, towards the adoption of common best practice functionality and business processes built into the new systems. This places far greater focus on the support required within organisations to adapt business processes to meet systems functionality (rather than the other way around) and to ensure business readiness to adopt the new solution. The business change support associated with such programmes has been built into the OBC to ensure it provides the resources required to deliver the necessary business process changes.
- 5.16 The implementation of any new solution will require the combination of a number of key parties to ensure its success which will be the subject of a procurement exercise:
- a. An application (or systems) provider – those companies who have developed the latest software available in the market and who offer its use for a license fee (e.g. SAP, Microsoft, Oracle).
  - b. A systems implementation partner (sometime called a Systems Integrator – SI) with



specialist knowledge of the chosen solution and with the expert resources required to configure the system to meet the council's requirements.

- c. Resources to support the business change activities required to support the changes in business processes and cultural change required to deliver the required benefits of any new system. This has become increasingly important with the advent of cloud-based solutions where there is limited ability to customise the solution to meet local needs and an increased focused on adapting local business processes to align with best practice processes built into the solutions. It is imperative that the Council 'owns' the business change process as it needs to be embedded in the culture of the organisation but it is likely that external expertise or capacity will be required to support this activity.
- d. The implementation of any new system will require significant input from the key users within the Council to provide critical input into the design of the new system set-up, testing the new system once built to ensure that it meets the business requirements and in supporting the adoption of the system during training and post go-live.

## 6. Evaluation of alternative options:

6.1. Refer to the Private report.

## 7. Reasons for Decision(s):

To inform Cabinet of the options appraisal undertaken and outline business case associated with the future delivery of HR & Finance systems.

### Signatures

### Date

Councillor Brigid Jones  
Deputy Leader

.....

Councillor Brett O'Reilly  
Cabinet Member for Finance and Resources

.....

Clive Heaphy  
Director of Finance & Governance

.....

Paula Buckley  
Chief Operating Officer

.....

**List of Background Documents used to compile this Report:**

1. Report to Cabinet 18 October 2016 - Birmingham City Council Information & Communications Technology & Digital Strategy (2016 - 2021)
2. Report to Cabinet 18 October 2016 - Birmingham City Council Strategic ICT & Digital Investment Programme (2016 - 2021)
3. Report to Cabinet 27 March 2018 - Outcome of final stage negotiations between BCC and Capita – proposed IT and Digital Service Transition Roadmap to 2020/21, with associated investments and benefits
4. Report to Cabinet 26 June 2018 – Birmingham City Council Plan June 2018-2022

**List of Appendices accompanying this Report:**

1. Equality Impact Analysis

## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty (as an appendix).

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) tackle prejudice, and
  - (b) promote understanding.
- 5 The relevant protected characteristics are:
  - (a) marriage & civil partnership
  - (b) Age
  - (c) disability
  - (d) gender reassignment
  - (e) pregnancy and maternity
  - (f) Race
  - (g) religion or belief
  - (h) Sex
  - (i) sexual orientation

```

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**From:** Jayne Power  
**Sent:** 24 September 2018 11:19:34  
**To:** Marie Reynolds  
**Cc:**  
**Subject:** Resources O&S Committee 20th September - Presentation  
**Attachments:** O&S presentation ERP HR & ICT September 2018.ppt

---

Hi Marie,

The attached presentation was given to Resources O&S Committee last Thursday under item 6 "Proposed New IT System for Finance and HR". Could it be added to CMIS please.

Thanks.

Kind regards,

Jayne

Jayne Power

Scrutiny Officer

Legal & Governance Department

Birmingham City Council

3<sup>rd</sup> Floor, Scrutiny Office

Council House

Birmingham B1 1BB

T: 0121 303 4810

[www.birmingham.gov.uk](http://www.birmingham.gov.uk)

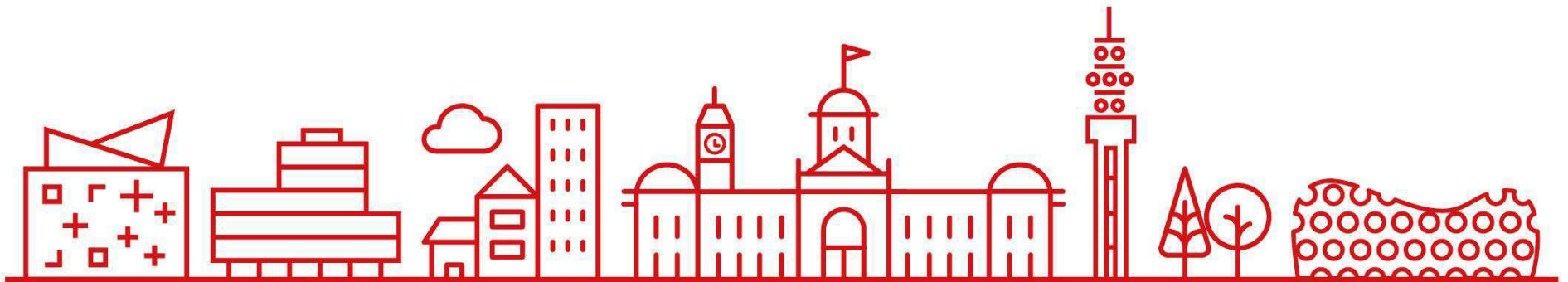
# Council Fit for the 21<sup>st</sup> Century

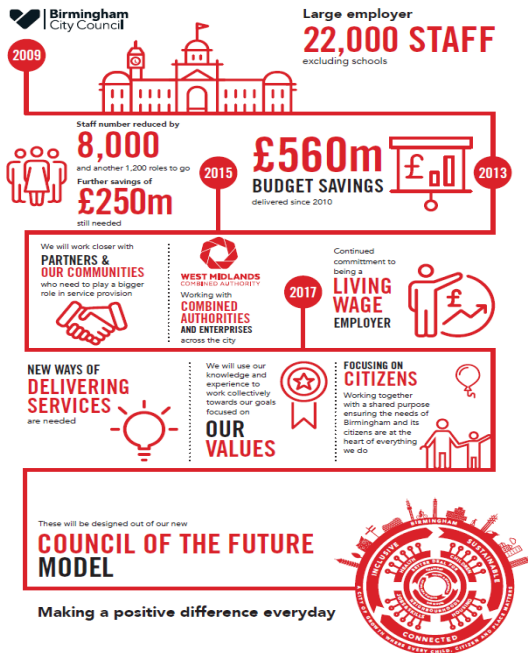
Resources Overview & Scrutiny Presentation

200918

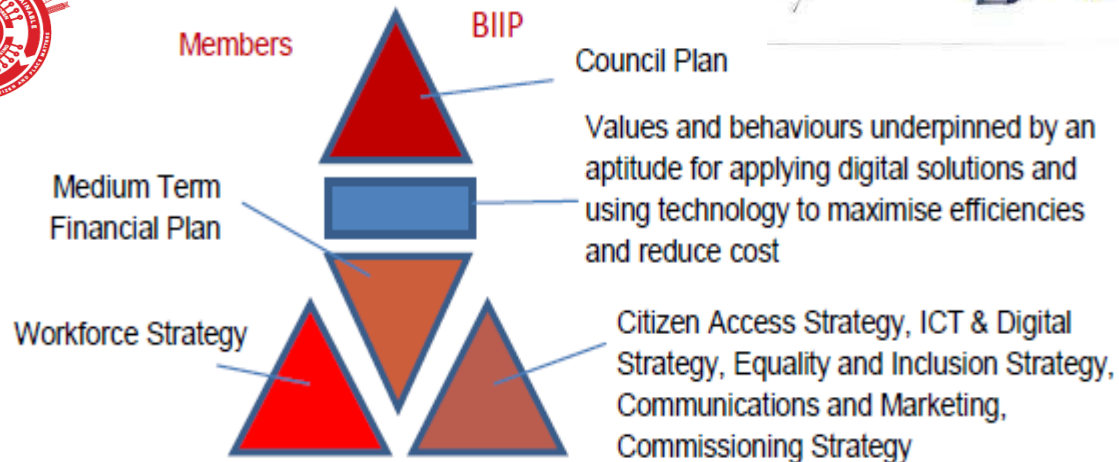
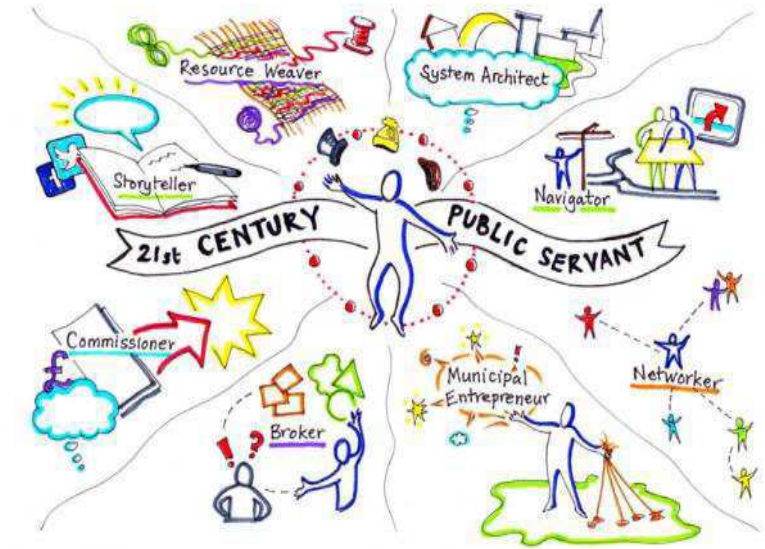
Clive Heaphy, Corporate Director Finance & Governance

Dawn Hewins, HR Director



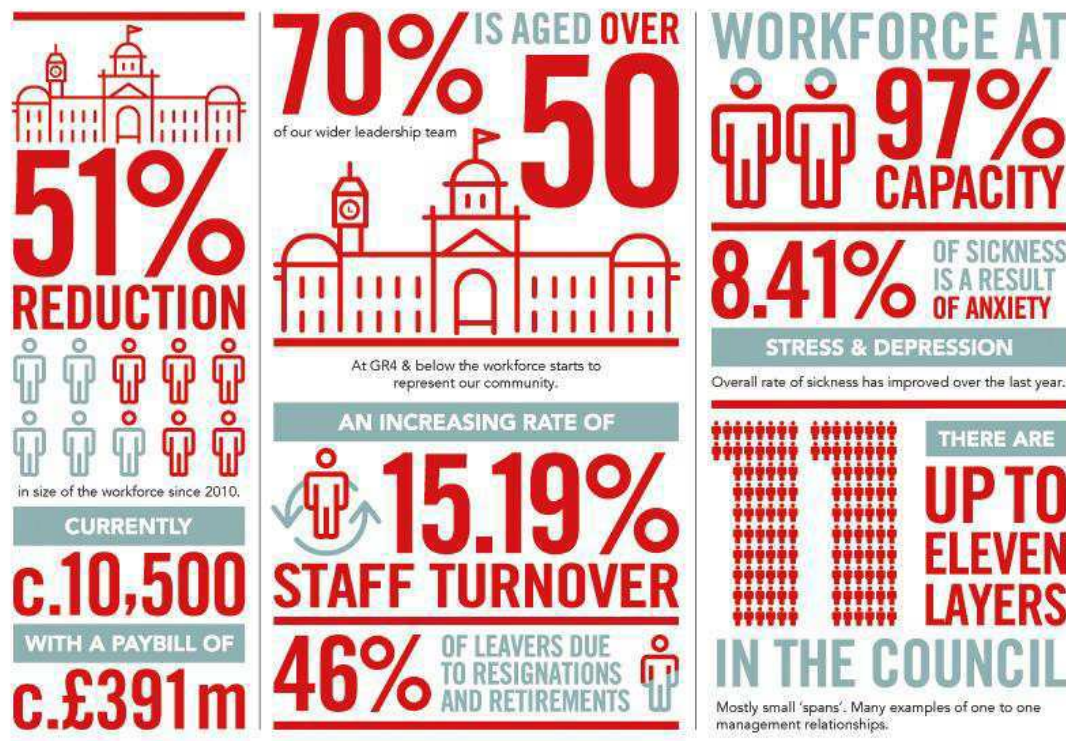


# Recap: Our Journey





# What do we know about our workforce?

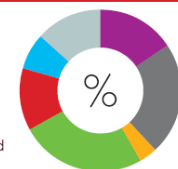


## 2018 Staff Survey Snapshot of final results

### RESPONSE RATE BY DIRECTORATE

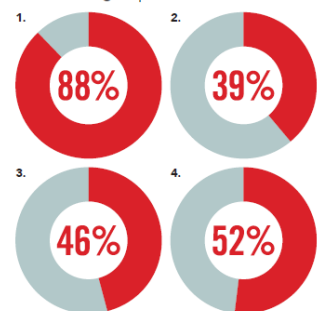
**26% OF STAFF**

3,212 out of 12,553 employees completed the survey.



### PRIORITY ONE – WORKFORCE PLANNING AND MANAGING POTENTIAL

You will continue to develop and go above and beyond to ensure BCC succeeds as a great place to work.



**What don't we know:** regular “noise” from across the organisation; database to record the skills that staff have, robust and timely workforce intelligence that matches (e.g. finance, payroll and HR data)

# New Council Plan approved at Full Council 10 July 2018

## Our Outcomes and Priorities:

- Birmingham – a city of growth where every child, citizen and place matters
  - Birmingham is an entrepreneurial city to learn work and invest in
  - Birmingham is an aspirational city to grow up in
  - Birmingham is a fulfilling city to age well in
  - Birmingham is a great city to live in
  - Birmingham residents gain the maximum benefit from hosting the Commonwealth Games



# Birmingham City Council Plan: 2018-2022

## Challenges and opportunities

**BIRMINGHAM HAS**  
**1,141,000**  
**CITIZENS**  
**46%**  
**UNDER 30**



Our population is expected to rise to 1.31million by 2039 (15% rise from now) and 24% predicted rise in adults aged 85+ by 2028.

**90**  
**A**  
**DIFFERENT**  
**LANGUAGES**  
**ARE SPOKEN**

Birmingham has a young and richly diverse population with 25% of the population under-18 and 42% from Black and Minority Ethnic communities.

**OUTSIDE OF LONDON**  
**OUR CITY IS THE**  
**MOST**  
**ETHNICALLY &**



**CULTURALLY**  
**DIVERSE**



**1,789**  
**CHILDREN**  
**IN CARE**  
**(UNDER 18)**

1 in 3 children live in poverty and there is a gap in life expectancy between the wealthiest and poorest wards. English is not the first language for 42% of school children.

**1,836**  
**FAMILIES**  
**SUPPORTED BY**  
**FAMILY SERVICES\***

(\*THINK FAMILY)

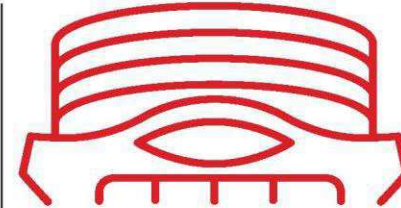


Unemployment is higher than the UK average – 6.4% in Birmingham compared to 2.6% in the UK. Unequal employment rates across Birmingham – e.g. Hodge Hill at 46% compared to 78% in Sutton Coldfield. Air pollution causes up to 900 premature deaths (deaths before the age of 75) per year.



**61,818**  
**COUNCIL HOUSES**

89,000 new homes are needed by 2023: street homelessness is on the rise and 1 in 88 people (12,785) are homeless.



**MOST RAPIDLY**  
**IMPROVING CITY**

to live and work in with exciting new developments in Birmingham city centre, delivering almost 13,000 new homes, over 40,000 jobs and adding £2billion to the local economy.

**COMMONWEALTH**  
**GAMES**

will reposition Birmingham globally,

**GENERATING**  
**£526m**

for the regional economy and creating 1,000 new homes.



Wide ranging lively cultural offer, including world class theatres, Town Hall and Symphony Hall and a rich tapestry of festivals.

**CITIZENS'**  
**TOP PRIORITIES**

- #1** Clean Streets (57%)
- #2** Refuse Collection (55%)
- #3** Child Protection and Safeguarding (37%)
- #4** Road and Pavement Repairs (37%)
- #5** Care and Support for Older and Disabled People (36%)

**IN 2017, MORE THAN**

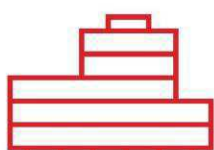
**12,000**  
**NEW COMPANIES**  
**OPENED THEIR DOORS**  
**FOR NEW BUSINESS**  
**IN BIRMINGHAM**



**HOME TO OVER**  
**20**  
**MUSEUMS**

**571**  
**PARKS**

More than any other European city.

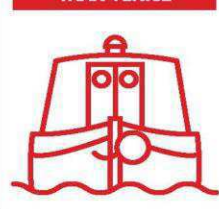


**4 MILLION VISITORS TO**  
**CITY'S 37**  
**LIBRARIES**  
**ANNUALLY**



**12,373**  
**ADULTS (18+)**  
**RECEIVING**  
**LONG-TERM SUPPORT**

**35 MILES**  
**OF WATERWAYS**  
**MORE CANALS**  
**THAN VENICE**



**HOME TO**  
**5**  
**UNIVERSITIES**  
with 87,400 students (aged 16-64).

# Our Challenges and Opportunities:

- Corporate Improvement Plan – monitored by Birmingham Independent Improvement Panel
- Budget Challenges – intending to launch budget early this year – in-year pressures and continuing austerity
- Clarity of understanding regarding impact additional cuts / reductions in service
- Delivering the Commonwealth Games 2022

# Why change?:

The role and shape of public services is changing because of:

- The need to be self-sufficient and sustainable
- Radically changing needs, behaviour and expectations of our citizens, clients and customers
- Greater need to work and influence others

# We must excel in:

- Delivering political priorities and outcomes
- Focusing on excellence in customer experiences
- Robust commissioning of outcomes and ensuring delivery of the 'right' service, irrespective of whether they are delivered internally or externally
- Enabling economic growth
- Prevention and early intervention
- Encouraging innovation and a commercial approach
- Evidence based decision making at all levels, supported by effective performance management

## To do this, we need to:

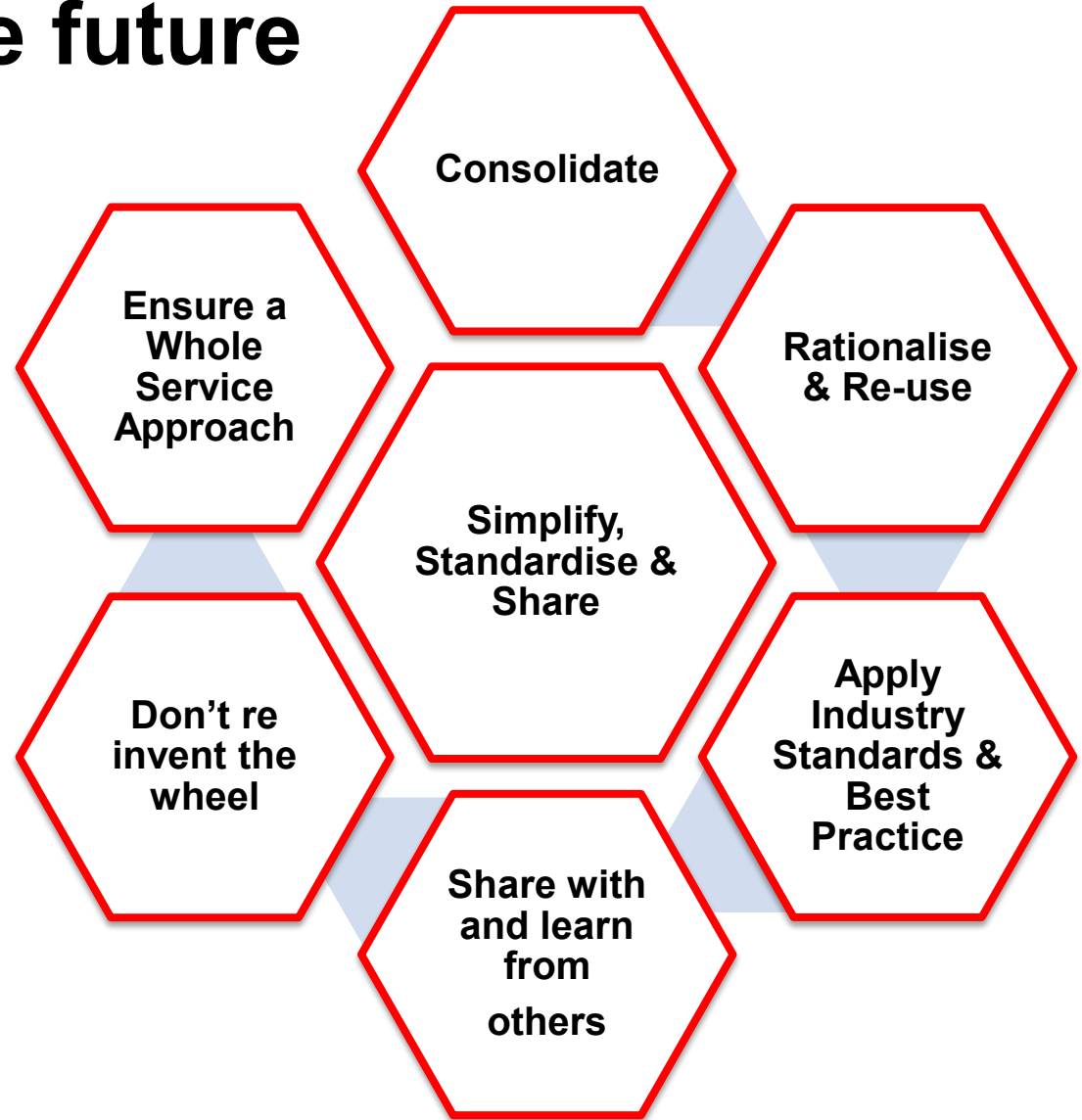
- Have greater integration between our services and functions
- Be leaner and more agile organisation
- Further consolidation of support services to realise efficiencies.
- Work more collaboratively as 'one council'
- Make much better use of customer insight and business intelligence to ensure we make informed decisions and deploy all our resources appropriately



# Our approach to the future

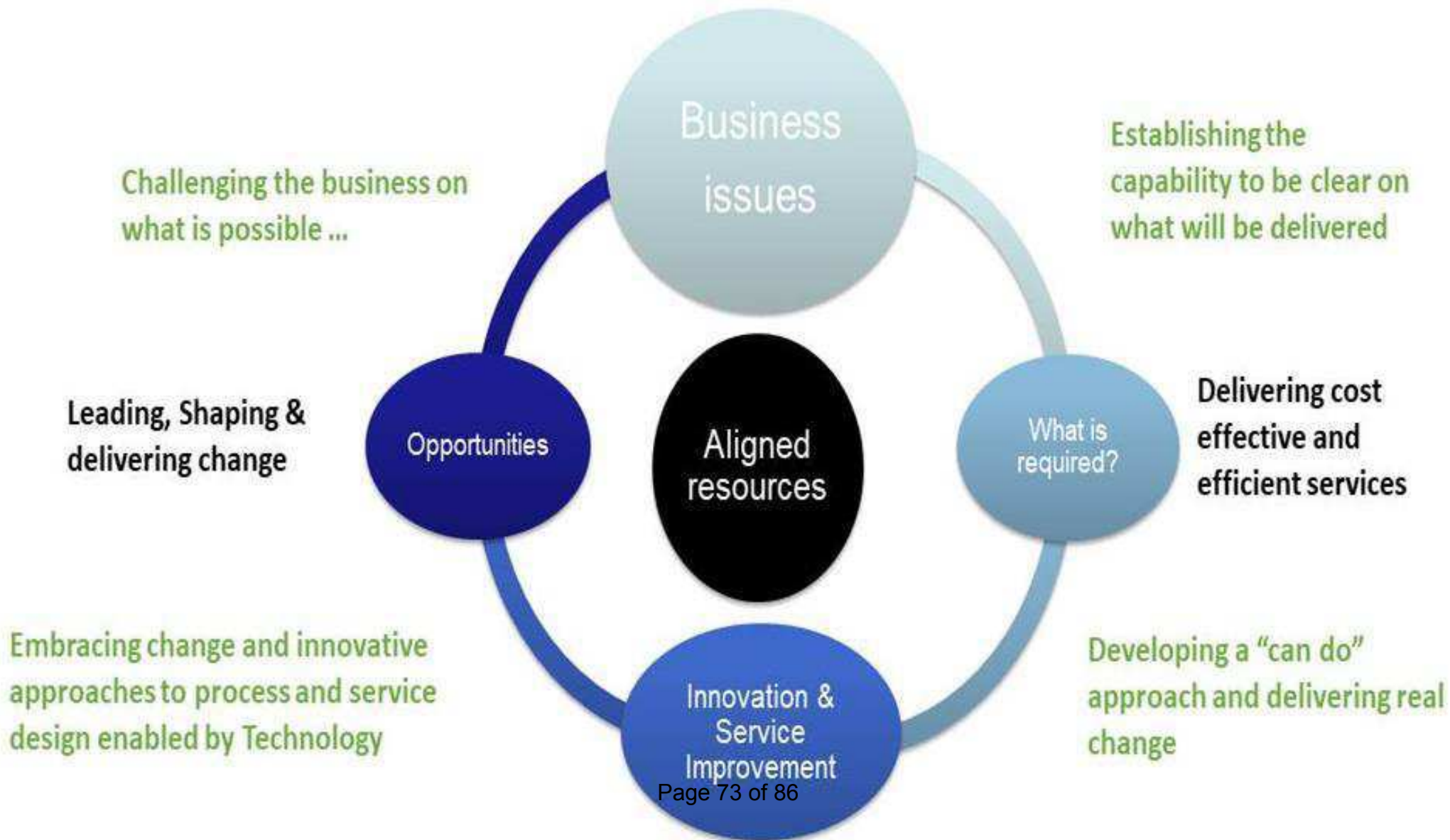
## Critical Balance of:

- **Legacy**
- **Getting the basics right**
- **New ways of working**





# Using Technology and Digital... *“a strategic enabler of change - enabling the council to be the best it can be”*



# Why ERP? - Common Themes from Users and Customers

As a... User

**I want...** a logical and intuitive user experience

**So that...** I can find information and navigate to complete transactions and access information easily

As a... Manager

**I want...** to be able to view all of the information relating to my role easily in a single view

**So that...** I easily see the information I need to act upon and an overview of my resources and budgets.

As a... End and Professional User

**I want...** real time analytical information in a dashboard and drill down/vary fields

**So that...** I can produce reports and manage workloads

As a... User

**I want...** to be able to access the system to be able to see my personnel records, amend information where I'm allowed and see my pay information easily.

**So that...** I can easily access and maintain my own

As a... User

**I want...** to be able to access the system from any device, anywhere

**So that...** I can work flexibly and remotely at my convenience.

As a... User

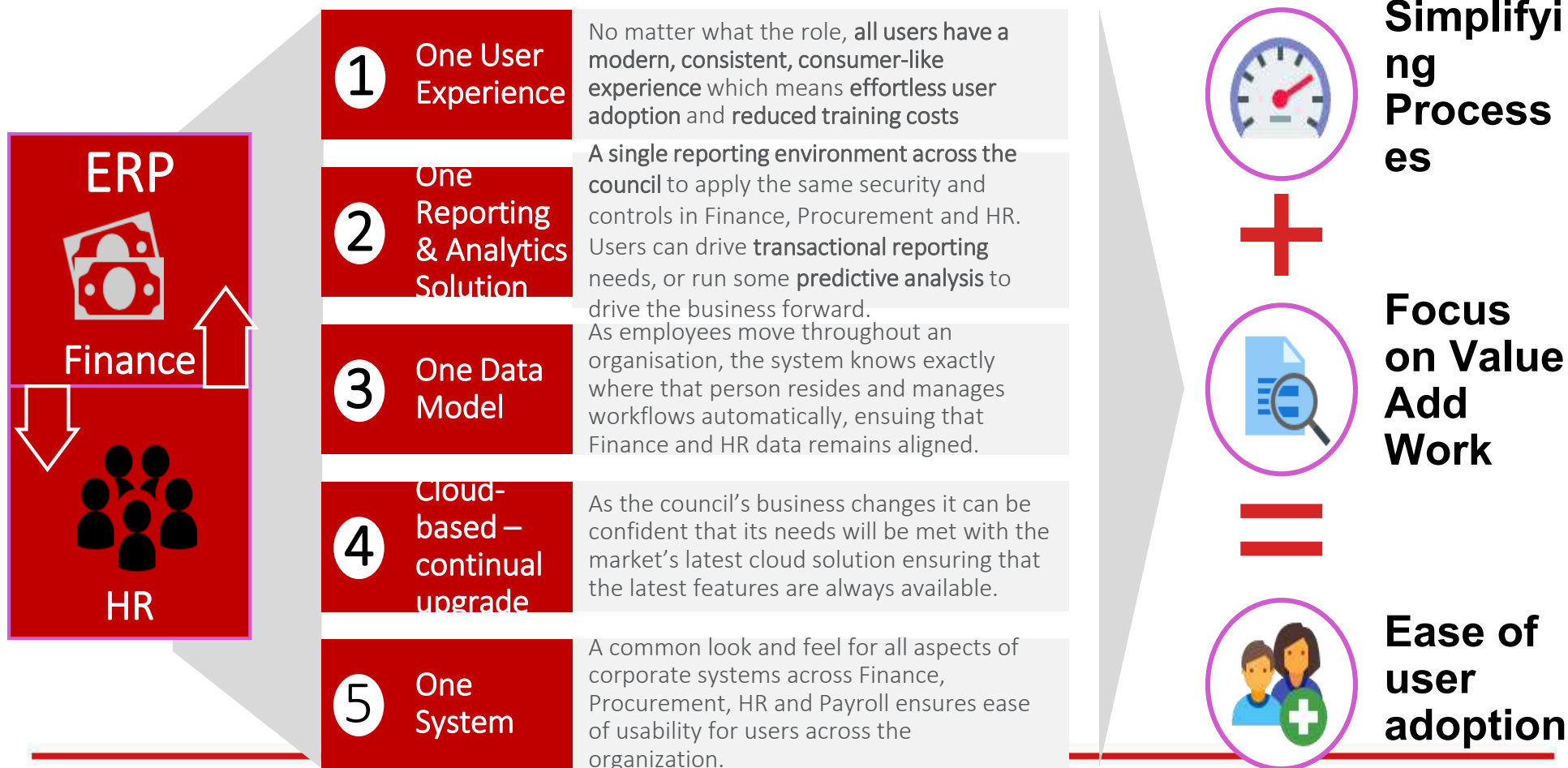
**I want...** notifications by email

**So that...** I can view the details and act upon the notification without logging into the system

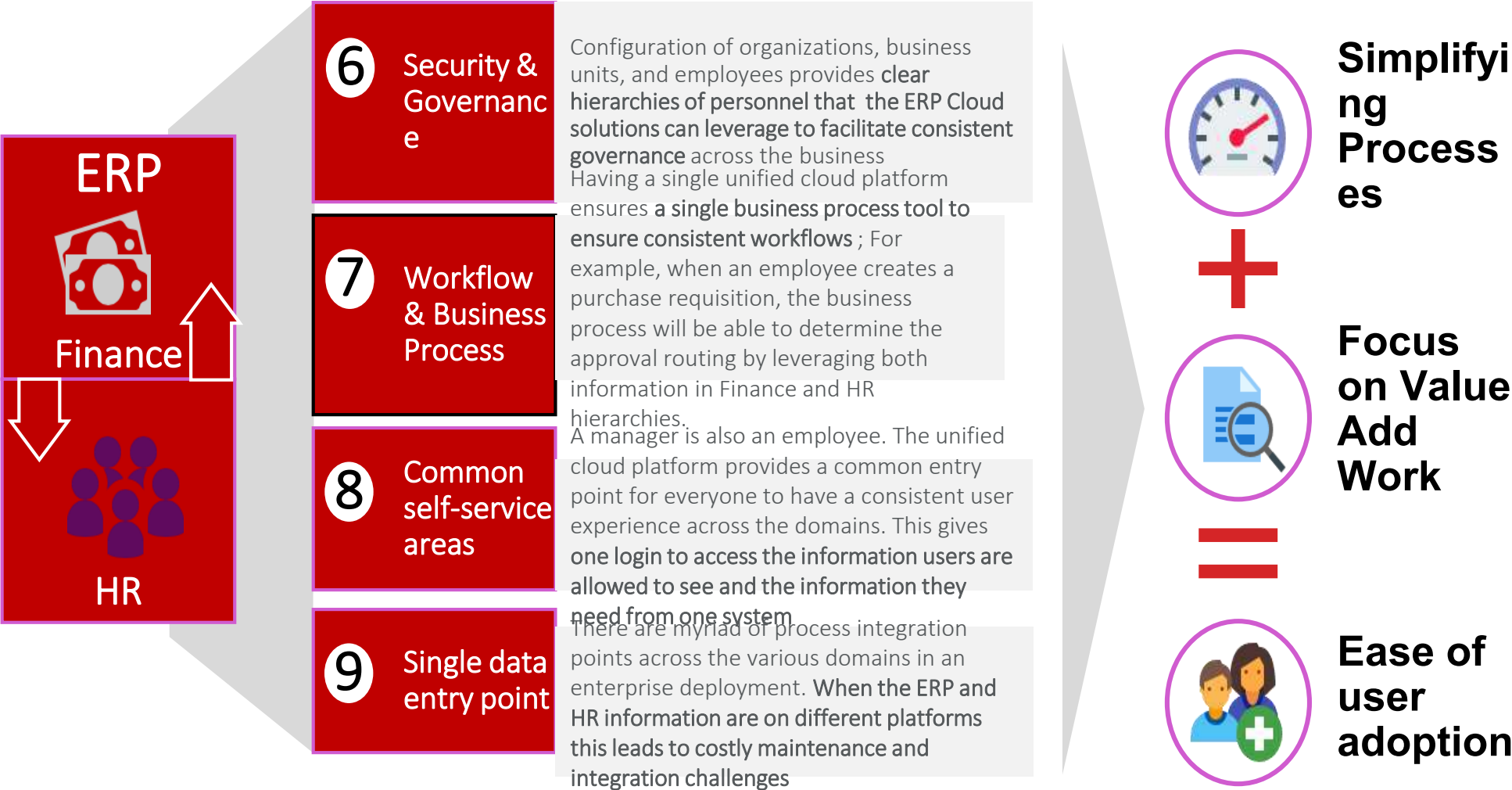
# Enterprise Resource Planning (ERP) - Our Key Focus Areas

- Improving the strategic use of data and information
- Improving information assurance and safety of personal data
- Improving agility, productivity and collaboration
- Improving how we develop and manage HR and financial information
- Implementing better self-service for customers
- Implementing new service models that take advantage of “digital”
- Improving our city-wide digital infrastructure and skills to support economic growth
- Delivering a new council-led Information, Technology and Digital Service
- Bringing our Council Strategies and Plans together – Finance; HR & ICT&D

## Benefits of an Integrated ERP Platform



# Benefits of an Integrated ERP Platform



# Thank You for listening

## Any Questions?









## Resources O&S Committee: Work Programme 2018/19

<b>Chair</b>	Cllr Sir Albert Bore
<b>Deputy Chair</b>	Cllr Josh Jones
<b>Committee Members:</b>	Cllrs Muhammad Afzal, Meirion Jenkins, Zaheer Khan, Narinder Kaur Kooner, Ewan Mackey, Paul Tilsley
<b>Committee Support:</b>	Scrutiny Team: Emma Williamson (464 6870) and Jayne Power (303 4810) Committee Manager: Marie Reynolds (464 4104)

### 1 Meeting Schedule

Date	Item	Officer contact
21 June 2018	Work Programme Discussion  <i>Outcome:</i> to determine the work programme priorities for the year	Emma Williamson/Jayne Power, Scrutiny Office
19 July 2018	Financial Outturn Report 2017/18 Birmingham independent Improvement Panel Stock-take Report Travel Assist	Emma Williamson/Jayne Power, Scrutiny Office
4 September 2018	Annual Audit Findings Report	Clive Heaphy, Corporate Director, Finance and Governance/Jon Lawton, Cabinet Support Officer
<b>20 September 2018</b> Deadline for reports: 11 September	2018-19 Budget Update	Clive Heaphy, Corporate Director, Finance & Governance
	Proposed new IT system for Finance and HR	Dawn Hewins, Director of HR / Clive Heaphy, Corporate Director, Finance & Governance
<b>18 October 2018</b> Deadline for reports: 9 October	Update on Acivico	TBC
<b>15 November 2018</b> Deadline for reports: 6 November	TBC	
<b>13 December 2018</b> Deadline for reports: 4 December	TBC	



Date	Item	Officer contact
<b>17 January 2019</b> Deadline for reports: 8 January	TBC	
<b>14 February 2019</b> Deadline for reports: 5 February	TBC	
<b>14 March 2019</b> Deadline for reports: 5 March	TBC	
<b>11 April 2019</b> Deadline for reports: 2 April	TBC	

## 2 Other Meetings

### Call in

#### Petitions

*None scheduled*

#### Councillor Call for Action requests

*None scheduled*

## 3 Forward Plan for Cabinet Decisions

Leader		
005471/2018	Financial Monitoring Report Quarter 2 2018/19	13 Nov 18
Deputy Leader		
005244/2018	Future of Human Resources and Finance Systems	18 Sept 18
Cabinet Member Finance and Resources		
005292/2018	Procurement Strategy for the Major Construction Projects and Capital Works Programmes Framework - PUBLIC	18 Sep 18
005406/2018	Utilities Procurement Strategy – PUBLIC	18 Sep 18



003629/2017	Commissioning Security for Council Premises - PUBLIC	09 Oct 18
005538/2018	Performances Birmingham Limited – Making an Entrance – Funding Review	09 Oct 18
005467/2018	Review of the Social Value Policy and Birmingham Business Charter for Social Responsibility (BBC4SR) - Public	13 Nov 18
004831/2018	Review of Building Consultancy (Acivico) Ltd - Public	11 Dec 18
004833/2018	Commissioning review of Birmingham City Laboratories (BCL) - Public	11 Dec 18





## Work Outline

# Long Term Financial Planning

## Resources Overview and Scrutiny Committee

Our key question:	How can the City Council's long term financial planning be improved?
1. How is O&S adding value through this work?	Following the publication of the Annual Audit Letter for the year ending 31 March 2018, which identified the need for improved medium term financial planning, an exploration of what best practice looks like and how this can be applied in Birmingham, would assist the Cabinet Member and officers in responding to the auditor's recommendations.
2. What needs to be done?	Members will need to: <ul style="list-style-type: none"><li>• Understand present long term financial planning process used in Birmingham;</li><li>• Understand the statutory requirements with regards to long term financial planning;</li><li>• Explore how long term financial planning takes place in other organisations and to see what can be learned.</li></ul>
3. What timescale do we propose to do this in?	The outline timetable is: <ul style="list-style-type: none"><li>• Report of work outline to the Co-ordinating Overview and Scrutiny Committee: 4<sup>th</sup> October 2018;</li><li>• Research, including visits to other local authorities if required: October 2018;</li><li>• Evidence gathering session: November 2018</li><li>• The date a draft report is discussed by the Committee: December 2018</li><li>• The date of the City Council meeting: January/February 2019</li></ul>
4. What outcomes are we looking to achieve?	A report with recommendations to the Executive to improve the City Council's long term financial planning.

## Member / Officer

Lead Member:	Cllr Sir Albert Bore
Members:	Cllrs Muhammad Afzal, Meirion Jenkins, Zaheer Khan, Narinder Kaur Kooner, Ewan Mackey, Paul Tilsley
Lead Officer:	Emma Williamson/Jayne Power, Scrutiny Office with Clive Heaphy, Corporate Director, Finance and Governance

