

APPENDIX A

Quarter 3 Financial Monitoring Report 2021/22

1. High Level Summary Financial Position

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

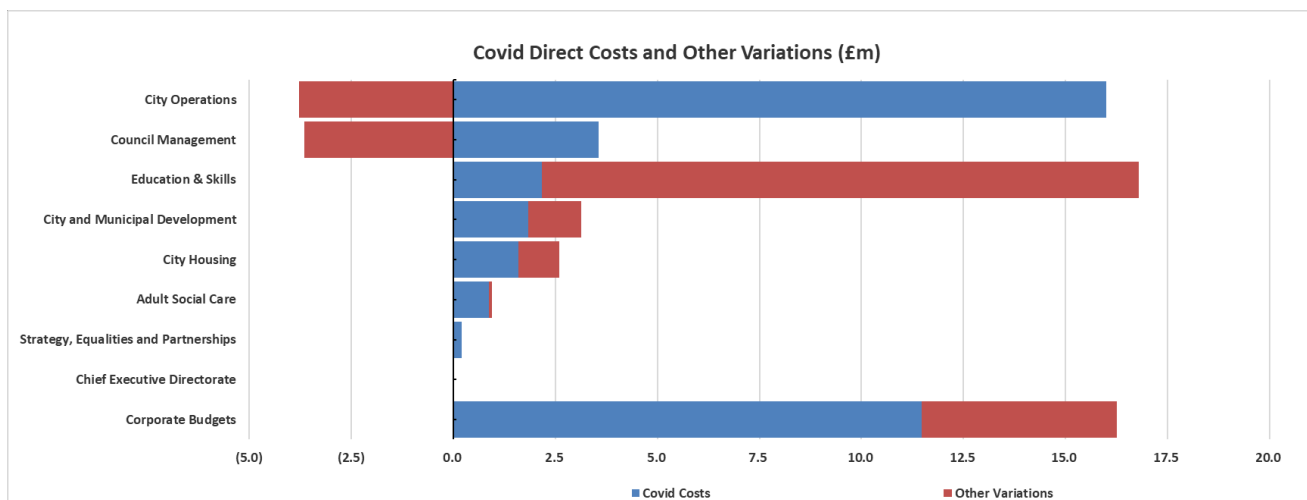
Table 1: High level position

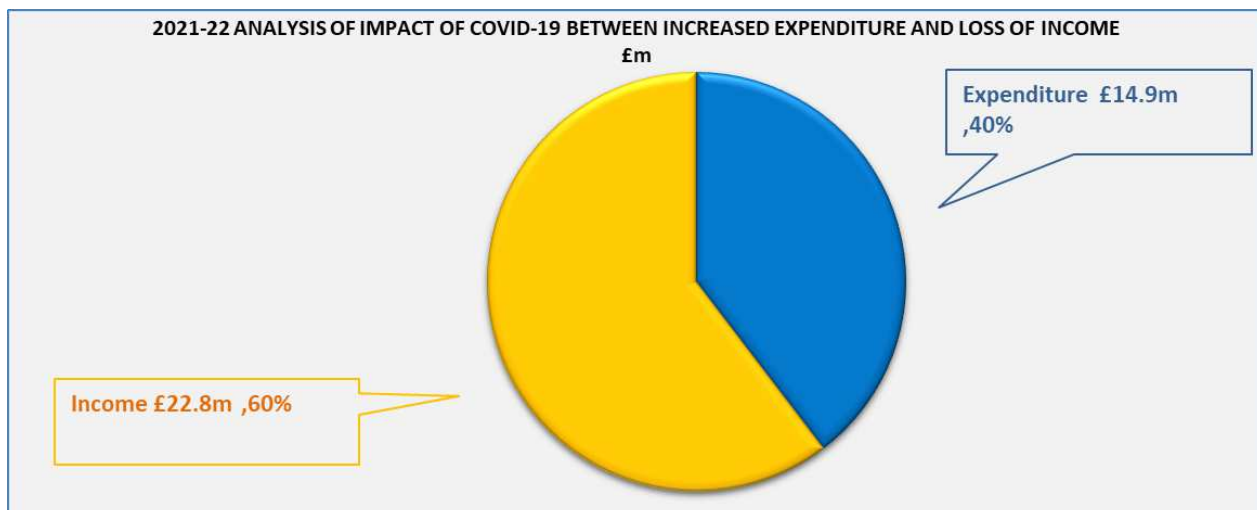
Table 1 : High level position.	Covid Variation	Non-Covid Variation	Total Variation
	£m	£m	£m
Directorate Sub Total	26.2	7.6	33.8
Corporate Budgets	11.5	4.8	16.3
Application of Tranche 5 Funding Budget 2021/22	(12.5)	0.0	(12.5)
Covid Funding	(17.5)	0.0	(17.5)
Specific Grant Funding	(1.0)	0.0	(1.0)
Public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

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

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

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





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

Table 2: High Level Summary

Table 2 :High Level Summary	A	B	C	D	E	F
Directorate *	Current Budget	Forecast Outturn	Covid 19 Financial Impact Included	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend *	Movement since Quarter 2
	£m	£m	£m	£m	£m	£m
Education & Skills	298.196	312.986	2.165	12.625	14.790	2.889
City Operations	185.382	197.603	16.000	(3.779)	12.221	(4.337)
City and Municipal Development	61.749	64.881	1.829	1.303	3.132	2.110
City Housing	12.731	15.319	1.592	0.996	2.588	0.142
Adult Social Care	333.896	334.839	0.872	0.071	0.943	(2.261)
Strategy, Equalities and Partnerships	3.923	4.134	0.211	0.000	0.211	0.000
Council Management	52.804	52.711	3.556	(3.649)	(0.093)	(0.907)
Chief Executive Directorate	0.485	0.485	0.000	0.000	0.000	0.000
Directorate Sub Total	949.167	982.959	26.225	7.567	33.792	(2.364)
Corporate Budgets	(120.496)	(104.238)	11.470	4.788	16.258	0.000
Application of Tranche 5 Funding Budget 2021/22	0.000	(12.515)	(12.515)	0.000	(12.515)	0.000
Covid Funding	0.000	(17.471)	(17.471)	0.000	(17.471)	0.000
Specific Grant Funding	0.000	(1.000)	(1.000)	0.000	(1.000)	2.000
Public Health Grant	0.000	(6.000)	(6.000)	0.000	(6.000)	0.000
Income Loss Scheme Funding	0.000	(2.838)	(2.838)	0.000	(2.838)	0.396
Corporate funding for Home to School Transport	0.000	(6.076)	0.000	(6.076)	(6.076)	(6.076)
Corporate Subtotal	(120.496)	(150.138)	(28.354)	(1.288)	(29.642)	(3.680)
City Council General Fund	828.671	832.821	(2.129)	6.279	4.150	(6.044)
Indirect Covid Costs			37.998	(37.998)	0.000	0.000
General Fund after transferring indirect costs	828.671	832.821	35.869	(31.719)	4.150	(6.044)
Financial Position as at Q2	828.671	838.865	32.923	(22.729)	10.194	
Movement from Q2	0.000	(6.044)	2.946	(8.990)	(6.044)	
Movement from Q2 %	0.000%	(0.72)%	8.95%	39.55%	(59.29)%	

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

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

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

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

2. Capital Expenditure

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

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

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

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

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

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

2.5. New Resources - £33.1m

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

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

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

2.6. Budget Reductions £108.9m

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

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

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

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

2.7. 2021-22 Capital Programme

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

Table 7: Summary 2021/22 Capital Programme Financial Position

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

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

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

Table 9: Year End forecast by Directorate

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

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

2.14 Council Management – Slippage of £14.8m

2.15 Revenue Reform Projects – slippage of £15.4m

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

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

City Operations – slippage of £6.3m

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

City Housing – Net slippage of £0.5m

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

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

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

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

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

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

Education & Skills – Slippage of £3.0m.

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

Risks and Issues

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

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

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

Table 10: Flexible Use of Capital Receipts

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

Capital Receipts & Disposals Programme:

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

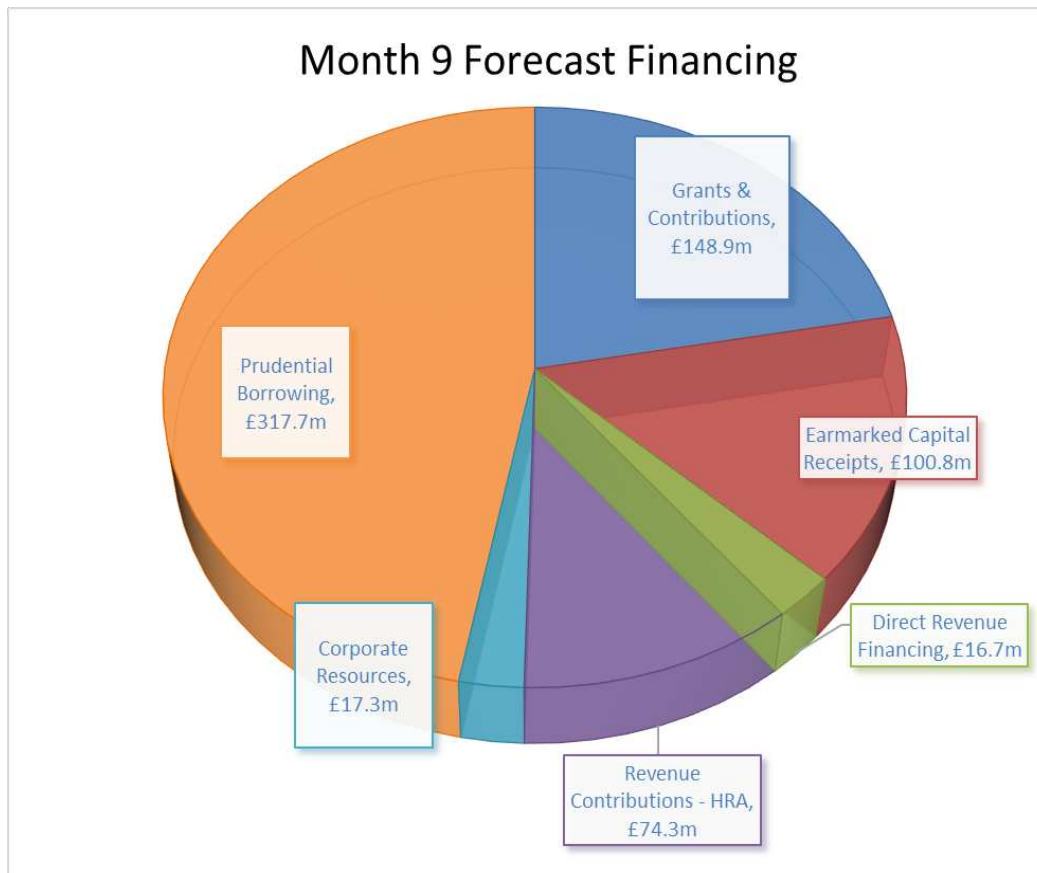
Table 11: Capital Receipts & Disposal at Quarter 3 2021/22:

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

Financing the Quarter 3 Forecast Outturn

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

Forecast Financing Chart - £675.7m



2.44 **Table 12: Capital Financing.**

Summary of Capital Funding Quarter 3 2021-22

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

3. Period Key Issues

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

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

Education and Skills

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

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

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

City Housing

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

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

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

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

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

City Operations

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

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

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

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

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

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

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

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

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

Adult Social Care

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

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

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

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

City & Municipal Development Directorate

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

Council Management Directorate

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

Clean Air Zone (CAZ)

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

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

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

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

Emerging Risks not included in Forecast

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

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

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

Other Risks that cannot be quantified

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

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

Savings Programme

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

Table 14: Summary of Saving programme.

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

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

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

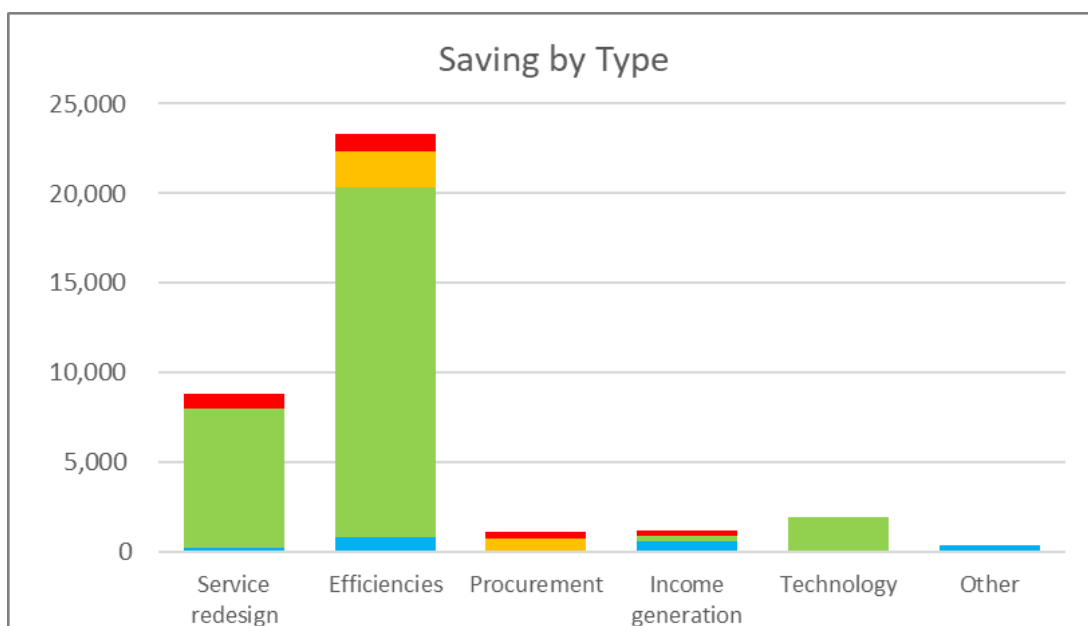
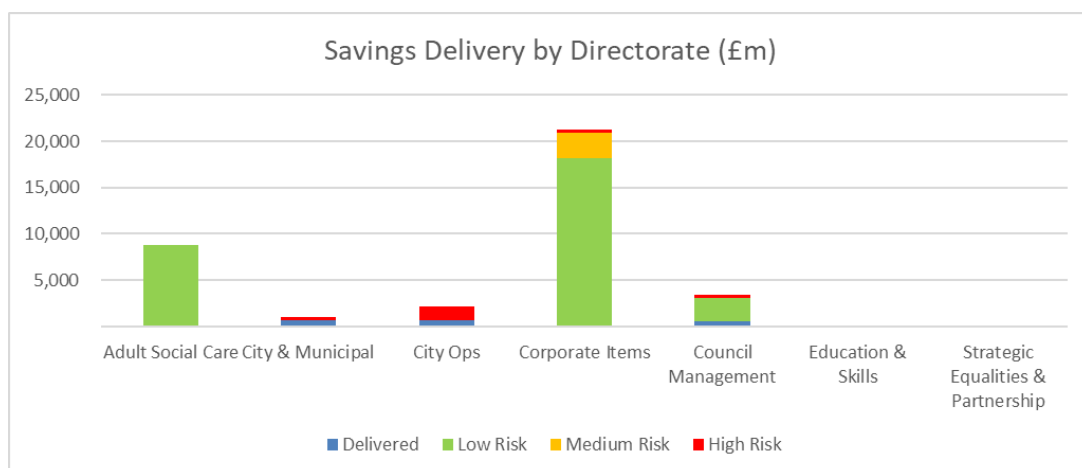
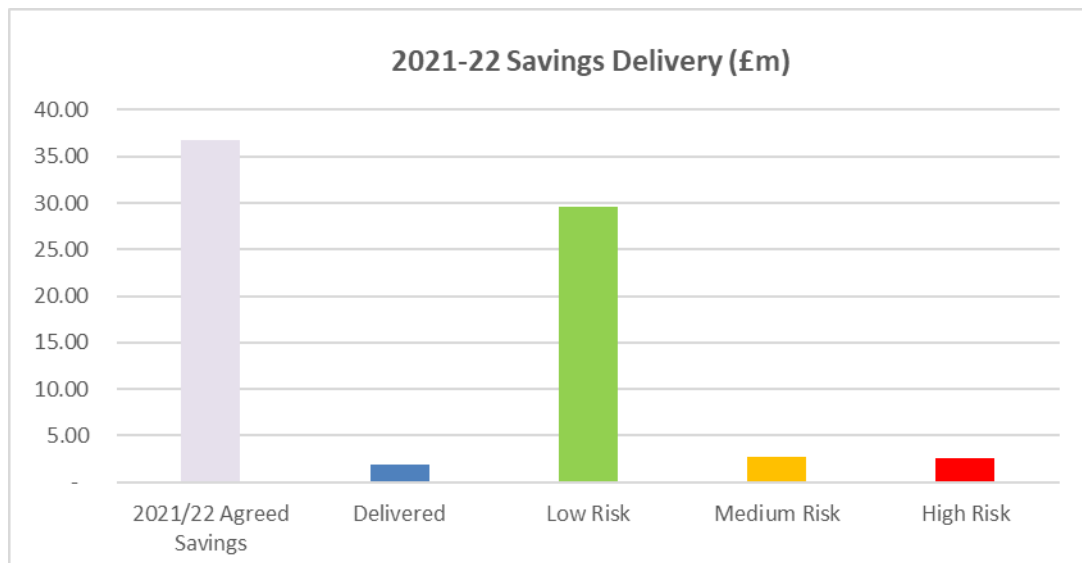
savings, there is a target of £0.7m for Contract savings. The Gateway spend control process is seeking to achieve the target.

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

Table 15: Achievement of Establishment Savings

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

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



Covid-19 Major Incident Financial Impact

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

Table 16: Forecast Covid-19 financial position

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

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

Delivery Plan

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

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

Table 17: CEO Transformation Fund

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

Table 18: Delivery Plan Reserve

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

Policy Contingency

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

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

Table 19: Policy Contingency

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

Specific Policy Contingency

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

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

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

Balance Remaining

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

Forecast Underspend

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

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

Collection Fund

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

Council Tax

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

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

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

3.81. Table 20: Council Tax Summary

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

Business Rates

- 3.83. Under the 100% Business Rates Pilot that came into effect on 1st April 2017 the Council continues to retain 99% of all Business Rates collected under the Business Rates Retention Scheme with 1% being paid over to the West Midlands Fire Authority. The overall budgeted level of Business Rates in 2021/22 is £422.4m (excluding the Enterprise Zone), of which the Council's retained share is £418.2m.
- 3.84. There is a deficit anticipated, in year, of which the Council's share is £141.7m. This is mainly due to reliefs of £131.0m which primarily relate to Retail and Small Business Reliefs that the Council has granted to businesses in the leisure, hospitality, retail and nursery sectors which have been affected by Covid-19. Included within this figure is a forecast of £30.1m for the additional relief mentioned in paragraph 3.85. The forecast gross rate yield is £2.2m lower than the budget due to lower growth in businesses and longer processing times at the Valuation Office impacting on when growth is added to the schedule. To be prudent only a small amount of growth from missing and undervalued assessments has been included in the forecast, and original growth from planning applications which was assumed when the budget was set has not been factored in the forecast due to economic uncertainties. In addition, an increase in the appeals provision of £8.4m is forecast to cover outstanding appeals.
- 3.85. The Government has announced plans to provide an extra, targeted business rates support package for businesses which have been unable to benefit from the existing £16 billion business rates relief for retail, hospitality and leisure businesses. The £1.5 billion funding pot which is to be distributed amongst all local authorities will provide businesses within Birmingham access to an additional £30.1m in rate relief. The relief legislation has just recently received Royal Assent and the subsequent scheme guidance released to local authorities. At the January 2022 Cabinet meeting, Cabinet delegated authority to the Deputy Leader, and the Cabinet Member for Finance and Resources, from a report by the Director of Digital and Customer Services, to approve the Business Rates COVID-19 Additional Relief Fund Policy, scheme rules, and to authorise the award of the relief. The Revenues Team will model the scheme with a view to providing a draft policy.
- 3.86. As with Council Tax, the Council budgeted for lower than usual collection rates in 2021/22. There may be further worsening of non-collection due to the continuing effects of Covid-19 on the economy. An allowance has been made for this in the forecast for the bad debt provision.

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

3.90. Table 21: Business Rates Summary

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

Overall

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

Table 22: Housing Revenue Account (HRA)

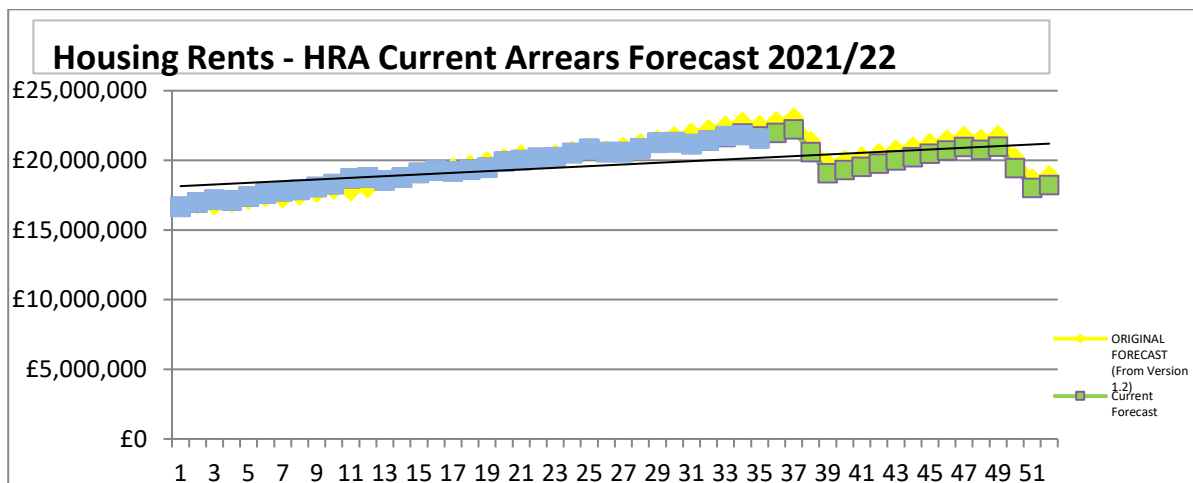
	Current Budget £m	Year to Date Actual	Forecast	Variation Over / (Under) spend	Change from Quarter 2
Rent Income	(254.737)	(183.069)	(254.737)	0.000	(0.050)
Service Charges	(15.158)	(10.559)	(15.158)	0.000	0.000
Other Income	(11.638)	(5.545)	(11.698)	(0.060)	0.014
Total Income	(281.533)	(199.172)	(281.593)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

Overall Position

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

HRA Current Arrears

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



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

Table 23: HRA Bad Debt Provision.

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

Covid-19 pressures

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

Risks / Issues

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

Dedicated Schools Grant (DSG)

Summary

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

Table 24: Dedicated Schools Grant (DSG) Summary

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

Key Service Highlights

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

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

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

Key Risks (not reflected in the financial forecast)

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

Future Years Impact

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

Savings Tracker:

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

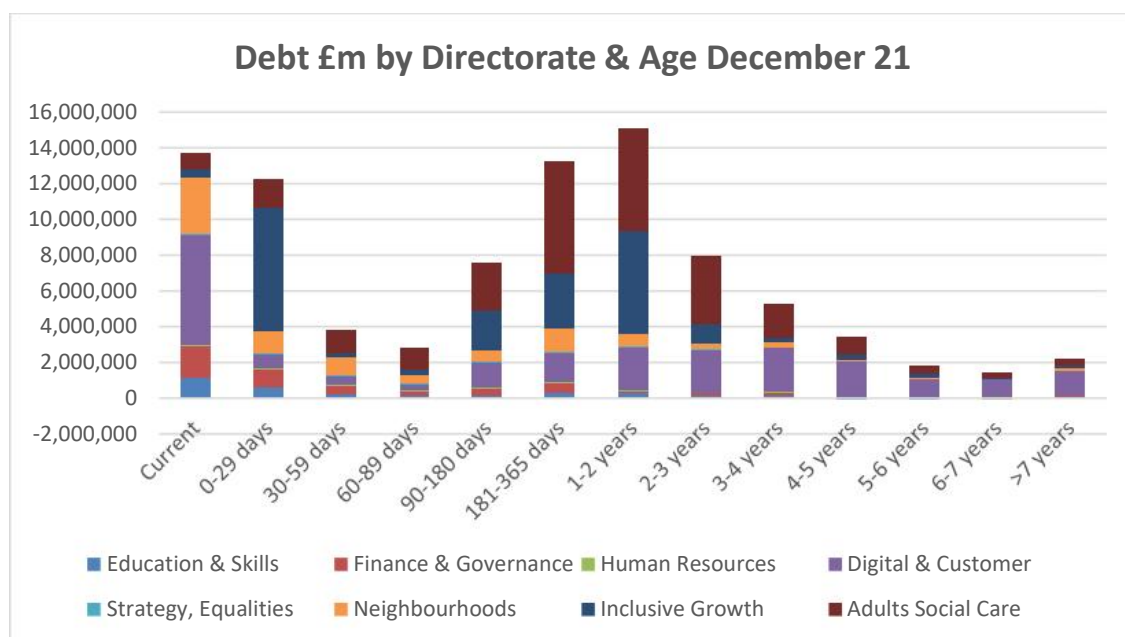
4. Balance Sheet

Borrowing

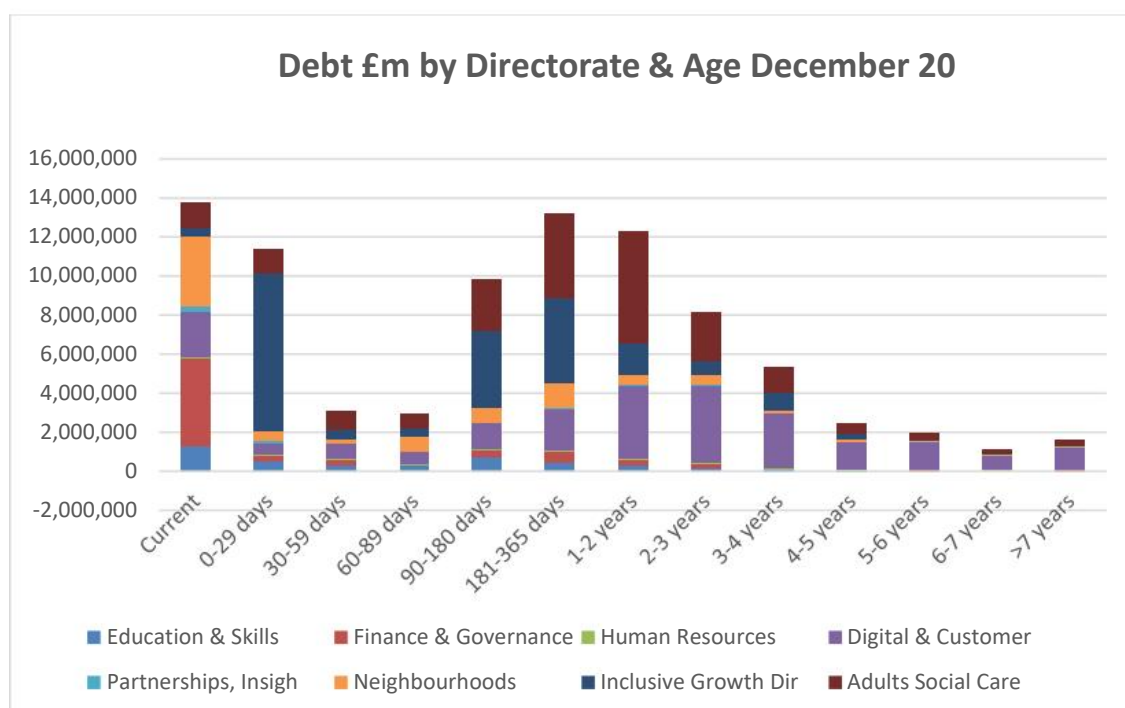
- 4.1. Gross loan debt is currently £3,145m, with the year-end projection estimated to be £3,461m, significantly below the planned level of £3,722m. Some government grants have been received early and there has been a reduced borrowing requirement for the capital programme. The annual cost of servicing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

Level of Debt and Provision

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



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



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

Top 50 Debtors Profile

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

Table 25: Debt profile and Risk rating

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

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

Table 26: Debt profile across the directorates

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

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

Reserves

- 4.9. The Council operates a policy of not using reserves unless they have been set aside for specific purposes; they will not be used to mitigate the requirement to make savings or meet on-going budget pressures, except in exceptional circumstances. The main use of reserves relates to grant reserves where funding has been received prior to the requirement to spend the resource. The Council also has earmarked reserves where it has made a decision to set money aside to fund specific costs when they occur in later years.
- 4.10. The Council anticipated the net use of £155.9m of reserves in setting the 2021/22 budget. This is summarised in Table 6 together with the current forecast outturn balance. At Quarter 3, £37.4m of uses of reserves that were approved by Cabinet as part of the Outturn Report on June 29th have been reflected. There is a forecast of further changes that represent a net contribution to reserves of £107.0m.

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

Table 27: Reserve Summary

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

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

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

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

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

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

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

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

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

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

List of Annexes

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

Annex 1 Covid Cost Details

Detail of Covid Forecast Costs by Directorate

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

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

a. Irrecoverable Housing Benefit

1. In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or return to the city.
2. The cost to the council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. It is, therefore, the appropriate account to be charged. There is no effect on the revenue account.
3. In 2021/22, from 1st October up to 31st December, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table below details the gross value of amounts written off, which members are asked to note.

Age analysis	Over 6 years	3 to 6 years	Under 3 years	Total
	£m	£m	£m	£m
Benefit Overpayments	0.046	0.111	0.110	0.268
Total	0.046	0.111	0.110	0.268

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

b. Irrecoverable Council Tax

1. In circumstances where Council Tax is identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for this to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or return to the city.
2. The accounts submitted this quarter are debts that have been part of a debt collection pilot with external debt collection agencies and is deemed irrecoverable.

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

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

Summary 01.10.21 – 31.12.21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 Assurance	
were Credit criteria complied with?	yes
were investment defaults avoided?	yes
was the TM Code complied with?	yes
were prudential limits complied with?	yes

These are key performance indicators for treasury management which in normal circumstances should all be yes. Investment quality is kept under continual review with support from the Council's treasury advisers.

Annex 3.2

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

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

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

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

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

Investments as Accountable Body

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

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

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

Annex 3.3

Treasury management: summary of delegated decisions in the quarter

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

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

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

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

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

3. Long term loans prematurely repaid:				
date	lender	£m	rate	maturity

No long term loans were prematurely repaid.

In line with treasury management practices, the Council will repay long term loans prematurely if this provides a financial saving to the Council.

4. Long term treasury investments made:				
date	borrower	£m	rate	maturity

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

WHOLE COUNCIL

WHOLE COUNCIL		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
Capital Finance									
1	Capital Expenditure - Capital Programme	639.7	675.7	461.6	531.7	261.1	331.4	204.2	171.5
2	Capital Expenditure - other long term liabilities	37.8	37.6	33.2	33.0	33.4	33.2	34.3	34.1
3	Capital expenditure	677.5	713.3	494.8	564.7	294.5	364.5	238.5	205.6
4	Capital Financing Requirement (CFR)	4,797.1	4,719.4	4,891.5	4,696.9	4,723.3	4,654.1	4,663.3	4,604.5
Planned Debt									
5	Peak loan debt in year	3,740.0	3,478.7	3,717.7	3,633.1	3,659.7	3,580.0	3,493.6	3,460.8
6	+ Other long term liabilities (peak in year)	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
7	= Peak debt in year	4,137.3	3,876.5	4,091.4	4,007.1	4,008.1	3,928.5	3,815.7	3,782.9
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no	no	no
Prudential limit for debt									
9	Gross loan debt	4,102.7	3,478.7	4,226.3	3,633.1	4,151.6	3,580.0	4,077.9	3,460.8
10	+ other long term liabilities	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
11	= Total debt	4,500.0	3,876.5	4,600.0	4,007.1	4,500.0	3,928.5	4,400.0	3,782.9
Notes									
1	There is a net increase in forecast capital expenditure due mainly to slippage from previous years.								
4	The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.								
5-7	These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.								
8	It would be a cause for concern if the Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances.								
11	The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.								

DEBT AND PRUDENTIAL INDICATORS

Annex 3.4b

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

Notes

- 3 Financing costs include interest and depreciation rather than Minimum Revenue Provision (MRP) in the HRA.
- 6 This indicator is not in the Prudential Code but is a key measure of long term sustainability.
- 7 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time.

DEBT AND PRUDENTIAL INDICATORS

Annex 3.4c

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

Notes

- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities.
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases.
- 8 This indicator includes the revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.

PRUDENTIAL INDICATORS

Annex 3.4d

TREASURY MANAGEMENT

		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
1	General Fund impact of an unbudgeted 1% rise in interest rates	£4.1m	£3.6m	£3.7m	£3.4m	£2.3m	£2.3m	£2.2m	£2.3m
2	Variable rate exposures vs upper limit 30%	19%	17%	18%	19%	18%	18%	17%	18%
Maturity structure of borrowing		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
(lower limit and upper limit)		Year End	Year End	Year End	Year End	Year End	Year End	Year End	Year End
3	under 12 months	18%	17%	18%	17%	16%	16%	16%	17%
4	12 months to within 24 months	1%	1%	2%	2%	2%	2%	2%	2%
5	24 months to within 5 years	5%	6%	7%	7%	8%	8%	9%	9%
6	5 years to within 10 years	16%	18%	14%	14%	15%	16%	14%	14%
7	10 years to within 20 years	23%	20%	24%	23%	22%	22%	23%	22%
8	20 years to within 40 years	35%	37%	33%	34%	35%	35%	34%	34%
9	40 years and above	2%	2%	2%	2%	2%	2%	2%	1%
Investments longer than 364 days									
upper limit on amounts maturing in:		Limit	Forecast	Limit	Forecast	Limit	Forecast	Limit	Forecast
10	1-2 years	400	0	400	0	400	0	400	0
11	2-3 years	100	0	100	0	100	0	100	0
12	3-5 years	100	0	100	0	100	0	100	0
13	later	0	0	0	0	0	0	0	0

Notes

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

Capital Monitoring Summary - Period 9 2021/22

Annex 4a

Expenditure

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

Resources

Use of Specific Resources:

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

Use of Corporate or General Resources:

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

Forecast Use of Resources at Period 9

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

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

		Budget Movements					
		Current Year			All Years		
Ref.		Period 6 Budget £m	Period 9 Budget £m	Change £m	Period 6 Budget £m	Period 9 Budget £m	Change £m
COMMONWEALTH GAMES 2022							
CWG Alexander Stadium	CW1 ●	44.282	45.024	0.742	49.639	50.644	1.005
CWG Organising Cttee	CW2 ●	28.263	27.521	(0.742)	34.791	33.786	(1.005)
TOTAL COMMONWEALTH GAMES		72.546	72.545	0.000	84.430	84.430	0.000
COUNCIL MANAGEMENT							
Development & Commercial							
Gateway/Grand Central Residual Costs		0.600	0.600	0.000	18.291	18.291	0.000
Capital Loans & Equity		0.500	0.500	0.000	3.032	3.032	0.000
Total Development & Commercial		1.100	1.100	0.000	21.323	21.323	0.000
Corporately Held Funds							
Revenue Reform Projects		43.704	43.704	0.000	43.704	43.704	0.000
Corporate Capital Contingency	CM1 ●	27.600	18.100	(9.500)	119.360	20.600	(98.760)
ERP Implementation		17.060	17.060	0.000	20.000	20.000	0.000
Total Corporately Held Funds		88.364	78.864	(9.500)	183.064	84.304	(98.760)
SAP Investments		0.000	0.000	0.000	3.733	3.733	0.000
ICT & Digital Services							
ICT & Digital		9.313	9.313	0.000	13.184	13.184	0.000
Total Digital & Customer Services Directorate		9.313	9.313	0.000	13.184	13.184	0.000
TOTAL COUNCIL MANAGEMENT		98.777	89.277	(9.500)	221.304	122.544	(98.760)
CITY OPERATIONS							
Control Centre Upgrade							
Control Centre Upgrade - CCTV Cameras		0.250	0.995	0.745	0.250	0.995	0.745
Total Control Centre Upgrade		0.250	0.995	0.745	0.250	0.995	0.745
Street Scene							
Waste Management Services		27.388	27.388	0.000	74.628	73.880	(0.748)
Parks & Nature Conservation	CO1 ●	11.921	5.967	(5.954)	15.576	10.005	(5.571)
Total Street Scene		39.310	33.355	(5.954)	90.204	83.885	(6.319)
Private Sector Housing		2.710	2.710	0.000	3.778	3.778	0.000
Neighbourhoods							
Community, Sport & Events		2.225	2.225	0.000	4.830	4.830	0.000
Neighbourhoods		0.013	0.013	0.000	0.013	0.013	0.000
Cultural Development	CO2 ●	0.924	0.624	(0.300)	3.124	0.824	(2.300)
Total Neighbourhoods		3.162	2.862	(0.300)	7.967	5.667	(2.300)
Regulation & Enforcement							
Bereavement		0.252	0.252	0.000	0.252	0.252	0.000
Markets Services		0.000	0.000	0.000	0.759	0.759	0.000
Environmental Health		0.000	0.000	0.000	0.000	0.000	0.000
Mortuary/Coroners		1.273	1.273	0.000	1.330	1.330	0.000
Illegal Money Lending		0.028	0.028	0.000	0.028	0.028	0.000
Total Regulation & Enforcement		1.553	1.553	0.000	2.369	2.369	0.000
Highways Infrastructure		4.670	4.895	0.225	17.036	17.256	0.220
TOTAL CITY OPERATIONS		51.655	46.371	(5.284)	121.604	113.950	(7.654)
CITY HOUSING							
Housing Options Service		2.057	2.057	0.000	4.377	4.377	0.000
Housing Revenue Account							
Housing Improvement Programme		74.076	74.076	0.000	687.825	687.825	0.000
Redevelopment		42.363	42.363	0.000	490.119	490.119	0.000
Other Programmes		1.904	1.904	0.000	19.292	19.292	0.000
Total Housing Revenue Account		118.343	118.343	0.000	1,197.236	1,197.236	0.000
TOTAL CITY HOUSING		120.399	120.399	0.000	1,201.613	1,201.613	0.000
CITY & MUNICIPAL DEVELOPMENT							
Planning & Development							
Major Projects							
Enterprise Zone - Paradise Circus		21.885	21.885	0.000	28.776	28.776	0.000
Enterprise Zone - Other		15.511	15.511	0.000	806.027	806.027	0.000
Other Major Projects	CMD1 ●	15.030	15.630	0.600	19.300	20.500	1.200
Total Major Projects		52.426	53.027	0.600	854.103	855.303	1.200
Public Realm		0.873	0.873	0.000	0.873	0.873	0.000
Infrastructure		0.000	0.000	0.000	0.234	0.234	0.000
Total Planning & Development		53.300	53.900	0.600	855.210	856.410	1.200

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

**Capital Monitoring Period 9 2021/22 - Budget Changes
Commentary**

Annex 4d

COMMONWEALTH GAMES

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

COUNCIL MANAGEMENT

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

CITY OPERATIONS

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

**Capital Monitoring Period 9 2021/22 - Budget Changes
Commentary**

Annex 4d

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

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

Capital Forecast 2021/22 - Period 9

Forecast Variations											
Ref.	Current Year						All Years				
	Period 9 Budget £m	Current Actuals £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m	Period 9 Budget £m	Period 9 Forecast £m	Variation £m	Period 6 Variation £m	Change £m
COMMONWEALTH GAMES 2022											
CWG Alexander Stadium	45.024	33.501	45.374	0.350	0.000	0.350	50.644	50.644	0.000	0.000	0.000
CWG Organising Cttee	27.521	19.284	27.521	0.000	0.000	0.000	33.786	33.786	0.000	0.000	0.000
TOTAL COMMONWEALTH GAMES DIRECTORATE	72.545	52.785	72.895	0.350	0.000	0.350	84.430	84.430	0.000	0.000	0.000
COUNCIL MANAGEMENT											
Development & Commercial											
Gateway/Grand Central Residual Costs	0.600	1.798	5.300	4.700	0.000	4.700	18.291	18.291	0.000	0.000	0.000
Capital Loans & Equity	0.500	0.000	0.500	0.000	0.000	0.000	3.032	3.032	0.000	0.000	0.000
Total Development & Commercial	1.100	1.798	5.800	4.700	0.000	4.700	21.323	21.323	0.000	0.000	0.000
Corporately Held Funds											
Revenue Reform Projects	43.704	2.912	27.370	(16.334)	(0.300)	(16.034)	43.704	43.404	(0.300)	(0.300)	0.000
Corporate Capital Contingency	18.100	0.000	5.600	(12.500)	(12.500)	0.000	20.600	20.600	0.000	0.000	0.000
ERP Implementation	17.060	0.000	16.903	(0.157)	(0.757)	0.600	20.000	20.000	0.000	0.000	0.000
Total Corporately Held Funds	78.864	2.912	49.873	(28.991)	(13.557)	(15.434)	84.304	84.004	(0.300)	(0.300)	0.000
SAP Investments	0.000	0.000	0.000	0.000	0.000	0.000	3.733	3.733	0.000	0.000	0.000
ICT & Digital Services											
ICT & Digital	9.313	2.775	7.031	(2.282)	(1.274)	(1.008)	13.184	13.184	0.000	0.000	0.000
Total Digital & Customer Services	9.313	2.775	7.031	(2.282)	(1.274)	(1.008)	13.184	13.184	0.000	0.000	0.000
TOTAL COUNCIL MANAGEMENT DIRECTORATE	89.277	7.486	62.704	(26.573)	(14.831)	(11.742)	122.544	122.243	(0.300)	(0.300)	0.000
CITY OPERATIONS											
Control Centre Upgrade											
Control Centre Upgrade - CCTV Cameras	0.995	0.000	0.995	0.000	0.000	0.000	0.995	0.995	0.000	0.000	0.000
Total Control Centre Upgrade	0.995	0.000	0.995	0.000	0.000	0.000	0.995	0.995	0.000	0.000	0.000
Street Scene											
Waste Management Services	27.388	13.348	24.366	(3.022)	0.000	(3.022)	73.880	73.880	0.000	0.000	0.000
Parks & Nature Conservation	5.967	2.913	5.967	0.000	0.000	0.000	10.005	10.005	0.000	0.000	0.000
Total Street Scene	33.355	16.261	30.333	(3.022)	0.000	(3.022)	83.885	83.885	0.000	0.000	0.000
Private Sector Housing	2.710	0.155	1.702	(1.008)	0.000	(1.008)	3.778	3.778	0.000	0.000	0.000
Neighbourhoods											
Community, Sport & Events	2.225	0.035	1.025	(1.200)	(1.200)	0.000	4.830	4.830	0.000	0.000	0.000
Neighbourhoods	0.013	0.019	0.013	0.000	0.000	0.000	0.013	0.013	0.000	0.000	0.000
Cultural Development	0.624	0.030	0.624	0.000	0.000	0.000	0.824	0.824	0.000	0.000	0.000
Total Neighbourhoods	2.862	0.084	1.662	(1.200)	(1.200)	0.000	5.667	5.667	0.000	0.000	0.000
Regulation & Enforcement											
Bereavement	0.252	0.000	0.252	0.000	0.000	0.000	0.252	0.252	0.000	0.000	0.000
Markets Services	0.000	0.018	0.000	0.000	0.000	0.000	0.759	0.759	0.000	0.000	0.000
Mortuary/Coroners	1.273	1.216	1.273	0.000	0.000	0.000	1.330	1.330	0.000	0.000	0.000
Illegal Money Lending	0.028	0.000	0.028	0.000	0.000	0.000	0.028	0.028	0.000	0.000	0.000
Total Regulation & Enforcement	1.553	1.234	1.553	0.000	0.000	0.000	2.369	2.369	0.000	0.000	0.000
Highways Infrastructure	4.895	1.293	3.411	(1.484)	0.751	(2.235)	17.256	17.256	0.000	3.376	(3.376)
TOTAL CITY OPERATIONS DIRECTORATE	46.371	19.026	39.656	(6.714)	(0.449)	(6.265)	113.950	113.950	0.000	3.376	(3.376)

Capital Forecast 2021/22 - Period 9

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

Capital Forecast 2021/22 - Period 9

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

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

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

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

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

CITY & MUNICIPAL DEVELOPMENT DIRECTORATE

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

EDUCATION & SKILLS DIRECTORATE

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

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

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

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

fund A07

Note: This includes some re-phasing between years.

A - Amendment to existing project spend or resources.

N - New projects or programmes added in the quarter.

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

Annex 4h

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

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

RESOURCES:**USE OF SPECIFIC RESOURCES:**

Grants & Contributions

Use of earmarked Capital Receipts

Revenue Contributions - Departmental

- HRA (incl reserves & S106)

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

Corporate Resources

Unsupported Prudential Borrowing - Corporate

Unsupported Prudential Borrowing - Directorate

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

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

INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 2 2021/22

1 Portfolio objectives

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

2 Portfolio summary

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

3 Limit on borrowing for Investment property portfolio

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

4 Portfolio completions in the quarter (acquisitions and disposals)

	£m
Sales completed to quarter 3	
Sales	6.62
Purchase	0.00

Commentary:

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

5 Planned activity in the coming quarter

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

6 Assurance

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

commentary:

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