

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

BIRMINGHAM CITY COUNCIL

CABINET

**Tuesday, 15 November 2016 at 1000
hours in Committee Rooms 3 and 4,
Council House, Birmingham**

PUBLIC AGENDA

1. NOTICE OF RECORDING

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

2. APOLOGIES

Attached 3. BIG DATA CORRIDOR: A NEW BUSINESS ECONOMY – FULL BUSINESS CASE

Report of the Strategic Director of Change and Support Services.

Attached 4. SERVICE BIRMINGHAM REVENUES CONTRACT

Report of the Strategic Director of Change and Support Services.

Attached 5. CORPORATE REVENUE BUDGET MONITORING 2016/17 – MONTH 6

Joint report of the Chief Executive and Strategic Director - Finance and Legal.

Attached 6. CAPITAL AND TREASURY MANAGEMENT MONITORING QUARTER 2 (JULY TO SEPTEMBER 2016)

Report of the Strategic Director - Finance and Legal.

Attached 7. DISPOSAL OF THE FORMER BANK, 301 BROAD STREET, BIRMINGHAM

Report of the Director of Property.

- Attached** 8. **SNOW HILL GROWTH STRATEGY**
- Report of the Strategic Director for Economy.
- Attached** 9. **DRIVING HOUSING GROWTH AND SUPPORTING YOUNG PEOPLE INTO EMPLOYMENT THROUGH THE BMHT DEVELOPMENT PROGRAMME**
- Report of the Strategic Director for Economy.
- Attached** 10. **SUPPLIER EXCELLENCE PROGRAMME (SEP) - FULL BUSINESS CASE**
- Report of the Strategic Director for Economy.
- Attached** 11. **SCHOOLS PRIVATE FINANCE INITIATIVE & BUILDING SCHOOLS FOR THE FUTURE SAVINGS REVIEW**
- Report of the Strategic Director for People.
- Attached** 12. **EARLY YEARS CAPITAL FUND – APPROVAL TO BID**
- Report of the Strategic Director for People.
- Attached** 13. **PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2016 – FEBRUARY 2017)**
- Report of the Assistant Director – Corporate Procurement.
- Attached** 14. **APPOINTMENTS TO OUTSIDE BODIES**
- Report of the Acting City Solicitor.
15. **OTHER URGENT BUSINESS**
- To consider any items of business by reason of special circumstances (to be specified) that, in the opinion of the Chairman, are matters of urgency.
16. **EXCLUSION OF THE PUBLIC**
- That in view of the nature of the business to be transacted, which includes exempt information of the category indicated, the public be now excluded from the meeting:-
- (Exempt Paragraph 3)

PRIVATE AGENDA

- Attached** 17. **SERVICE BIRMINGHAM REVENUES CONTRACT**
- Report of the Strategic Director of Change and Support Services.
- (Exempt Paragraph 3)

- Attached** 18. **DISPOSAL OF THE FORMER BANK, 301 BROAD STREET, BIRMINGHAM**
- Report of the Director of Property.
- (Exempt Paragraph 3)
- Attached** 19. **SNOW HILL GROWTH STRATEGY**
- Report of the Strategic Director for Economy.
- (Exempt Paragraph 3)
- Attached** 20. **DRIVING HOUSING GROWTH AND SUPPORTING YOUNG PEOPLE INTO EMPLOYMENT THROUGH THE BMHT DEVELOPMENT PROGRAMME**
- Report of the Strategic Director for Economy.
- (Exempt Paragraph 3)
- Attached** 21. **EARLY YEARS CAPITAL FUND – APPROVAL TO BID**
- Report of the Strategic Director for People.
- (Exempt Paragraph 3)
- Attached** 22. **PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2016 – FEBRUARY 2017)**
- Report of the Assistant Director – Corporate Procurement.
- (Exempt Paragraph 3)
23. **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**
- To consider any items of business by reason of special circumstances (to be specified) that, in the opinion of the Chairman, are matters of urgency.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Strategic Director for Change and Support Services
Date of Decision:	15th November 2016
SUBJECT:	BIG DATA CORRIDOR: A NEW BUSINESS ECONOMY – FULL BUSINESS CASE
Key Decision: Yes	Relevant Forward Plan Ref: 002446/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor Waseem Zaffar - Transparency, Openness and Equality
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq - Corporate Resources and Governance
Wards affected:	ALL

1. Purpose of report:

- 1.1. Subject to the finalisation of a European Regional Development Fund (ERDF) funding agreement and a formal offer of grant award to accept grant funding of £1.226m under the European Structural and Investment Funds (ESIF) 2014-2020 Programme for the Big Data Corridor (BDC) project at a total project cost of £2.453m.
- 1.2. BDC will provide a new type of business support programme that encourages businesses to engage with the Internet of Things (IoT) and the wider data economy. 125 Small/Medium Enterprises (SMEs) will be supported to gain new skills and capabilities to make use of personal, open and commercial data and IoT opportunities to develop new products and services. BDC will offer access to data, data management capabilities and real life technology demonstrators for SMEs to use. SMEs will be supported to innovate and bring new products/services to market.

2. Decision(s) recommended:

That Cabinet:

- 2.1. Approves the Full Business Case (FBC) (attached at Appendix 1) for the Big Data Corridor (BDC) project at a total cost of £2.453m, which will provide a data management platform and support package to Small/Medium Enterprise's (SME's) to understand the benefits of using data to design new services and products.
- 2.2. Approves the City Council acting as the Accountable Body for the BDC and accepts the offer of £1.226m of European Regional and Development Fund grant (attached at Appendix 2), which is being matched against an equivalent amount of City Council, and its partners, capital and revenue expenditure.
- 2.3. Delegates authority to the Information and Communications Technology (ICT) programme board to approve the Procurement Strategy and subsequent award of contracts in accordance with Standing Orders and the Procurement Governance Arrangements up to a maximum value of £0.417m.
- 2.4. Authorises the Acting City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.

Lead Contact Officer(s):	Raj S Mack, Head of Digital Birmingham
Telephone No:	0121 464 5792
E-mail address:	Raj.s.mack@birmingham.gov.uk

3. Consultation

3.1. Internal

3.1.1. In developing this bid, consultation and discussions have been held with the former Cabinet Member for Skills, Learning and Culture, the Assistant Director's for Transportation and Connectivity, and Employment as well as officers within the Business Development and Innovation team in order to inform them of the BDC proposal and the opportunities this presents for their own services and customers. They were all supportive and recognised the benefits to the city and in supporting enterprise and economic growth.

3.1.2. Since the application was submitted, the portfolio holder has changed to the Cabinet Member for Transparency, Openness and Equality. The Cabinet Member for Value for Money and Efficiency, the Deputy Leader and the Assistant Director – Chief Information Officer have been briefed and are fully supportive.

3.2. External

3.2.1. The Smart City Commission chaired by the former Cabinet Member for Sustainability, which includes the Universities, Health, West Midlands (WM) Police and local SMEs plus national representatives (e.g. Digital Catapult, BIS, private sector organisations such as City Council partners Amey and Centro) have been informed and consulted on the BDC proposal (January 2016). The Commission acknowledged the need to help SMEs enhance their digital capabilities and make better use of technologies and data to stimulate innovation and design new services. The Commission supported the proposal and agreed that it was in alignment with Birmingham's Smart City principles.

3.2.2. BDC was presented to the WM Digital Working Group (December 2015) and at the Smart City Alliance (January 2016). Additional focus group activities have been undertaken at Innovation Birmingham Ltd (March 2016) (who are a partner) with a wider survey sent out to Greater Birmingham and Solihull Local Enterprise Partnership SMEs for further feedback, which has been used to shape development of the proposal.

4. Compliance Issues:

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

4.1.1. The BDC proposal supports the Council Business Plan and Budget 2016+: outcome 1: a strong economy with an enterprising and innovative green city and outcome 4: thriving local communities. Whilst the funding is directly targeted at improving SME's skills and capabilities to innovate using data and technologies, the demonstrator activities will be focused on specific challenges in the areas of health, mobility and sustainability that engage citizens and communities in East Birmingham and develop solutions for them.

4.1.2. The BDC proposal directly delivers towards the ICT & Digital Strategy 2016-2021 outcomes of; Digital City, Digital Economy and Digital Collaboration. It is part of the ICT & Digital portfolio of projects which will be governed and assured as part of the ICT & Digital Strategy Theme 5 - Governance. It does this through creation of a city data platform that encourages the adoption of smart technologies; use of open standards and open data and improving digital skills of SMEs.

4.1.3. BDC applies the Future Council design principles to work with partners; take a whole system approach, use our strategic assets to leverage economic growth and enables their application in the wider organisation through provision of insight and multi-supplier models

4.2. Financial Implications

4.2.1. The total value of this project proposal over 3 years is £2.453m comprising £0.365m capital and £2.088m revenue expenditure. 50% of this expenditure will be funded from ESIF grant, with the other 50% being funded by the City Council and its partners, which is set out in the table below:

Revenue Expenditure	Match Funding	ESIF Grant	Total Expenditure
Birmingham City Council	241,660	241,657	483,317
Aston University	324,328	324,328	648,656
Birmingham City University	215,139	215,139	430,278
Enable ID	65,447	65,447	130,894
Innovation Birmingham	61,678	61,678	123,356
Telensa	82,799	82,799	165,598
West Midlands Combined Authority (Transport for West Midlands)	53,142	53,142	106,284
Total Revenue Expenditure	1,044,193	1,044,190	2,088,383
Capital Expenditure:	Match Funding	ESIF Grant	Total Expenditure
Birmingham City Council	145,000	145,000	290,000
Birmingham City University	25,000	25,000	50,000
Telensa	12,500	12,500	25,000
Total Capital Expenditure	182,500	182,500	365,000
Total Big Data Corridor	1,226,693	1,226,690	2,453,383

4.2.2. The project entails the development of a software platform and sensor network, based on SME and partner requirements. The project will review the existing hardware and software assets of the Council, the partners and potentially other public sector organisations such as WM Police regarding their suitability for re-use and adaptation. The explicit aim is to identify a suitable asset and adapt it for the project to avoid development from scratch and give SMEs access from months 12 onwards. As such, at this point it is not clear whose data platform will be developed and in the event that this is not the City Council, a license agreement will be completed to ensure that at the end of three years, the platform (wherever it resides) will be switched-off. The most appropriate platform will be identified as a priority in the first four months of the project.

4.2.3. Staff from the Council and partners will develop this platform to meet the demands of SME's. This will require up to £0.365m of capital expenditure in staff time and the procurement of sensors and hosting solutions; contracts for platform and interface development, system and data integration, and data processing. Revenue expenditure will be incurred through the provision of staffing time to support SME's e.g. in the Serendip incubator based at iCentrum. Of the total project expenditure of £2.453m, a maximum of £0.417m is expected to be procured, which is broken down in the FBC at Appendix 1, the remaining spend will be staffing and overheads.

4.2.4. The City Council's revenue match funding of £0.241m is from existing staff over the 3 years, whilst the capital match funding of £0.145m is from existing Digital Birmingham capital reserves. Written confirmation of individual partner match-funding has been received.

4.2.5. Birmingham City Council as the Accountable Body will manage the project and ensure funds are spent to deliver the outputs agreed with DCLG as outlined in Appendix 2. The City Council is required to ensure compliance with ERDF grant conditions; which will be passed on through a consortium agreement with each delivery partner. Reporting templates have been developed for consortium partners to use and performance will be closely monitored by Digital Birmingham.

4.2.6. All delivery arrangements will be subject to monitoring and performance checks and project compliance visits. There are no further on-going revenue implications as a consequence of accepting this grant funding because the data platform has a life span of the duration of the project (3 years) in line with ERDF guidance. This is a proof of concept project which will enable the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to assess the viability of this service.

4.2.7. The project will be delivered by the Digital Birmingham team and a formal project board will be set up to provide governance and monitoring of outputs.

4.3. Legal Implications

4.3.1. The City Council has the power to enter into this activity in accordance with the general power of competence conferred by Section 1 of the Localism Act 2011 (LA 2011). The proposed activity is within the boundaries and limits on the general power set out in Section 2 and 4 of LA 2011 respectively. The recommendations in this report will promote and improve the economic well-being of Birmingham's residents and businesses by helping to create new job opportunities and safeguard existing jobs in local businesses.

4.3.2. The data platform will act as an address book for data exchange across various providers and as such the appropriate safeguards and data sharing agreements will have to be implemented which includes password protection and consent to conditions of use. This will ensure compliance with the Data Protection Act. Intellectual Property (IP) issues associated with the project will be documented in the consortium agreement. Background IP will be retained by the partner who brings it along and only the new IP will be shared. As part of the ERDF grant requirements no delivery partner can be seen to be a beneficiary.

4.3.3. Digital Birmingham will be required to check the eligibility of SME's taking part in the programme to ensure compliance with ERDF funding rules particularly the state aid General Block Exemption Regulation (GBER) threshold in relation to providing training and support

4.4. Public Sector Equality Duty

4.4.1. An initial Equality Assessment (EA001110) screening has been completed. There is no adverse impact as the project is specifically aimed at all SME's within the GBSLEP area who meet the specific criteria to gain business support as identified within the ERDF Funding requirements.

4.4.2. This BDC demonstrator project aims to impact on economic recovery, well-being, mobility, health and sustainability with a focus on East Birmingham. The aim is to maximise opportunities for investment in areas of deprivation and broker these opportunities across a range of stakeholders and partners as part of work already undertaken to establish the Eastern Corridor Smart Demonstrator.

5. Relevant background/chronology of key events

5.1. History

- 5.1.1. In response to the ESIF Priority 1 Research and Innovation call, BDC has been designed as a user and demand led demonstrator to develop and test new products and services with strong citizen engagement and a clear aim to make a positive difference to people's lives. It supports the GBSLEP ESIF strategy, which highlights the use of demonstrators as the 'preferred vehicle' to drive innovation and collaboration from the private and public sector and Higher Education Institutions. BDC directly advances the objectives of the GBSLEP Strategic Economic Plan 2016-2030 for demand led innovation and strengthening the innovation eco-system
- 5.1.2. The approval to bid report was produced and approved on 25th September 2015 by the Assistant Director for Transportation and Connectivity. The outline application was submitted and DCLG's invite to progress to full application stage was received 1st December 2015.
- 5.1.3. Cabinet approved the submission of the Big Data Corridor ESIF bid on 22nd March 2016 and the full application was submitted 29th March 2016 and, following a number of revisions, received approval at the GBSLEP ESIF subcommittee 7th September 2016.
- 5.1.4. DCLG has confirmed that the full application has been successful and a copy of the in-principle offer of grant funding is attached at Appendix 2.

5.2. What the Big Data Corridor project will deliver

- 5.2.1. BDC aims to accelerate digital skills of SME's to capitalise on the exponential growth of the Data Economy through this support project. It will provide a new type of business support programme that creates the environment for SME's to innovate and experiment.
- 5.2.2. BDC differs from traditional business assist programmes because it aims to create an innovation eco-system, develop a new market place for data and applications and offer a comprehensive support package. Support includes access to computing facilities, sensors and sensor data and technical support to process and analyse data. This is complemented by access to workshops and in depth advice on how to develop new products and services and move from prototype to commercialisation.
- 5.2.3. All support for SMEs will be provided free of charge based on meeting eligibility criteria and state aid requirements.
- 5.2.4. The project will create primary outputs of 125 businesses assisted, 32 new products/services developed and an estimated employment increase of 56 full time jobs.
- 5.2.5. Secondary outputs will be generated from the proof of concept of creating a data management platform and marketplace using open standards that the Council and wider public sector can learn from. Additional open data will become available as a by-product.
- 5.2.6. The project aims to demonstrate viability, benefits, partner and legal arrangements for operating such a platform. Taking into account regional investments over the coming 2-3 years (e.g. WM Police and West Midlands Combined Authority (Transport for West Midlands) are investing heavily in insight capability) Digital Birmingham will develop a business case that can be presented back to the Council's Chief Information Officer and others to suggest adoption and supporting mechanisms.

5.3. Delivering demand led innovation

- 5.3.1. Research results from the Greater Birmingham Digital Audit 2015 and the GBSLEP in January 2016 consistently evidence that businesses do not fully understand the value to gain from using digital technologies. In the BDC survey in 2016 75% of businesses in the Eastern Corridor expressed their interest in better understanding these benefits.
 - 5.3.2. BDC will design the business assist programme and data platform through further requirement gathering from SMEs. Suggested topics for SME workshops include: Applications for the Built Environment, Using the Internet of Things, New World Business Models and How to benefit from Data Analytics.
 - 5.3.3. BDC will run SME workshops to solve real-life challenges such as travel behaviours or impact of lighting on the use of an area. These will be designed by citizens, the partners and SMEs themselves. Citizens and stakeholders will then be involved in testing and reviewing solutions. This will ensure products address a market need and citizens become part of service development. Citizen engagement may include events such as hackathons, focus groups for prototype testing and surveys for market research.
 - 5.3.4. An example challenge could be to reduce congestion in a part of the Eastern Corridor. SMEs are given access to a smart lighting application network, public transport and highways data, social media trends and personal data from individuals that volunteer to share their data. SMEs will be encouraged to understand behaviours and trends and validate ideas with citizens leading to development of a new product or service.
- ### 5.4. BDC benefits for the Council
- 5.4.1. The data platform provides proof of concept for the use of open standards, enables the Council to build up the ICT&D supply chain with multiple suppliers and partners and influence the market.
 - 5.4.2. It provides an opportunity for the Council to work with and learn from public sector partners to adapt our corporate infrastructure as part of the ICT&D strategy to simplify, standardise and share.
 - 5.4.3. The project will gain additional value and insight from existing (including BCC) open data.
 - 5.4.4. BDC leverages existing Council and partner assets such as Innovation Birmingham's iCentrum space, the Council's open data portal, Aston University's photonics programme, EnableID's access to the Hub of All Things personal data store etc.
 - 5.4.5. BDC aims to develop solutions that can be scaled and replicated across the GBSLEP and elsewhere.
 - 5.4.6. The data platform will enable exploration of new service delivery models e.g. shared revenue; freemium services etc.
 - 5.4.7. The delivery of services by the public sector is declining; more and more demand for services will be met through the investment of the private sector in developing new services and products. Citizens will procure more services and manage themselves how services are delivered. The BDC collaboration of public and private sector with citizens will provide the stimulus for use of data and technologies to drive innovation and address city challenges such as poor air quality; health inequalities; congestion or obesity.

5.5. Timescales for Project Delivery

5.5.1. The key timescales are as follows:

Project commencement	22/11/2016
Legal agreement with delivery partners signed	31/11/2016
Submission of first grant claim	31/12/2016
Selection of appropriate partner data platform to be developed	31/03/2017
SME registration through Growth Hub live	30/04/2017
Business support workshops and advice starts	01/05/2017
First parts of platform, software tools and or data available for SMEs	01/06/2017
Agreed project practical completion date	31/07/2019
Project finish	31/10/2019

5.6. Deliver partners

5.6.1. BDC will be delivered by a consortium of 7 partners with an excellent track record in providing knowledge transfer, technology based innovation and technical support:

Partner	Role
Birmingham City Council	Accountable body, project management, procurement of data platform and interfaces where applicable, marketing and communications
Aston University	Provides photonics and smart lighting demonstrator technologies and knowledge transfer services
Birmingham City University	Develop and manage a data platform (software) and provide technical advice to SME's
EnableID	Gathers business requirements, provides advice on privacy and personal data
Innovation Birmingham	Leading business engagement, events and innovation activities; provision of incubator think space Serendip
Telensa	Technology infrastructure and software and technical support services, delivery of training modules
West Midlands Combined Authority (Transport for West Midlands)	Data provider; innovation activities and challenges focused on intelligent mobility, delivery of training modules

5.7. Procurement implications:

5.7.1. At the start (month 1-6) BDC will engage SMEs and stakeholders to understand what advice and technical facilities SMEs need to innovate and what software assets already exist that could support project delivery. This will define the procurement approach to be taken and the design of specifications.

5.7.2. Digital Birmingham will aim to maximise value for the Council and the region by building on existing infrastructure and enhance those facilities where possible (e.g. WM Police investments in Insight). Close cooperation with Corporate Procurement and the ICT Programme Board will define the actual procurement strategy and detailed specifications.

6. Evaluation of alternative option(s)

6.1. Do not accept the grant offer of £1.226m grant to up-skill SME's with latest innovative technologies and practices to support SMEs competitiveness, economic growth for the GBSLEP and creation of jobs. This option is discounted because it would not deliver the outlined benefits for SMEs and the council.

7. Reasons for Decision(s)

7.1 The BDC project will support up to 125 SME's to upskill into the data economy and create 56 jobs within the GBSLEP area directly contributing to the strategic outcomes of the Council Business Plan and Budget 2016+ to drive economic growth and create jobs as well as delivering social and environmental value.

7.2 Delivering BDC will deliver a raft of wider benefits for the Council including the opportunity for wider business and service transformation. The project will provide the Council with a data platform framework upon which to evaluate future opportunities to exploit city data assets to create efficient business and citizen friendly services.

Signatures	<u>Date</u>
Cllr Waseem Zaffar Cabinet Member for Transparency, Openness and Equality <div style="text-align: right; border-top: 1px dotted black; height: 20px; margin-top: 10px;"></div>	
Angela Probert Strategic Director for Change and Support Services <div style="text-align: right; border-top: 1px dotted black; height: 20px; margin-top: 10px;"></div>	
List of Background Documents used to compile this Report:	
<ol style="list-style-type: none"> 1. Outline Bid Approval Delegation Report – Strategic Director of Economy dated 25th September 2015 2. DCLG Letter giving approval to go to full application. 3. ESIF Full Application for Big Data Corridor: Cabinet report 22nd March 2016 	
List of Appendices accompanying this Report (if any):	
<ol style="list-style-type: none"> 1. Appendix 1 – Full Business Case 2. Appendix 2 – DCLG In-principle offer of grant funding 3. Appendix 3 – Equality Analysis 	

PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

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

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation

Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	<i>Cabinet Member for Transparency, Openness and Equality</i>
Project Title	Big Data Corridor	Project Code	<i>Capital: CA-02888-03 Revenue: TA-01867-01</i>
Project Description	<p><u>Background Context</u></p> <p>The Centre for Economics and Business Research estimates that the big data marketplace could benefit the UK economy by £216 billion and create 58,000 new jobs in the UK before 2017, whilst a recent report from Deloitte estimates that the direct value of public sector information to the UK economy is around £1.8 billion per annum, with wider social and economic benefits bringing this up to around £6.8 billion. This is a domain where industrial interest and need is expanding rapidly: a recent e-Skills report predicted demand for professional expertise will rise by 92% in the next 5 years. The Government have responded by making “Big Data” one of the eight great technologies that support UK science strengths and business capabilities.</p> <p>Big Data Corridor will stimulate the demand for new or improved services based on the availability of, access to and new insights gained from data. It will create an innovative data marketplace centred on a user led demonstrator in East Birmingham. Small and Medium Enterprises (SMEs) will be supported to use data and technologies to create new services and products. SMEs will be encouraged to address real-life challenges in the East Birmingham Corridor and create products and services that generate wider social, environmental and economic value. The project will help new and established companies innovate and create new jobs.</p> <p>Big Data Corridor: A New Business Economy</p> <p>Big Data Corridor (BDC) is a new initiative led by Birmingham City Council in partnership with Aston University, Birmingham City University, EnableID, Innovation Birmingham, Telensa and the West Midlands Combined Authority (Transport for West Midlands). The aim is to support SMEs to understand how to use data, big data and sensor technologies (e.g. lighting, air quality, traffic movement) to develop new products and services. To this effect, BDC will create a software platform for data exchange and processing and put in place sensor networks that SMEs can access. BDC will then offer a mix of workshops, in depth advice and knowledge transfer with its research and technical partners. This will enable SMEs to trial new technologies and develop their data skills without own investment in a secure environment. BDC will reach out to SMEs in the GBSLEP area with a particular focus on the East Birmingham Corridor.</p> <p>BDC will work with SMEs to understand their needs and interests and design the support offer accordingly. It is expected that the project will attract SMEs in the technology heavy sectors such as Digital & Creative, Low Carbon and Advanced Manufacturing. However, there will also be support for more traditional businesses in other sectors.</p> <p>BDC will engage up to 150 SMEs to recruit 125 into the programme to receive workshop level support of at least 12 hours per business. As the project progresses, these SMEs will be supported to develop new products or services using the data and technology on offer. It</p>		

is expected that at least 32 SMEs will, at the end of the 3-year project, have brought a new product/service to market and will have entered into long term cooperation with a research institution. This support will create local Intellectual Property, jobs and significant business development opportunities through wider exploitation.

As part of the SME engagement, BDC will run real-life challenge events based on citizen and stakeholder (public sector, large businesses) needs. These challenges will focus on the areas of health and well-being, mobility and sustainability. This will ensure that innovation is linked to wider social, environmental and economic benefits and that citizens are engaged in developing new services for their locality.

Potential features of the Data Platform:

- Makes available new data feeds from public sector sources as open data or closed data, ideally data that is automatically published, real-time and is provided with good context and reference data for reuse.
- A framework for the management of personal data regulated under the Digital Catapult's Personal Data and Trust Network. Personal data contributed on an opt-in basis by individuals in the Corridor and held in securely encrypted anonymous personal data stores, this may be linked to the existing Hub of All Things (HAT) from Warwick University.
- Aggregated open data sets – freely available raw data from public sources repackaged into easily adopted market ready data feeds
- Commercial data - from existing sources, with use-case and ease of adoption commentary; from new apps that will be developed by regional SME beneficiaries
- Real-time and closed data - from a network of connections to light, parking and air quality sensors, including expertise on sensor design, manufacture and procurement.
- Develops a framework of agreements, protocols etc. to provide, process and use data from different sources
- Offers capacity to analyse, visualise or otherwise process data

Benefits of the project platform for Birmingham City Council:

In addition to this, the data platform can be utilised as a proof of concept for the City, which could showcase how data can be utilised to deliver outcomes for the City based on specific challenges linked to the Future Council objectives. The platform will be aligned to the ICT & Digital strategy, adopting the principle of **'Simplify, Standardise & Share'** and will support development and delivery of the **Digital Facilitation** objectives. The Council will be able to trial the data platform and test its proposed **Data Strategy** at the same time without the additional cost of procuring a platform through Service Birmingham. If the project is successful the platform (or some of its functionality) could then be utilised and offered to the West Midlands Combined Authority as a potential tool to work together and collaborate on shared services. This would de-risk the development of a specific data platform as part of the ICT & Digital Strategy.

SME support framework

SMEs will receive extensive support to make use of the platform and sensor networks. This includes:

Workshops: Some of the BDC workshops will be aligned with the platform features to help

SMEs realise how datasets, visualisation tools, and private sector infrastructure can be used to develop new products and services. Others will address more traditional support regarding business model development and commercialisation.

Incubator Space and Idea Exchange: BDC will build on the investment in the incubator iCentrum at Birmingham Science Park Aston, using its Serendip 'skunkworks' environment to provide flexible think space and cross-sector innovation for businesses to collaborate, exchange ideas and develop their new products and services.

Support Services: A technical and business support team will provide an immersive environment in the Serendip incubator of iCentrum to engage SMEs, manage their involvement, support rapid prototyping, and provide links to partners. This team will use specialists from the technical partners and Universities and invite experts from the national Catapult Research Centres (e.g. Transport Systems Catapult, Energy Systems Catapult, Digital Catapult) (see <https://www.catapult.org.uk/>). They will link the developments of the new technology driven apps and services to legal, financial, commercial and business planning support. In this way each participating SME will use the data platform to create new commercially viable products and services and have their innovations embedded in a fully commercial environment.

User led Demonstrators: The aim is to involve East Birmingham residents and public sector organisations through a series of events that address problems pertinent to the area and wider socio-economic challenges. BDC will also work with strategic partners (public sector organisations and large businesses) to identify a number of use cases for the challenges. SMEs will then be invited to these events to gather evidence and develop ideas that address real-life issues and market needs. In addition, BDC will establish actual technology installations in East Birmingham (e.g. smart lighting trials) that SMEs can experiment with. SMEs will be supported to adopt a user-centric iterative design process to get as much market response (i.e. citizens and stakeholders) as possible. This will create the dual benefit of market ready, scalable solutions that could work anywhere and address Birmingham issues for local stakeholders.

To help SMEs visualise possibilities and investigate and apply solutions BDC will have technology demonstrations available at the Serendip space and in real life locations within the Eastern Corridor, explained by the project partners. Using recently developed technologies Aston University and other partners will provide demonstrators such as:

Photonics

- Smart lighting – dual use of lighting for illumination and data communication, visual signage and data connectivity
- Energy efficient hybrid lighting system – combining delivery of natural light with LED, intelligent traffic and weather adaptive street lights
- Optical fibre sensing – distributed sensing system and intelligent monitoring of temperature, air quality in buildings, humidity and others
- Gas sensing for environmental monitoring.

Analytics

- Prototype Visual Analytics Interfaces for personal access and viewing of individual health data and progress against community norms.
- Person adaptive advisory systems using data streams to enhance personal transport, energy use, marketing and other forms of social interactions.

- Management advisory tools for community leaders in predictive management of local infrastructure based on historical data.
- Community digital infographics for publicity, marketing and motivational reasons.
- Data Communication Models
- Understanding of how to use data/infrastructure for App developments

Intelligent Mobility

- Customer Insight Data for identification of challenges
- Mobility Datasets
- Transport structure and technology

The demonstrators will meet the objectives of increasing connectivity and access to data, reducing energy usage and improving quality of life. Overall, BDC will create tangible mechanisms to develop synergies between SMEs, innovation and technology centres and promoting investment in products and services based around technology transfer. In the wider UK economy it furthers the critical area of data science, where a recent e-Skills report predicted demand for professional expertise will rise by 92% in the next five years.

Growth Hub – Business Registration

Birmingham City Council will use the Growth Hub as the registration system for SME's to register their interest in the Big Data Corridor Project. Checks will be made to ensure that only eligible businesses are able to receive business assistance and support based on compliance with State Aid general block exemption regulation (GBER).

Data captured from Growth Hub and Partners who deliver specific modules will be captured and signed off by each business to ensure compliance with ERDF funding rules.

Data captured on each of the business will be stored securely to ensure compliance with ERDF funding rules.

Quantitative and Qualitative Objectives

The BDC project will be evaluated both quantitatively and qualitatively to ensure that it has met the outcomes that are required as part of the project by an independent organisation that will be procured through FinditinBirmingham. A report will be produced as part of this evaluation.

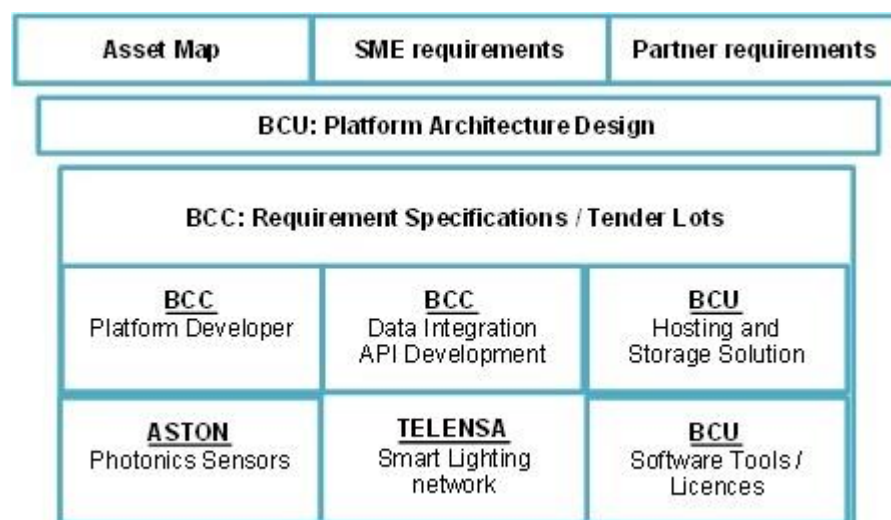
Outputs required as part of the bid:-

- **C1: Enterprises receiving support: 125** - Sector specific technical advice and support will be provided on average to c. 40 businesses a year, a total of 125 businesses.
- **C5: Number of new enterprises supported: 18** - Of the 125 businesses supported, it is estimated that up to approx. 15% of them will be new enterprises
- **C8: Employment increase in supported enterprises: 56** - it is estimated that each business supported through the sector specific technical support will create on average 0.45 FTE post, a total of 56 jobs. This will be a mixture of jobs created within new spin out companies and from existing business growth.
- **C26: Enterprises cooperating with research institutions: 32** - Of the 125 businesses supported, it is estimated that around 25% will be engaged in cooperation activities with research institutions such as – Aston University or Warwick University
- **C28: Enterprises supported to introduce new to the market products: 32**
- Of the 125 businesses supported, it is estimated that around 25% will be supported to introduce new to the market products through working with research institutions
- **C29: Number of enterprises supported to introduce new to the firm products: 32** - Of the 125 businesses supported, it is estimated that around 25% will be supported to introduce new to the market products through working with research institutions

How the project will deliver and what it needs to procure:

The project will procure a number of contracts and equipment items as part of the project and these will be procured following BCC and ERDF Procurement Guidelines depending on the procurement value. Note that all costs are estimates at this stage and suppliers will be chosen following competitive tendering.

BCC will work with BCU to review existing assets, create the platform architecture and develop the procurement specifications. In addition other project partners will supply SME requirements during the first 1-6 month of the project. The procurement of capital items is expected to be complete by end of year one.



Capital costs:

- Data integration and Application Programme Interface development £80k
- Data platform development: £100K
- Data cleansing and processing: £60k
- Sensors and photonics equipment: £50k
- Smart lighting applications and sensors: £25k
- Server or cloud based hosting solution for content: £50k

Total CapitalExpenditure £365k

Revenue costs:

- Project evaluation: £9.5k
- Marketing: £15.5k
- Venue bookings and catering: £7.5k
- Software licences and consumables: £19.6k

Total Revenue Expenditure: £52.1k

Total Maximum Procured Project Expenditure: £417.1k

Links to Corporate and Service Outcomes

Which Corporate and Service outcomes does the project address:

The BDC project will directly address the following corporate and service outcomes:-

Business Plan 2016+

- A strong Economy: An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing.

	<ul style="list-style-type: none">- Thriving local communities: Every citizen living within a strong and cohesive community which values and supports each of its members, and is empowered to influence the services and decisions affecting their neighbourhood. Everyone feels they belong and shares the benefits of living here. <p><u>ICT&D Strategy 2016-2021</u></p> <ul style="list-style-type: none">- Digital City — BDC will create the right environment for the region that promotes and encourages a wider adoption and application of smart and disruptive technologies and data to address our city and region wide challenges.- Digital Economy - BDC will also want to make sure that our businesses have access to a ready supply of digital skills and talent critical to supporting their future demand and growth.- Digital Collaboration - BDC will adopt open standards and practices that will facilitate data and information sharing across partners and support and advocate system wide integration and interoperability to facilitate secure and safe networks for data exchange, in line with developing our Internet of Things capabilities and network dependencies <p><u>Eastern Corridor Smart City Demonstrator Framework</u></p> <ul style="list-style-type: none">- Trialling and embedding smart city approaches to re-organise and re-invent city services to improve local opportunities including mobility, sustainability and wellbeing <p><u>Future Council Design Principles:</u></p> <ul style="list-style-type: none">- Make transparency on openness our default position- Work with partners to take a whole system approach with citizens and neighbourhoods at the heart of our decision making- Target our resources on key priorities and outcomes, using evidence to inform our decision making- Promote the independence of service users and also enable them to step up and be part of designing solutions- Using our strategic assets to leverage economic growth and investment across the city- Operate as an agile organisation through our commissioning and delivery models <p>BDC has been designed following the Future Council design principles and its delivery will provide the opportunity for other council services to benefit from new data streams, applications and insight.</p>			
	Project Definition Document Approved by	Cabinet	Date of Approval	22 nd March 2016
	Benefits Quantification-Impact on Outcomes	Measure		Impact
		<i>List at least one measure associated with each of the outcomes above</i>		<i>What the estimated impact of the project will be on the measure identified</i>
		A strong economy <ul style="list-style-type: none">- Up to 125 SMEs supported- Up to 32 new products/services developed- Up to 56 full time jobs created		<ul style="list-style-type: none">- Upskilling SME's will enable creation of jobs and economic growth for the city through innovative products; more local staff employed- Data sets will provide SME's with the evidence to support development of new products and services to meet City Challenges
Thriving local communities <ul style="list-style-type: none">- No of citizens engaged in challenge events- Solutions developed that address local issues-		<ul style="list-style-type: none">- Engagement of citizens into challenge led activity will improve citizens knowledge and sense of community		

	<p>ICT&D Strategy</p> <ul style="list-style-type: none"> - City Data Platform successfully used - No of SMEs supported - City Data Platform is using open standards 	<ul style="list-style-type: none"> - Data platform, sensor networks and innovation framework for SMEs will encourage adoption of smart technologies - Training packages will develop digital and business skills - The platform will prototype an open standards development and promote data sharing
	<p>Eastern Corridor - Smart City Demonstrator Framework</p> <ul style="list-style-type: none"> - No of new products/services developed - No of citizens engaged in project 	<ul style="list-style-type: none"> - Opportunities created through data and challenges locally for SMEs and new businesses - Co-creation of new products and services with citizens acting as test beds
Project Deliverables	<p>Big Data Corridor will provide:-</p> <ul style="list-style-type: none"> • a city data platform that will enable SMEs to access both open and closed data sets. • direct access for SMEs to specific training courses to in relation to the use of data and innovation support. • specific challenges to SMEs that they can then try to address using technology to create new products and services for the benefit of the City. • a test lab within the Eastern Corridor Area to test out new products and services by co-creating with citizens. • increased employment of those companies being supported. • a final report stating the results of the project including impact assessment. 	
Scope	<p>Big Data Corridor is limited to the East Birmingham demonstrator area</p> <p>The project will be managed by a Programme Manager and a Project Manager in Digital Birmingham with one finance support officer. The Council will act as the Accountable Body for the receipt of grant funding to deliver the project. Birmingham City Council will sign the formal grant agreement (GA) with the European Commission.</p> <p>Outline of work needed to deliver the project:</p> <p>The project will recruit 150 SME's located within the GBSLEP area to take part in a business assist and business support programme. We expect that there will be a certain amount of dropout as SMEs find that the BDC programme is not suitable for them after initial engagement. Over recruitment will guarantee that the actual output of 125 business assists will be achieved. No business is excluded as long as they meet the criteria for funding based on the ERDF rules and procedures. In order to ensure that different types of businesses from across a range of BME are included and aware of the programme separate marketing will be undertaken to ensure that specific communications in relation to the opportunities are targeted e.g. Institute of Asian Business, Women in Business, etc.</p>	
Scope exclusions	<p>Only those that meet criteria for funding will be allowed onto the programme.</p>	
Dependencies on other projects or activities	<p>Before the project can start, a grant agreement has to be signed between BCC and DCLG and a consortium agreement has to be negotiated between BCC and each consortium partner.</p> <p>Approval of the ICT & Digital strategy and its respective capital expenditure programme. This was signed off by Cabinet 18/10/2016.</p>	
Achievability	<p>The biggest risk is the loss of staff through any further budget cuts or service re-designs that may include Digital Birmingham. However this can be mitigated by one of the consortium partners taking over the project management.</p> <p>The existing DB team members have the required skills, expertise and experience. Where certain expertise is lacking e.g. delivery of the data technical platform a member of staff will either be recruited or the work will be contracted.</p> <p><u>Evidence of delivering similar projects</u></p> <p>Data Factory – delivery of an open data platform to share Birmingham City Council Open Data.</p> <p>Open Data Standards Report to Government.</p>	

	<p>Digital Skills Summit and Digital Academy – Training Programme for SME's to improve Digital Capabilities ERDF funded (2014/15) in conjunction with Government Superfast Broadband Programme with SME's</p> <p>Share-PSI 2.0 (ICT-PSP 2013-2016) – Contributor to a European network for the exchange of experience and ideas around implementing open data policies in the public sector.</p> <p>Universal Credit – Digital logbook (2012 – 2015) DWP funded pilot that provided a personalised Digital Log Book - an online portal to 9000 social housing tenants to help them manage every aspect of their tenancies and benefits online as well as access to budgeting tools, financial advice and employment opportunities.</p> <p>Opticities - Enhancing Smart Mobility (2013 – 2016) EU funded project (FP7) that is developing and testing interoperable intelligent transport systems (ITS) solutions in six different cities in order to provide citizens with the best possible journey conditions and to optimize urban logistics operations. The Birmingham element of the project involves the development of an adaptive traffic management system that allows Urban Traffic Control centres to view a predicted scenario of traffic levels up to 60 minutes into the future, based upon analysis of data from traffic signals and traffic management systems.</p> <p>MyNeighbourhood (2013-2016) EU funded project (ICT-PSP) - Birmingham is a testbed for the project which aims to combine new digital technologies and techniques, such as social gaming principles (gamification), with the Living Lab methodology, to help strengthen existing ties and resolve community issues in the very real, day-to-day world of the urban neighbourhoods.</p>		
Project Manager	<p>Heike Schuster-James 0121 675 8887 heike.schuster-james@birmingham.gov.uk</p>		
Budget Holder	<p>Raj Mack 0121 464 5792 Raj.s.mack@birmingham.gov.uk</p>		
Sponsor	<p>Andy Fullard, Assistant Director – Enterprise Architect</p>		
Project Accountant	<p>Rob Pace 0121 303 3817 Rob.pace@birmingham.gov.uk</p>		
Project Board Members	<p>BCC with one representative from each partner – to be decided if grant agreement successful and will form part of the consortium agreement</p>		
Head of City Finance (HoCF)	Simon Ansell	Date of HoCF Approval:	27/10/2016

2. Budget Summary (Detailed workings should also be supplied)

Big Data Corridor	Voyager Code	2016/17 £	2017/18 £	2018/19 £	2019/20 £	Totals £
REVENUE						
BCC Expenditure						
Salaries	TA-01867-01	66,422	132,846	132,844	66,422	398,534
Overheads (15%)		9,964	19,926	19,926	9,962	59,778
Marketing & Evaluation		5,000	6,500	2,500	11,000	25,000
Partner Expenditure *		248,228	561,574	565,071	230,198	1,605,072
Total Revenue Expenditure		329,614	720,846	720,341	317,582	2,088,283
City Council Match-funding		40,693	79,636	77,635	43,692	241,656
Partner Revenue Expenditure		124,114	280,787	282,536	115,099	802,536
ERDF Grant Funding		164,807	360,423	360,170	158,791	1,044,191
Revenue Totals		329,614	720,846	720,341	317,582	2,088,383

CAPITAL						
BCC Expenditure:						
Data platform and data processing	CA-02888-03	30,000	120,000	115,000	25,000	290,000
Partner Capital Expenditure *		75,000	-	-	-	75,000
Total Capital Expenditure		105,000	120,000	115,000	25,000	365,000
City Council Match-funding		15,000	60,000	57,500	12,500	145,000
Partner Capital Match-funding		37,500	-	-	-	37,500
ERDF Grant Funding		52,500	60,000	57,500	12,500	182,500
Totals		105,000	120,000	115,000	25,000	365,000

Total Project Value		434,614	840,846	835,341	342,582	2,453,383
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* The Partner match set out in this table is part of the ERDF approval, but it is not BCC resource or expenditure.

Planned Start date for delivery of the project	<i>22/11/2016 (Subject to grant agreement sign off by DCLG)</i>	Planned Date of Technical completion	<i>30/10/2019 subject to planned start date (36 Months)</i>
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3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
<ul style="list-style-type: none"> Detailed workings in support of the above Budget Summary (as necessary) 	Mandatory	Available
<ul style="list-style-type: none"> Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document 	Mandatory	Available
<ul style="list-style-type: none"> Whole Lifecycle Costing analysis (as necessary) 	Mandatory	n.a.
<ul style="list-style-type: none"> Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet) 	Mandatory	Part of Full Application
<ul style="list-style-type: none"> Partnership Funding Proposal 		n.a.
<ul style="list-style-type: none"> Specific Funding (Grant) outline 		Available
<ul style="list-style-type: none"> Technical Feasibility Assessments 		n.a.
<ul style="list-style-type: none"> Grant/Partnership Agreement 		Pending
<ul style="list-style-type: none"> Non-Financial Benefits 		specified in report
Project Development products		
<ul style="list-style-type: none"> Populated Issues and Risks register 	Mandatory	Annex 1
<ul style="list-style-type: none"> Stakeholder Analysis 	Mandatory	Annex 2

APPENDIX 1 - ANNEX 1 BIG DATA CORRIDOR Risk register

No	Item of Risk	Inherent Risk		Control Measures	Control Measure Managed by	Residual Risk	
		Impact	Likelihood			Impact	Likelihood
1.0	Funding						
1.1	Potential funding exposure for BCC by acting as Accountable Body through clawback	High	Med	BCC will closely monitor and manage contracted project delivery on a monthly basis. Funding and Legal Agreements to be put in place with Delivery partners and contracted providers to ensure that all DCLG contract responsibilities, terms and conditions are mirrored with partners and financial risks to BCC are minimised.	Interim Director Information & Technology and BDC Project manager	Med	Low
1.2	Uncertainty of funding as a result of BREXIT	High	Med	Control/ Treat - regular communication with DCLG. HM Treasury has written to Rt. Hon. David Davies confirming their commitment to all EU funded projects providing they are in contract before the Autumn Budget Statement on 23rd November 2016	Interim Director Information & Technology and BDC Project manager	Med	Low
2.0	Delivery						
2.1	Lack of demand – insufficient SME's through Growth Hub	Med	Low	Delivery partners have established relationships with SME's through other projects and have their own marketing channels. There are also relationships with Chamber of Commerce and other organisations such as Marketing Birmingham who can help promote opportunities for SME's etc. Marketing costs have been included in the project. • Clear PR and publicity plan will be developed and implemented. • Project wide publicity resources will be developed alongside partners' existing materials as appropriate.	BDC Project Manager	Med	Low
2.2	Wide partnership structures making consistent management more difficult	High	Med	Robust plans for contract management and quality assurance are in place through the inclusion of a Project Management Procurement Strand within the delivery plan. • Experienced staff in place • Robust internal audit and QA systems • Robust and compliant procurement procedures • Common and agreed operating standards • Common IT system for management of entire project across partners. Sharpcloud will be used to monitor day to day relationships with business and contracts of partners	BDC Project Manager	Med	Low
2.3	Over demand – too many SME's applying for training and support	Med	Med	Numbers of SME's have been carefully calculated in order to ensure outputs can be met based on funding required. It is likely that additional evaluation criteria may be put in place to ensure the best suited SME's receive assistance. If demand is greater than anticipated the project will apply a 'first come first serve' approach until the max. no of business assists is reached. Potential to commission additional support by going go back to DCLG and ask for additional funding to deliver additional Business Assists and Support. Strict criteria and processes for ensuring only eligible SME's are supported through to ensure deminimis rules are met.	BDC Project Manager	Med	Low
2.4	Difficulty progressing SME's into full Business Assist outcomes due to time con	High	Med	Risk exists around changing economic climate and emerging technologies which change business models - although currently levels of SME's in the City are increasing significantly - the project will mitigate this through the following measures: The design of the programme has been based on evidence of good practice of what works and will also enable online interactions at a time that suits an employer once they have completed a number of modules. This will help to achieve the outcomes of 12 hours per SME for business assist. • The combination of one to one support, bespoke interventions and improved private and public sector businesses being part of the programme will enable the programme to support all SME's into a positive outcome.	BDC Project Manager and Partners	Med	Med
3.0	Commissioning						

3.1	Difficulty commissioning a data platform that can be used by SME's and Partner organisations to release data and APIs and visualisation tools that businesses can use and ensuring that it is using emerging technologies and data standards.	Med	Med	Risk to be addressed through an active commission and procurement approach, building on knowledge gained through commissioning of the recent Digital Academy SME Digital Skills Work programme. BCC to manage process which will include: - Initial Market Testing has been undertaken to identify the type of platform required with a number of potential providers in advance of setting service specifications which will be tendered according to ERDF Rules.	BDC Project Manager and partners	Med	Med
4.0	Staffing						
4.1	BCC staff involved leave or are made redundant due to re-structures within the Economy Directorate during the life of the project	Med	Med	All delivery partners have skills and capacities to take over project management, however as BCC is the Managing Authority it will have to be by secondment to aid rapid deployment in order to ensure that BCC retains the knowledge within BCC.	BDC Project Manager and partners	Med	Low
5	Delay in approval or start up	Med	Med	As accountable body Birmingham City Council would also seek to negotiate with DCLG around potential for down scaling delivery in line with match funding as required, if this impacts on the project.	BDC Project Manager	low	Med

BIG DATA CORRIDOR– STAKEHOLDER ANALYSIS

ANNEX 2

Stakeholder	Stakeholder's Interest	Influence Impact	What does the project board expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Cabinet Member for Transparency, Openness & Equality	Endorses ERDF funding and project delivery	High	Political support	Supportive	Consult during development and provide progress reports during delivery as required	Head of Digital Birmingham
DCLG	Grant funding body for ESIF/ERDF	High	Monitoring project progress, sign off grant payments. Formal agreement of change requests.	Supportive	Contract manager in place for regular monitoring. Inform early of any changes, risks and successes.	Project Manager
GBSLEP	Demonstrate demand-led innovation, SME growth	High	General support, endorsement of the programme	Supportive	Regular progress updates to relevant working groups	Digital Birmingham Programme Managers
Local SME businesses across the GBSLEP area	Beneficiaries of Business Assist programme	High	Take up of business assist offer; share requirements for project design	Supportive based on past experience and research	Work package dedicated to SME Engagement	Project Manager and partners
Businesses agencies / networks in the Programme area	Competitor or collaborator	Low as long as not sole route to market	Refer SMEs to BDC programme and vice versa; share own approach, may want to learn from BDC results	Generally supportive	Work package for SME Engagement includes building relationships with other networks	Project Manager and partners
Growth Hub	Project Associate; creation of joined up regional	High	Marketing to and registration of SMEs into the programme	Supportive	Close cooperation with dedicated Growth Hub staff	Project Manager

BIG DATA CORRIDOR– STAKEHOLDER ANALYSIS**ANNEX 2**

	support offer					
Catapult Centres	Subject Matter Experts	Medium	Contribute expertise re data management	Generally supportive if aligned with own objectives	Identify key contact for each Catapult, keep informed of progress and share plans, invite to cooperate where appropriate	Project Manager, Partners
Universities in the region	Beneficiaries or help with delivery	Low	Potential referral of SMEs to universities for Knowledge Transfer Programmes (KTP's)	Generally supportive if aligned with own objectives	Identify key contacts, inform via newsletter/email updates	Partners
SME Sector Forum User Group (5-10 SME representatives)	Sector advice, develop support programme that benefits them and other SMEs	Medium	Regular attendance of user group meetings to guide project	Supportive	Invite SMEs that are already involved with the partners; keep informed with regular updates	Innovation Birmingham
Project Steering and Advisory Board	Steering project so it addresses challenges that benefit their organisations	High	Regular attendance of board meetings	Supportive	Invite select list of public sector and large business representatives. Keep informed via project highlight reports. Prepare items for advice / decision.	Head of Digital Birmingham Project Manager



Department for
Communities and
Local Government



European Union

European Regional
Development Fund

Mr Raj Mac
Head of Digital Birmingham
Birmingham City Council
Council House
Victoria Square
Birmingham
B1 1BB

8 September 2016

Dear Mr Mac

Outcome of ERDF Full Application Appraisal

**Open Call: Priority Axis 1 Promoting Research and Innovation, reference number
OC12R15P 0169**

Project: Big Data Corridor

I am pleased to confirm that the European Regional Development Fund Managing Authority has completed the technical appraisal of the above Full Application and approved in principle the award of ERDF grant, subject to contract and subject to the conditions summarised at Annex A.

Please note that approval of the Full Application does not constitute a formal offer of funding, the formal agreement is made only when a Funding Agreement has been validly executed by both parties. Any expenditure or activity undertaken prior to this date is entirely at the applicant's own risk.

Where pre contractual conditions have been identified (Annex A refers) the applicant is expected to satisfy all pre-contractual conditions prior to the Managing Authority's execution of the Funding Agreement.

We will contact you very soon regarding the issue of your Funding Agreement. The Agreement must be signed and returned to the Managing Authority within 10 days of issue. A copy of the draft Funding Agreement is available from the link below, please note that the standard conditions of the Funding Agreement are not negotiable.

In advance of this, please carefully consider the conditions set out at Annex A and where appropriate, take steps to meeting these.

Midlands Growth Delivery Team,
5 St Philip's Place, Birmingham, B3 2PW

www.gov.uk/european-growth-funding

We look forward to working with you to ensure that European Regional Development Fund investment supports local economic growth.

Yours sincerely

A handwritten signature in dark ink, reading "Ian C White". The signature is written in a cursive style, with the first name "Ian" and the last name "White" clearly legible, and a middle initial "C" in between.

Ian White
Head of Local Growth Delivery

Useful Links:

ERDF Guidance:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>

Example Funding Agreement:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-funding-agreements>

Annex A: Funding Agreement Conditions

Project	Big Data Corridor
Project Reference	12R16P00220
Applicant	Birmingham City Council
Total Project Cost	£2,453,381
ERDF Approved (in principle)	£1,226,689

*Please note that **pre -contract conditions** must be met prior to the Managing Authority's execution of the Funding Agreement. The Funding Agreement should be signed and returned within 30 days of issue. Should the Funding Agreement not be returned within 30 days, the Managing Authority will consider this an indication that you no longer wish to proceed with the application and the funding allocation provisionally approved may be re-allocated within the Programme.*

1. Pre contract conditions:

Condition	Deadline
1. Submit revised match funding letters confirming the correct amount of match funding to be provided from each of the delivery partners.	21/9/16
2. Provide separate financial annexes for more developed and transition areas.	21/9/16
3. Provide an estimate of the Gross Grant Equivalent of Aid to be dispersed under Article 28 of GBER for completion of the funding agreement.	21/9/16
4. Grant recipient to submit the final version of its ERDF specific procurement policy.	21/9/16

2. Contract conditions:

Condition	Deadline
1. Provide a compliant methodology for calculating the Gross Grant Equivalent of Aid prior to the PIV. Gross Grant Equivalent is defined as; where aid is granted in a form other than a grant, the aid amount shall be the gross grant equivalent of the aid. 'Gross grant equivalent' means the amount of the aid if it had been provided in the form of a grant to the beneficiary, before any deduction of tax or other charge.	Prior to the PIV
2. For existing members of staff, provide HR letters confirming that these staff are working on the ERDF project and the proportion of time they will work on the project.	Prior to payment of first claim
3. Grant recipient to check its document retention policy to ensure it is line with current ERDF eligibility guidelines and to provide a copy of the revised policy.	Prior to payment of first claim

Equality Analysis

Birmingham City Council Analysis Report

EA Name	ERDF Big Data Corridor: A New Business Economy (Approval To Submit Full Application For Funding)
Directorate	Economy
Service Area	Digital Birmingham
Type	New/Proposed Function
EA Summary	The beneficiaries of this bid will be SME's in Greater Birmingham and Solihull Local Enterprise Partnership.
Reference Number	EA001110
Task Group Manager	annette.c.king@birmingham.gov.uk
Task Group Member	
Date Approved	2016-06-24 01:00:00 +0100
Senior Officer	Nicola.Bryant@birmingham.gov.uk
Quality Control Officer	raj.s.mack@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	The full application enables the City to work with public sector, private sector and specifically SMEs within the GBSLEP area to help up-skill businesses in the region to become more innovative in order to create economic growth for the region. The full application involves procurement of a data integration platform that enables a blended approach for businesses to access as part of the bid to enable SMEs to create new applications, innovations and services through a connected marketplace, which will be tested in the City within the Eastern Corridor Area. The aim of the innovations is to create new products and services that will help the citizens of Birmingham.
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	Yes

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	No
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

The project is specifically aimed at up-skilling businesses in the Greater Birmingham and Solihull Enterprise Area to use the latest technologies to enable them to create new innovations, products and services that can be utilised and tested by citizens within the area. Any products or services that are created will be designed with user's in mind and it is impossible to say at this time what types of products or services may be developed.

Any SME can apply for the programme as long as they meet the criteria for European Funding.

It is expected that the following outputs will be achieved if the submission is successful.

- 115 enterprises receiving support
- 115 enterprises receiving non-financial support
- 20 new enterprises supported
- 62 employment increase in supported enterprises
- 32 enterprises co-operating with research institutions
- 32 enterprises supported to introduce new to the market products
- 32 enterprises supported to introduce new to the firm products

3 Concluding Statement on Full Assessment

There is no adverse impact as the project is specifically aimed at all SME's within the GBSLEP area who meet the specific criteria to gain business support as identified within the ERDF Funding requirements.

At this time there are no products or services that have been developed. When products or services are developed, they will be tested with citizens within the Eastern Corridor who wish to take part in a trial. Until we know the type of products or services that may be developed and the target groups for the product a full assessment cannot be undertaken. Once a product or service has been identified that is to be tested then an assessment will be completed.

4 Review Date

01/01/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Strategic Director for Change and Support Services
Date of Decision:	15th November 2016
SUBJECT:	SERVICE BIRMINGHAM REVENUES CONTRACT
Key Decision: Yes	Relevant Forward Plan Ref: 002605/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved O&S Chairman approved
Relevant Cabinet Member(s)	Cllr Ian Ward - Deputy Leader Cllr Majid Mahmood - Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:
<p>1.1 To advise Members of the proposed termination of the Revenues element of the Service Birmingham Contract other than the retention of the Enforcement Agent (Bailiff) services, as contained within the existing Service Delivery Agreement – Schedule 1.</p> <p>1.2 To note that the key decisions and commercial details are included in the private report elsewhere on this agenda.</p> <p>1.3 To advise of the intention to amend the Service Birmingham contract as a result of the termination of the Revenues element of the contract.</p>

2. Decision(s) recommended:

That Cabinet:

2.1 Notes the contents of this report

Lead Contact Officer(s):	Chris Gibbs
Telephone No:	464 6387
E-mail address:	Chris.gibbs@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Leader of the Council, the Cabinet Member for Transparency, Openness and Equality, the Chief Executive and the Strategic Directors for Change and Support Services and Legal and Finance, are supportive of the recommendations. Officers from City Finance, Legal Services and Procurement have been involved in the preparation of this report.

3.2 External

None.

4. Compliance Issues:

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

The Council's key priorities of prosperity and a strong economy are intrinsically linked to this decision. In the region of £750m of Council Tax and Business rates per annum is collected within the scope of this contract and the maximisation of the taxable base together with the realisation of the collection of these taxes is vital to the ongoing viability of the City Council's budget. In addition to this, how the Council applies its policies in relation to the collection of business rates and council tax has a direct impact upon of the livelihood of both citizens and businesses within Birmingham.

4.2 Financial Implications

Further details are contained in the Private report.

4.3 Legal Implications

The Council's functions in relation to the collection of council tax are set out in the Local Government Finance Act 1992 and for the collection of national non domestic rates are in Part III Local Government Finance Act 1988.

Under Section 3 Local Government Act 1999 the Council as best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

4.4 Public Sector Equality Duty (see separate guidance note)

An initial screening has indicated that there are no contra indicators in relation to the Council's public sector reporting duty in relation to this decision.

5. Relevant background/chronology of key events:

- 5.1 The Revenues Service was included within the overall Service Birmingham contract from 1st April 2011. At this point, the Council collected Business Rates on behalf of the Government and the relevant pooling arrangements for the financial distribution of this income were in place. The contract was let on the basis of a fixed price per annum (plus indexation) on a reducing basis over a ten year term.
- 5.2 From April 2013 Council Tax Benefit was replaced with a Local Council Tax Support Scheme. The local retention of Business Rates also came into effect.
- 5.3 An internal review of the Revenues Service was undertaken by the Service Director of Customer Services Division in June 2016.
- 5.4 Following this review it was determined by the Strategic Directors of Change and Support Services and Finance and Legal that further work needed to be undertaken with Service Birmingham to ensure that the Revenues Service was delivering a service that both met the priorities of the City Council and achieved the contractual requirements.
- 5.5 Service Birmingham put forward alternative proposals during July and August. These were considered and it was concluded that they did not meet the current requirements of the Council.
- 5.6 The Revenues contract was let in 2011 before the introduction of a number of Local Welfare reforms in 2013 which have resulted in the council wishing to deal with Revenues matters differently. By delivering the Revenues Service in house the Council will be able to react to both existing reforms and any future reforms and allow for greater flexibility of the operation without the constraints of formal change control processes.
- 5.7 As part of new working arrangements the Council also intend to alter how it enforces collection of council tax for those citizens in receipt of council tax support. The Council will continue to seek collection of the council tax due; however, these particular debts will no longer be referred to the enforcement agents (previously known as bailiffs). In the main these debts will be recovered by either payment arrangements with the citizen or direct deductions from welfare benefits as a preferred option before considering what other recovery methods are utilised. All other debts will continue to be pursued through the usual recovery and enforcement methods.
- 5.8 Cabinet on 18 October 2016 authorised the Strategic Director of Change and Support Services to negotiate with Service Birmingham in order to evaluate the Council's contractual options for the termination of the Revenues element of the Service Birmingham Contract.
- 5.9 Following this negotiation it is now recommended that the Council terminate the Revenues element of the Service Birmingham Contract.

- 5.10 The existing enforcement agent (bailiff) function will be retained in order to facilitate continuity of service and minimise the risks of transition to the new arrangement. This will also avoid the additional costs that would be incurred if the current enforcement arrangements were changed around the existing I.T. systems. The scope of the bailiff function will also be varied to meet the current requirements of the Council to ensure a more bespoke approach to the recovery and enforcement of council tax and business rates debt and to continue to maximise collection rates.
- 5.11 The Revenues service will therefore transfer to the Council with effect from 1st February 2017. It is estimated that approximately 150 employees of Service Birmingham Limited will transfer to the Council under TUPE.

6. Evaluation of alternative option(s):

- 6.1 Remain with the existing Revenues contract – this was discounted as the review carried out by the Council concluded that the options available under the current Service Birmingham contract (as described in 5.4) did not meet the requirements of the Council

7. Reasons for Decision(s):

- 7.1 The decision to terminate the Revenues Services within the Service Birmingham Contract is due to the need of the Council to achieve best value.
- 7.2 The Council will be able to take greater control of and maximise the tax base through new approaches by identifying those properties and businesses currently avoiding Council Tax and Business Rates.
- 7.3 By taking greater control, the Council will be able to apply flexibility and discretion to the collection of debt owed by those customers receiving Local Council Tax Support and to prevent these customers becoming burdened with unmanageable debt.
- 7.4 The decision to bring the Revenues Service in-house meets the current requirements for the Council in terms of welfare reform, new legislation and administration and collection of Council Tax and Business Rates.

Signatures

Date

Deputy Leader
Cllr Ian Ward

.....

Cabinet Member for Value for
Money & Efficiency
Cllr Majid Mahmood

.....

Strategic Director – Change
and Support Services
Angela Probert

.....

.....

List of Background Documents used to compile this Report:
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Cabinet 18 October 2016 – Service Birmingham Revenue Contract

List of Appendices accompanying this Report (if any):
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| <ol style="list-style-type: none">1.2.3.4.5. |
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PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

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

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation

Report to:	CABINET	
Report of:	THE CHIEF EXECUTIVE AND THE STRATEGIC DIRECTOR FINANCE & LEGAL	
Date of Decision:	15th November 2016	
SUBJECT:	CORPORATE REVENUE BUDGET MONITORING 2016/17 MONTH 6 (UP TO 30TH SEPTEMBER 2016)	
Key Decision: Yes	Relevant Forward Plan Ref: 001930/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	
	O&S Chairman approved	X
Relevant Cabinet Member(s):	Councillor Ian Ward	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq	
Wards affected:	All	

1. Purpose of report:
1.1 This report forms part of the City Council's robust arrangements for controlling its revenue expenditure.
1.2 Each Directorate's financial performance to date is shown, together with the risks and issues identified to date in the Corporate Revenue Budget Monitoring document for Month 6, which is appended to this report.

2. Decision(s) recommended:
2.1 Note the City Council's 2016/17 revenue budget position and the gross pressures identified as at 30 th September 2016.
2.2 Note the latest monitoring position in respect of the City Council's savings programme and the present risks identified in its delivery.
2.3 Approve the movement of budgets relating to the transfer of services as identified in Section 3 of the report.
2.4 Note the inclusion of grants in the budget as identified in Section 3 of the report.
2.5 Approve the writing off of debts over £0.025m as summarised in Appendix 4 of the report.

Lead Contact Officer(s):	Jon Warlow, Strategic Director Finance and Legal
Telephone No:	0121-303-2950
E-mail address:	jon.warlow@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended.
3.1	<u>Internal</u> Cabinet Members, Strategic Directors, the Acting City Solicitor, Human Resources and Assistant Directors of Finance have been consulted in the preparation of this report.
3.2	<u>External</u> There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.
4.	Compliance Issues:
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u> The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.
4.2	<u>Financial Implications</u> <u>(Will decisions be carried out within existing finances and Resources?)</u> The Corporate Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.
4.3	<u>Legal Implications</u> Section 151 of the 1972 Local Government Act requires the Strategic Director Finance & Legal (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Leadership Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.
4.4	<u>Public Sector Equality Duty (see separate guidance note)</u> There are no additional Equality Duty or Equality Analysis issues beyond any already assessed in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.

5.	Relevant background/chronology of key events:
5.1	At the meeting on 1 st March 2016, the Council agreed a net revenue budget for 2016/17 of £835.281m to be met by government grants and council tax payers.
5.2	The base budget forecast variations in each Directorate are detailed in Section 2 of the Corporate Revenue Budget Monitoring document, together with the actions presently proposed to contain spending within cash limits. The position is summarised in tabular form in Appendix 1 which incorporates the forecast year end pressures by Directorate.
5.3	Directorate risks relating to the Savings Programme, and measures being undertaken to alleviate these are detailed in Section 2 of the attached report. The position is summarised in tabular form in Appendix 3.
6.	Evaluation of alternative option(s):
6.1	Strategic Directors, in striving to manage their budgets, have evaluated all the options available to them to maintain balance between service delivery and a balanced budget.
7.	Reasons for Decision(s):
7.1	<p><u>To inform Cabinet of:</u> The City Council's 2016/17 revenue budget position and the level of gross pressures identified as at 30th September 2016.</p> <p>The latest monitoring position in respect of the City Council's Savings Programme and the present risks identified in its delivery.</p> <p>The inclusion of grants in the budget as identified in Section 3 of the report.</p> <p><u>To approve:</u> The movement of budgets relating to the transfer of services as identified in Section 3 of the report.</p> <p>The writing off of debts over £0.025m as summarised in Appendix 4 of the report.</p>

Signatures	Date
Strategic Director Finance & Legal
Chief Executive
Deputy Leader

List of Background Documents used to compile this Report:
City Council Business Plan 2016+ approved at Council (1 March 2016).

List of Appendices accompanying this Report (if any):
1. Corporate Revenue Budget Monitoring Document – Month 6
2.
3.
4.
5.

Report Version	V1.0	Dated	4 th November 2016
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CORPORATE REVENUE BUDGET MONITORING REPORT 2016/17 MONTH 6

(up to 30th September 2016)

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1. **Executive Summary**

- 1.1 The City Council has a General Fund net revenue budget of £835.281m. The City Council Business Plan 2016+ recognised that in order to accommodate resource losses and fund budget pressures, savings of £88.210m would be required from Directorates in 2016/17. In addition, there are savings from 2015/16 of £34.814m, where delivery still needs to be monitored, including where they were met on a one-off basis and £0.214m of costs identified relating to the implementation of savings. Total savings to be met in 2016/17 are therefore £123.238m.
- 1.2 Latest projections indicate a pressure of £10.979m in the base budget delivery at year-end and £27.222m of risks relating to the savings programme (after corporate mitigations of £22.796m), giving combined pressures and undeliverable savings of £38.201m at year end. This is a net increase of £0.708m since Month 5. The overall position is summarised in Table 1.
- 1.3 There are three main changes since Month 5. Firstly, an assumption of a £13m transfer from the NHS had been made on the basis of discussions within the STP at meetings in July. In the final meetings with the NHS before the STP was finalised last month, the STP System Board reviewed this assumption and recommended we remove the assumption. Secondly, there have been continuing pressures in Adult Social Care as described in Section 2 of the report. Thirdly, as outlined in Section 3 of the report, following a review of the level of expenditure on redundancies in 2016/17, and subject to the approval by the City Council of a revised Flexible Use of Capital Receipts Strategy, it is now anticipated that there will be a corporate underspend of £14m.
- 1.4 As has been recognised in previous budget monitoring reports to Cabinet, this is an exceptional level of challenge at this stage in the year and the position is receiving the full attention of the Corporate Leadership Team and the Cabinet. A comprehensive mid-year review was carried out as part of the Month 4 Revenue Monitoring report. This identified those areas within the Savings Programme that were considered no longer deliverable and the extent to which these could be offset by one-off mitigations. As part of this review, a number of new savings proposals were also agreed. Directorates are currently working to ensure that the necessary actions are being put in place to ensure these savings are delivered in 2016/17 and future years. They are also developing and implementing plans to further manage the financial issues that the City Council faces in 2016/17. Progress will be reported upon further in future monitoring reports.
- 1.5 The Corporate Leadership Team have taken steps to ensure that their Directorates are conforming to robust governance arrangements with regard to staffing and budget expenditure to reduce the year end projected pressures and undeliverable savings, and have taken decisive action to control all costs going forward for the remainder of this year. These additional measures are being implemented and will strengthen the day to day operational management in reducing workforce and other expenditure. This includes introducing additional management processes for vacancies, freezing recruitment where necessary, reviewing the overtime levels and a robust review of other non-workforce expenditure across the business areas, e.g. non-essential travel. There is also an ongoing review of the usage of agency,

interims and consultants focusing on outcomes, performance management and the need for the expenditure.

- 1.6 Despite this, it should be recognised that the risk of a 'Council-wide' overspend at year end is substantially higher than in recent years. As identified in the Month 4 report, the Council has an unallocated balance of £60m in the Organisational Transition Reserve "available as a contingency to provide a level of safeguard". This unallocated balance is available, if necessary, to address any residual year end overspend. The potential impact on this reserve will be taken into account in the preparation of the 2017+ Business Plan.
- 1.7 A review of the position on each of the savings initiatives is undertaken each month, and the overall Directorate position at Month 6 is summarised for the City Council in Table 2 (and detailed on a Directorate basis in Appendix 3). After mitigations, £96.016m (77.9%) of the required savings total of £123.238m are on course to be delivered.
- 1.8 Section 2 of this report details budget pressures on the net revenue budget and savings not deliverable by Directorates.

Table 1 - Summary forecast position of base budget and risks relating to savings programme

Directorate	Current Budget	Net Base Budget Pressures			Savings Programme not Deliverable			TOTAL		
		as at			as at			as at		
		Month 6	Month 5	Movement	Month 6	Month 5	Movement	Month 6	Month 5	Movement
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
People Directorate	481.992	7.367	5.371	1.996	42.404	28.252	14.152	49.771	33.623	16.148
Place Directorate	135.433	3.612	4.312	(0.700)	7.614	8.064	(0.450)	11.226	12.376	(1.150)
Economy Directorate	68.064	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate Resources	36.085	0.000	0.000	0.000	0.000	0.290	(0.290)	0.000	0.290	(0.290)
Sub-total Directorates	721.574	10.979	9.683	1.296	50.018	36.606	13.412	60.997	46.289	14.708
Policy Contingency	34.316	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Corporate Items	79.391	0.000	0.000	0.000	(22.796)	(8.796)	(14.000)	(22.796)	(8.796)	(14.000)
City Council General Fund	835.281	10.979	9.683	1.296	27.222	27.810	(0.588)	38.201	37.493	0.708
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Table 2 - Summary of Directorate Savings Programme delivery

	Position as at Month 6 £m	Position as at Month 5 £m
Actions in place to fully achieve savings (in line with Policy Decision)	37.803	38.520
Actions in place to fully achieve savings (new Policy Decision required)	0.024	0.024
Actions in place to achieve savings in year only	22.604	22.064
Actions in place but may be some risk to delivery	12.789	26.024
Savings not deliverable	50.018	36.606
Total Directorate Savings Programme	123.238	123.238

2. Detailed Revenue Commentaries by Directorate

The following paragraphs comment on the major financial issues identified at this point in the year. Detailed figures for each Directorate are shown in Appendix 1.

2.1 People Directorate

The Directorate is forecasting a variation of £49.771m (Month 5 £33.623m). This is made up of pressures of £7.367m (Month 5 £5.371m) on the base budget and £42.404m (Month 5 £28.252m) of net savings deemed to be not deliverable in 2016/17.

The increase of £16.148m since Month 5 relates mainly to a change in the assumption regarding the receipt of funding from Health, continued growth in the numbers of agreed Adult Care Packages despite a range of initiatives to reduce service commitments, continued pressure on homelessness costs (particularly relating to temporary accommodation) and additional pressures in Education Services associated with home to school issues.

Base Budget

The base budget pressure of £7.367m forecast at Month 6 relates to the following:

Adults - £8.530m pressure

- **Adult Social Care Packages - £4.544m pressure (Month 5 £5.309m pressure)**

This represents the gap between the estimated budget requirements for packages of care and the forecast commitment based on current packages of care.

The demand for placements based on assessed needs continues to rise and is now at unprecedented levels. Numbers of service users supported following hospital discharges is increasing. The experience of recent years has been that the rate of increase in packages is less in the second half of the year, and as such the forecast does not make any allowance for further net increases in the number of packages beyond that already allowed for in the demography resources already included in the budget.

The Directorate is implementing a number of actions to mitigate the pressures, including:

- the tightening of controls on care related contracts to ensure best value is achieved from care providers
- ensuring application of national frameworks by Clinical Commissioning Groups (CCGs) to secure health related contributions, thereby expediting joint working and decision making

- reviews of current practice, uses of certain care approaches and the use of panels to enhance the value and effectiveness are under consideration and development
- robust challenge of existing and planned care including those clients being transferred from the NHS
- reviewing workforce prioritisation
- ensuring all available income to the service is realised
- ensuring care data is cleansed to improve accuracy and hence commitments and forecasting is in line with expected care requirements

Further initiatives being considered are associated with gaining full cost recovery for facilities used by other parties and reviewing the emergency and short-term placements regarding value for money. In time this is likely to include assessing structural change opportunities through the relationship with the Sustainable and Transformation Programme (STP).

- **Assessment and Support Planning - Deprivation of Liberty Safeguards**

‘The Cheshire West Judgement’ increased considerably the number of people who may be deprived of their liberty and therefore subject to the statutory scheme contained in the Mental Health Act 2005.

The Government provided a one-off grant of £0.597m in 2015/16 to cover the initial cost implications of this decision. The number of cases meant that costs quickly exceeded this amount. The Directorate’s budget was increased by £0.625m in 2016/17 to assist in mitigating these pressures. No additional funding has been made available from Government.

The Directorate has trained and recruited additional Best Interest Assessors for this work and has commissioned additional resource to support the in-house provision. Progress is reported on a monthly basis to the Cabinet Member.

This is a significant national issue and lobbying continues through the Association of Directors of Social Services. A class action against the Government has been raised by four local authorities arguing that there has been a failure to fund the new burden and that this has caused thousands of people to be unlawfully detained. Other current and potential legal cases may extend this issue to include a wider range of cases, including in Children’s services, and may result in a further increase in the projected overspend in this area.

The latest forecast reflects the additional costs of £1.500m. As agreed in the Month 2 Corporate Revenue Monitoring report, this pressure has been met corporately.

- **Homelessness - £4.672m pressure (Month 5 £3.359m pressure)**

The projected pressure includes additional Temporary Accommodation costs of £3.992m which is an increase of £1.513m from Month 5. The numbers of homelessness cases continues to rise and the pressure on temporary accommodation increases. The numbers in Bed and Breakfast accommodation have increased from an average of 161 per week in Month 1 to an average of

288 in Month 6. Average costs per household have also increased by around 50%. Following a review of bad debts, early indications show an in-year increase in bad debts of £0.680m in 2016/17 (a reduction of £0.200m from Month 5).

The Council has a statutory duty to homeless people which includes a duty to provide temporary accommodation. The Council meets this duty through providing a range of different temporary accommodation options for households including hostels, bed and breakfast accommodation (B&B), Council housing stock and properties procured from the private rented sector. The number of people presenting to the Council as homeless has increased significantly during the past 12 months and the availability of suitable property has become scarce and more expensive. Indications are that this is a national problem and may continue to increase in the foreseeable future.

The Homelessness service will transfer from People Directorate to Place Directorate as agreed in the Month 5 report. Future reports will provide more information with regard to how the Homelessness pressure is being managed.

- **Other net variations - £0.686m underspend (Month 5 £1.757m underspend)**
This relates to other net variations including reductions in the use of both agency staff and employee costs. In addition, savings have been made on Supporting People and other non-care contracts. Further mitigations are being made through the release of non-essential agency staff.

Children - £1.163m underspend

- **Education Service Grant (ESG) - £0.711m pressure (no change from Month 5)**
Reductions of £2.400m were required in 2016/17 to offset the impact of changes in ESG grant. Various mitigations have been identified and applied but there is still a residual amount of £0.711m for which mitigations have not been identified.
- **Early Help & Children's Social Care - £2.787m underspend (Month 5 £2.503m underspend)**
There has been a £0.510m underspend on staffing budgets within the Family Support Service due to vacancies held pending the service implementing a revised structure and £0.155m underspend on employee budgets for the five children's homes that have now transferred to an external provider. This has been offset by an increase of £0.300m in other net pressures and these largely explain the movement since Month 5.

There is a projected £1.660m underspend in internal foster care. The service has undertaken a review of current internal foster care capacity in readiness for implementation of the next phase of the improvement plan to grow the in house service.

There is a projected underspend of £1.300m due to a longer mobilisation period on the phased go live of the residential block contract due to securing planning permission and OFSTED registration for individual properties.

The reduction in the number of externally commissioned residential and community based assessment has resulted in a further underspend of £0.417m.

These have been offset by pressures relating mainly to:

- Secure Remand beds with additional costs of £0.425m as a result of decrease in the Youth Justice Board Secure Grant and an increase in bed nights at Secure Training Centres and Secure Children's homes.
- Increased costs of £0.530m relating to accommodation and support to No Recourse to Public Fund families.
- **Travel Assist - £0.500m pressure (no movement since Month 5)**
A forecast budget pressure of £0.500m is reported on pupil guides arising from factors such as increased demand for Guiding hours and increase of casual cover for additional routes not covered by permanent Guides.

Further work is being undertaken by the service to review the existing forecast, including a detailed review of actual transport hire costs. This will enable the service to better understand and explain the factors behind the increase in costs and to improve the overall level of monitoring and management information which in turn may require major system and process changes. The outcome of this will be included in future monitoring reports.

- **Other net variations- £0.413m pressure (Month 5 £0.248m underspend)**
These include pressures on Other Education, Unattached Playing Fields and Disabled Children Social Care as a result of increased placements offset by savings in CityServe as a result of reduced agency costs and generation of additional income.

The Directorate will continue to work to identify other appropriate actions that can be taken.

Savings Programme

People Directorate are forecasting net savings not deliverable of £42.404m.

Following on from the Future Council programme, initiatives in the Maximising Independence of Adults (MIA) work-stream have been brought together as an overall change programme. This will have connections with the Better Care Fund (BCF) and the Sustainability and Transformation Plan (STP). The Programme will work to deliver key offers to support vulnerable adults by helping them to help themselves, offering help when it is needed, and providing ongoing support for those who need it. It has three Sub-Programmes: Assessment and Support Planning Customer Journey, Market Shaping, and Prevention. The Programme is responsible for delivering a number of savings initiatives. However not all original planned savings are deliverable.

The explanations are as follows:

Adults - £12.528m

- **Adult Care Packages - £9.784m (Month 5 £9.362m)**

The Adult Social Care Service has delivered significant savings in recent years whilst tackling the continued increases in demand. Savings were achieved against the Younger Adults re-provisioning programme up to the end of 2015/16 through re-assessments of younger adult clients and moves to more appropriate care settings or through changes to the arrangements commissioned from some providers. However, the scale and pace of the savings targets have proved to be very challenging and there continues to be a shortfall against the figures included in the budget.

- **Supporting People (SP)- balanced position (no change since Month 5)**

The commissioning of new SP contracts for Disabilities was delayed by three to four months due to the complexity of introducing new arrangements together with the commissioned services from the Third Sector. It has been agreed that this pressure of £1.054m will be covered in 2016/17 by a transfer from the Supporting People reserve.

- **Specialist Care Services - £3.536m (Month 5 £2.014m)**

- Enablement £1.500m (no change since Month 5): A review of the enablement service is being undertaken. Efficiency gains within the service require a number of further stages of planning, consultation and approval, and hence the saving will now be delivered from 2017/18
- Care Centres £0.534m (Month 5 £0.514m): Cabinet on 26th July 2016 agreed to consult on changes in the use of two of the four Care Centres. The outline Business Case identified that the preferred option would not deliver the savings target of £0.300m in 2016/17 and that there are likely to be one-off costs of £0.214m which would lead to a higher overall pressure
- Day Care provision £0.702m (Month 5 nil): Changes to the internal day care provisions are currently subject to consultation. The Directorate is also considering a wider review of Day Care opportunities across both internal and external provision. A report will be presented to a future Cabinet meeting, discussing the findings of the consultation and making recommendations
- Telecare £0.800m (Month 5 nil): This is an interim assessment of the likely impact. A report was received by Cabinet on 18th October 2016 outlining the way forward for the Telecare service. There are currently a number of outstanding issues being dealt with as part of the changeover to the new arrangements.

- **Other mitigations – (£0.792m)**

The net position has been reduced by £0.792m as a result of new savings proposals agreed as part of the Month 4 Revenue Monitoring and Mid-Year review report.

Health - £28.400m (Month 5 £15.400m)

Given the update on the assumption of the £13m transfer from the NHS, the figures below have been amended to reflect the removal of this.

- **Better Care Fund (BCF) - £8.400m**

In early 2016, the Council and health partners submitted a Better Care Fund Plan in line with Government Guidance. The BCF contained funding transferred from the Department of Health's NHS budget through the Department of Communities and Local Government (DCLG) to local government to allow local care and health communities to share investment in sustaining and improving their local system. The Plan included a collective vision for the Birmingham health and care system by 2019.

The priorities set out in the Better Care Fund Plan and a wide range of work supporting this aimed to produce cost savings. As part of the BCF Plan it was originally assumed that the City Council will receive £8.400m in 2016/17. Due to a revision by Government of the performance element of the BCF these savings will not be delivered in the way originally envisaged in the Plan. We are therefore working closely with health colleagues to develop detailed plans to mitigate this change and this will form part of the wider discussions referred to in the Sustainability and Transformation Plan mentioned below.

- **Sustainability and Transformation Plan (STP) - £20.000m**

The STP is a Government requirement to make wide reaching changes to the national health and social care system. Sustainability and Transformation Plans are being prepared by 44 areas across the country including the Birmingham and Solihull area. This offers the opportunity to build a place based collaborative care and health system that moulds itself around the needs of local people. A System Board has been established in order to oversee the preparation of the STP, and manage its subsequent delivery. The City Council's Business Plan 2016+ has assumed £20m of efficiency savings resulting from whole system change on adult social care and NHS spend. This and later year assumptions, combined with the BCF savings described above, have been incorporated into the STP gap analysis. An updated position will be reported in due course as part of future monitoring reports.

Children - £1.476m

- **Early Help and Children's Social Care (Month 5 nil)**

The service has a savings target of £0.705m in 2016/17, rising to £10.600m in 2019/20. The savings are to be achieved from a combination of reduced numbers of looked after children and more children in internal foster care. At Month 6 it is forecast that the 2016/17 savings will be achieved.

- **Travel Assist - £1.388m (no movement since Month 5)**

The service has a £2.463m savings target for 2016/17. An approach was initially identified that would involve three implementation phases. During 2016/17, it was recognised that full delivery would be over two years, resulting in an expected shortfall of £1.388m in year.

Events over the summer term regarding the appeals to proposed changes have prompted a more thorough top down review of Travel Assist's operational capacity. This will need to be addressed through fundamental changes in support and practice. The ability of the service to deliver the full saving of £2.463m is at risk, resulting in further potential undeliverable savings of £1.075m. Work is ongoing to assess this and the outcome will be reported on in future monitoring reports.

- **Unattached Playing Fields - £0.088m (no movement since Month 5)**

The total saving of £0.268m has been brought forward from 2015/16 as the action plan for savings progressed slowly during last year due to complex legal issues. This covers 31 unattached playing fields with a number of different solutions. Options are being considered ranging from transfer to schools, renegotiation of leases and disposal of sites. There is expected to be an in year shortfall against delivery of £0.088m due to the complexities around delivery of the saving.

- **Private Finance Initiative (PFI) / Building Schools for the Future (BSF) - balanced position (no movement since Month 5)**

Work has been undertaken by the service to reduce the costs and affordability gap associated with the PFI / BSF contracts. For 2016/17 this is expected to yield total savings of £1.863m, of which approximately £1.000m is non recurrent. This will be used to fully meet the savings target of £0.700m in year and the balance of £1.163m will be used to offset the ongoing PFI pressure from 2015/16 and Education Services Grant base budget shortfall.

2.2 Place Directorate (excluding Housing Revenue Account)

The Directorate is reporting a forecast variation of £11.226m (Month 5 £12.376m), made up of pressures of £3.612m on the base budget and a net £7.614m of Savings Programme deemed to be not deliverable in 2016/17. The reduction of £1.150m since Month 5 largely relates to realignment of charges for central support costs (CSC's) to Adult Education Services, additional savings in Business Support and savings on prudential borrowing due to slippage in capital projects for Bereavement Services.

Base Budget

A base budget pressure of £3.612m is forecast at Month 6 relating to the following:

- **Waste Management Services - £2.634m pressure**

A Service Improvement Plan has been developed and is being implemented to stabilise the service following the completion of the roll out of the wheeled bins. A number of projects and management actions are being implemented including: performance management framework, optimising the route planning, reducing missed collections, waste prevention and enforcement, rebalancing the workforce and reducing agency staff and completing the re-structuring of the back office support. This base budget pressure relates primarily to employees and other operational costs in the delivery of the new service and this is expected to reduce as the Service Improvement Plan continues to be implemented.

- **Sport and Events - £1.000m pressure**

The Directorate has previously reported a pressure of £1m relating to the externalisation of the Alexander Stadium – this was due to delay in implementing the initial strategy following concerns expressed during the consultation with the market. A new strategy was approved by Cabinet on 20th September 2016 and this will now be implemented as soon as practicable. It is unlikely that the reported pressure in 2016/17 will be reduced but it is expected to be mitigated in 2017/18 providing the externalisation is successfully completed by April 2017.

- **Other Services - £0.022m underspend**

This relates to:

- £0.150m for Markets, due in part to the on-going legal lease negotiations and the impact from the relocation of the existing traders to the new Wholesale Market in Witton
- Regulatory Services of £0.152m. These relate to a range of services including Registrars, Coroners, Licensing and Bereavement Services
- Adult Education Services £0.400m underspend as a result of re-alignment of charges for corporate services
- Other minor pressures of £0.076m

Savings Programme

Place Directorate is forecasting net savings that are considered not deliverable of £7.614m

The explanation of the savings considered not deliverable is as follows:

- **Community Safety and Equalities - £0.922m**

This saving includes the re-organisation of the Equalities Team of £0.322m, securing some potential resources from the Local Police and Crime Panel for the public CCTV of £0.300m and the Safer Places Team of £0.500m, offset by £0.200m use of reserves. Alternative long term proposals will be developed by the Council for the CCTV and Safer Places Team. In addition, a review of the Equalities Team is in progress following the recent

retirements within the Equalities Team and it may be possible to partially deliver some savings in 2016/17. The latter will be reported in future reports.

- **Neighbourhood and Community Services - £2.066m**

This relates primarily to the Community Libraries Services due to delays in the development of a new operational model. There are also delays in the decommissioning of the Community Play and Development Service and the programme to redesign and rationalise local assets to deliver services in the future with fewer separate buildings.

- **Waste Management Services - £4.366m**

The major savings not deliverable include the transfer of the Queslett Site to private ownership, the partial delivery of the three R's project to Reduce, Reuse and Recycle waste, the redesign of street cleaning and the proposal to pass costs of new bins on to the developers of new estates. A number of management actions (as part of the Service Improvement Plan) continue to be implemented including the rigorous control of non-essential expenditure to reduce spend as far as possible without impacting of important health and safety issues including development of and consultation on a proposed whole service workforce re-organisation to ensure that service is delivered in the most effective and efficient manner. This is expected to deliver savings in 2017/18.

- **Other Services - £0.260m**

This relates to a range of services including Licensing, Coroner and Mortuary, Markets and Parks. This has been offset by additional savings in Business Support, use of reserves and other technical adjustments.

Additional work continues to be undertaken by the Directorate to identify further necessary management actions and mitigations needed to be implemented to improve the position.

2.3 **Economy**

Economy is forecasting a break-even position at Month 6 (no movement since Month 5).

Base Budget

There are no base budget pressures being forecast within Economy.

Savings Programme

Economy is reporting a break-even position at Month 6 after corporate mitigations (as agreed as part of the Month 2 Corporate Revenue Monitoring report).

2.4 Corporate Resources

Corporate Resources is reporting a break-even position on base budget and savings programme (Month 5 £0.290m).

2.5 Housing Revenue Account

A balanced HRA Budget was approved for 2016/17 (expenditure of £283.4m funded by equivalent income). The budget was based on the new national rent policy of -1% that will be implemented in each year from 2016/17 to 2019/20.

A balanced year-end position is projected. The current budgets and the forecast year-end financial position are summarised in the table below:

Service	Current Budget £m	Year End Variation Projection £m
Rent/Service Charges (net of Voids)	(283.4)	2.4
Repairs and Maintenance	65.6	(0.5)
Contributions for Capital Investment	75.2	-
Capital Financing Costs	54.8	1.4
Local Office / Estate Services / Equal Pay	87.8	(3.3)
Net Position	-	-

The strategy of utilising any underspends for the repayment of debt is prudent and considered value for money (as interest payments on debt outstanding are greater than interest received on balances). It is also in line with the HRA Self Financing Business Plan for the repayment of debt (the debt re-payment has already been re-profiled to take into account the new national rent policy and as reported to City Council on 1st March 2016 as part of the City Council Business Plan 2016+).

2.6 Collection Fund

The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. However, for the most part, the impact on the budget is as set out in the Council Business Plan and Budget 2016+, with any surplus or deficit being required to be carried forward and taken into account as part of the 2017/18 budget setting process.

Council Tax

The overall net budget for Council Tax is £289.8m in 2016/17. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities. A surplus was forecast and reported in the Month 4 report of which the Council's share was £5.051m (£3.716m in year plus £1.335m brought forward). This position is unchanged for Month 6.

Business Rates

Currently the Council retains just under half of all business rates collected under the Business Rates Retention Scheme. The overall budgeted level of Business Rates in 2016/17 is £420.1m (excluding the Enterprise Zone), of which the Council's retained share is £205.8m. An in-year deficit was forecast and reported in the month 4 report of which the Council's share was £1.626m. As with Council Tax, this position is unchanged for month 6.

In addition to the in-year position, a cumulative deficit was brought forward from 2015/16 (over and above that budgeted for) which has previously been reported in the 2015/16 Outturn Report. The Council's share is £2.710m.

An overall forecast deficit of £4.336m (£1.626m in year plus £2.710m brought forward) relating to the Council's share is therefore still anticipated.

Taking the position on Council Tax and Business Rates together a total surplus of £0.715m (£5.051m Council Tax Surplus less £4.336m Business Rates Deficit) relating to the Council's share is anticipated to be carried forward and taken into account in the 2017/18 budget setting process.

In addition, aspects of the Business Rates regime also impact on the General Fund in the form of grants as compensation for specific types of reliefs awarded introduced by the government, such as small business relief. There is a forecast increase in this income of £0.261m compared with the budget. This is an increase of £0.075m on the position previously reported at Month 4.

3. **Resource Allocations and Other Corporate Updates**

3.1 **General Policy Contingency**

The unallocated balance on the General Policy Contingency is £2.904m.

3.2 **Other Corporate Mitigations**

The expected level of expenditure on redundancies in 2016/17 has been reviewed and it is now anticipated that this will be lower than originally envisaged. It is intended that a revised Flexible use of Capital Receipts Strategy for 2016/17 will be submitted to the City Council which, if approved, will identify alternative eligible revenue expenditure. It is therefore expected that there will be a corporate budget saving of £14m.

3.3 **Grants**

Corporate Resources is expected to receive the following revenue funding for 2016/17 which has been allocated by the Government rather than being bid for by the service. These new grants will be matched by additional revenue expenditure. These amounts will be built into the revenue budget.

- Elections: £1.231m and £0.811m for the holding of the European Referendum and the Police and Crime Commissioner election respectively and £0.603m for supporting the introduction of Individual Electoral Registration (IER).
- Benefit Service - £0.676m allocation of funding from the Department of Works and Pensions (DWP) to meet new burdens as a result of the implementation of welfare reform relating to the lowering of the benefit cap, allocated on the basis of expected number of households in scope for the benefit cap within each Local Authority. Additional responsibilities and initial costs relate to the processing of Housing Benefit claims and support on all capped cases together with staff training & awareness, plus on-going costs associated largely with new claims and change of circumstance. Approval is sought to utilise the grant within the Benefit Service to fund the resources to carry out these activities.
- Housing Benefit – The government contribution to BCC for Discretionary Housing Payments (DHP) has increased by £0.749m, compared to the budget, to assist with the transition of Housing Benefit claimants to new entitlement following welfare reform changes affecting Local Housing Allowance, removal of the spare room subsidy, and the benefits cap. Approval is sought to increase DHP expenditure in 2016-17 in line with the funding allocation.
- Revenues & Benefits – The Department for Communities & Local Government allocates funding to Local Authorities for the administration of Localised Council Tax Support schemes based on benefit caseload data split by pensioner and working age claimants, and factors in labour and accommodation costs. The allocation for Birmingham exceeds the budget estimate by £0.371m in 2016-17. Approval is sought to increase the revenue budget to reflect this change.

3.4 Transfer of service areas

The Council continues to periodically review the Directorate Service responsibilities with the aim of securing the most appropriate service delivery arrangements to ensure that these are delivered effectively in a co-ordinated manner. It is proposed to transfer the following budgets at Month 6 (in addition, all reserves and balances and future approved savings will transfer):

- Digital Birmingham from the Economy Directorate to Corporate Resources, to be included under the Assistant Director for ICT Strategy. The net revenue budgets that will transfer are £101.852m

Financial Position analysed by Directorate - budget pressures (including budget savings)

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Adults with Mental Health Needs	14.588	(0.144)	14.444	1.243	0.895	2.138
Older Peoples Services	83.668	13.862	97.530	0.671	(0.447)	0.224
Persons with No Recourse to Public Funds	0.104	0.000	0.104	0.011	0.000	0.011
Homelessness	2.877	(0.060)	2.817	4.672	0.000	4.672
Adults with a Physical Disability	22.613	0.878	23.491	1.760	1.537	3.297
Service Strategy	67.294	(5.120)	62.174	2.935	2.736	5.671
Adults with a Learning Disability	90.765	(2.156)	88.609	2.834	5.683	8.517
Housing Strategy	1.952	(0.100)	1.852	(0.918)	0.000	(0.918)
Other Adult Services	3.755	2.269	6.023	(4.678)	1.324	(3.354)
Supporting People	24.666	0.000	24.666	0.000	0.800	0.800
Public Health	(0.006)	0.006	0.000	0.000	0.000	0.000
Subtotal Adults	312.276	9.434	321.709	8.530	12.528	21.058
Education and Skills	53.974	11.323	65.296	0.711	0.000	0.711
Schools Budgets	(143.014)	(12.926)	(155.940)	0.000	0.000	0.000
Commissioning & Performance	5.143	(0.742)	4.401	0.076	0.000	0.076
Children With Complex Needs	104.497	1.756	106.253	0.590	1.388	1.978
Early Help & Childrens Soc Care	152.064	1.135	153.199	(2.787)	0.000	(2.787)
Business Support	21.065	1.039	22.103	0.248	0.088	0.336
Accounting Adjustment/MRP Component of Contract Payments	(6.491)	0.000	(6.491)	0.000	0.000	0.000
Subtotal Children	187.238	1.584	188.821	(1.163)	1.476	0.313
Health	(28.539)	0.000	(28.539)	0.000	28.400	28.400
Subtotal Health	(28.539)	0.000	(28.539)	0.000	28.400	28.400
People Directorate Total	470.974	11.017	481.992	7.367	42.404	49.771
Community Sports & Events	6.916	(0.005)	6.911	1.000	0.000	1.000
Fleet and Waste Management	52.041	0.836	52.877	2.634	4.366	7.000
Parks and Nature Conservation	14.424	(0.253)	14.171	0.130	0.276	0.406
Bereavement Services	(2.782)	(0.014)	(2.796)	(0.200)	0.000	(0.200)
Markets	(1.908)	(0.099)	(2.008)	0.150	0.150	0.300
Business Support	2.479	(0.029)	2.450	(0.100)	(0.200)	(0.300)
Equalities, Cohesion & Safety	0.217	0.481	0.698	(0.222)	0.922	0.700
Engineering & Resilience Services	0.292	0.241	0.533	0.000	0.000	0.000
Regulatory Services	5.393	0.045	5.438	0.152	0.234	0.386
Private Sector Housing	0.098	(0.543)	(0.445)	0.300	0.000	0.300
Neighbourhood Community Services	12.134	1.850	13.984	0.504	2.066	2.570
Birmingham Adult Education	0.227	(0.213)	0.014	(0.400)	0.000	(0.400)
Central Support Costs	11.210	2.035	13.245	(0.336)	(0.200)	(0.536)
Culture & Visitor Economy	33.099	(0.115)	32.984	0.000	0.000	0.000
City Centre Management	0.007	(0.005)	0.002	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(2.625)	0.000	(2.625)	0.000	0.000	0.000
Place Directorate Total	131.219	4.213	135.433	3.612	7.614	11.226
Development Management Services	4.250	4.002	8.252	0.000	0.000	0.000
Planning & Regeneration	4.588	(0.243)	4.344	0.000	0.000	0.000
Highways Services	33.041	(0.212)	32.829	0.000	0.000	0.000
Transportation and Connectivity	49.146	0.309	49.455	0.000	0.000	0.000
Shelforce	(0.101)	0.000	(0.101)	0.000	0.000	0.000
Employment Services	1.117	4.260	5.377	0.000	0.000	0.000
GBSLEP Executive	0.226	0.000	0.226	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(32.319)	0.000	(32.319)	0.000	0.000	0.000
Economy Directorate Total	59.947	8.116	68.064	0.000	0.000	0.000

Appendix 1

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
City Finance	6.833	1.313	8.146	0.000	0.000	0.000
Birmingham Audit	2.377	0.000	2.377	0.000	0.000	0.000
Elections Office	1.732	0.000	1.732	0.000	0.000	0.000
Legal & Democratic Services	5.822	0.010	5.831	0.000	0.000	0.000
Shared Services Centre	2.198	0.000	2.198	0.000	0.000	0.000
Business Transformation Legacy Costs	39.267	(0.873)	38.394	0.000	0.000	0.000
Charities & Trusts - Support	0.050	0.045	0.095	0.000	0.000	0.000
Directorate Wide Recharges	(28.346)	(0.460)	(28.806)	0.000	0.000	0.000
Insurance	0.014	(0.013)	0.000	0.000	0.000	0.000
Corporate Resources Other Services	1.708	0.052	1.760	0.000	0.000	0.000
Building Consultancy	1.164	0.001	1.165	0.000	0.000	0.000
Urban Design	(0.533)	0.000	(0.533)	0.000	0.000	0.000
Catering & Building Cleaning	(0.100)	0.000	(0.100)	0.000	0.000	0.000
Facilities Management	(0.631)	0.000	(0.631)	0.000	0.000	0.000
Business Loans & Other Investments	(0.727)	0.976	0.249	0.000	0.000	0.000
Subtotal Finance & Legal	30.829	1.049	31.878	0.000	0.000	0.000
Corporate Strategy	(0.096)	(0.035)	(0.131)	0.000	0.000	0.000
Procurement	(0.338)	0.133	(0.205)	0.000	0.000	0.000
Human Resources	7.437	1.407	8.844	0.000	0.000	0.000
Revenues & Benefits Division	(2.548)	0.048	(2.500)	0.000	0.000	0.000
Core ICT	(10.132)	0.000	(10.132)	0.000	0.000	0.000
Customer Services	8.629	0.268	8.897	0.000	0.000	0.000
Subtotal Integrated Support Services and Change	2.952	1.821	4.772	0.000	0.000	0.000
Birmingham Property Services	(1.337)	0.719	(0.618)	0.000	0.000	0.000
Major Projects	0.000	0.053	0.053	0.000	0.000	0.000
Subtotal Major Projects	(1.337)	0.772	(0.565)	0.000	0.000	0.000
Corporate Resources Total	32.443	3.642	36.085	0.000	0.000	0.000
Total Directorate Spending	694.584	26.989	721.573	10.979	50.018	60.997
Policy Contingency	54.469	(20.153)	34.316	0.000	0.000	0.000
Other Corporate Items	86.228	(7.837)	79.391	0.000	(22.796)	(22.796)
Centrally Held Total	140.696	(27.989)	113.707	0.000	(22.796)	(22.796)
Proposed Transfers to / (from) reserves				0.000	0.000	0.000
Net Budget Requirement	835.281	0.000	835.281	10.979	27.222	38.201
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000

Policy Contingency Month 6 Monitoring to 30th September 2016

	Original Budget 2016/17	Approvals / Adjustments in Voyager	Revised Budget 2016/17	Approvals / Allocations not yet in Voyager as at 30th September	Proposals awaiting approval at 30th September	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs			0			0
Car Park Closure Resources	350	(98)	252	(252)		0
Carbon Reduction	1,020		1,020			1,020
Inflation Allowance	15,641	(1,240)	14,401			14,401
Highways Maintenance	750		750			750
Provision for unachievement of savings	10,750	(750)	10,000			10,000
Youth Strategy	1,000	(1,000)	0			0
Birmingham Jobs Fund	2,000	(2,000)	0			0
Business Charter for Social Responsibility	6,539	(6,539)	0			0
Improvement Expenditure	11,395	(7,133)	4,262			4,262
Combined Authority	500		500			500
Subtotal Specific Contingency	49,945	(18,760)	31,185	(252)	0	30,933
General Contingency	4,524	(1,393)	3,131	(180)	(47)	2,904
Total Contingency	54,469	(20,153)	34,316	(432)	(47)	33,837

Directorate Savings Programme – Position at Month 6

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not deliverable £m	Savings not deliverable - last month £m
	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	5.209	5.209	0.000	0.000	0.000	0.000	0.000
People	Reduction in Adult Running Costs.	1.111	1.111	0.000	0.000	0.000	0.000	0.000
	Step up of savings re: Third Sector Commissioning and Supporting People.	3.400	2.346	0.000	1.054	0.000	0.000	0.000
	Adults and Communities Transformation programme.	10.631	0.000	0.000	0.000	2.945	7.686	6.606
	Joint Adults and Children's approach to transitions	1.000	0.000	0.000	0.000	0.000	1.000	1.000
	Redesign and integrate services at scale across the health and social care economy.	20.000	0.000	0.000	0.000	0.000	20.000	15.400
	Better Care Fund	8.400	0.000	0.000	0.000	0.000	8.400	0.000
	Public Health – Commissioning.	1.250	1.250	0.000	0.000	0.000	0.000	0.000
	Public Health – Decommissioning.	3.315	3.315	0.000	0.000	0.000	0.000	0.000
	Public Health. Recommission of contracts and change of specifications for 'lifestyle services'.	1.200	0.000	0.000	0.000	1.200	0.000	0.000
	Step up of previous Early Years savings.	1.000	0.000	0.000	0.000	1.000	0.000	0.000
	Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy.	2.463	0.000	0.000	0.000	1.075	1.388	1.388
	Assistive Technology	1.600	0.800	0.000	0.000	0.000	0.800	0.800
	Expansion of internal services – Shared Lives.	1.785	0.000	0.000	0.000	0.000	1.785	1.785
	Changes in internal services – Home Care Enablement.	1.480	0.000	0.000	0.000	0.000	1.480	1.480
	Further reduction in Younger Adults Care Packages (additional support).	1.068	0.000	0.000	0.000	0.000	1.068	1.068
	Further reduction in Younger Adults Care Packages (BAU).	7.638	0.000	0.000	0.000	0.000	7.638	7.538
	Joint Adults and Children's approach to transitions.	1.000	0.000	0.000	0.000	0.000	1.000	1.000
	Expansion of Internal Services - Shared Lives	1.707	0.000	0.000	0.000	0.000	1.707	1.707
	Changes to Internal Services - Home Care Enablement	1.050	0.000	0.000	0.000	0.000	1.050	1.050
	Internal Care Review - Home Care Enablement.	1.500	0.000	0.000	0.000	0.000	1.500	1.500
	Other	(16.145)	(5.319)	0.000	0.100	3.172	(14.098)	(14.070)
People Total		61.662	8.712	0.000	1.154	9.392	42.404	28.252
	Markets	1.000	0.850	0.000	0.000	0.000	0.150	0.150
	Redesign street cleansing and a combination of enforcement, education and community marketing to encourage residents and businesses to keep streets/footpaths tidy.	1.500	0.000	0.000	0.000	0.000	1.500	1.500
	SN7 Reduce Reuse Recycle - Reduce failures/failed waste collections.	3.082	1.400	0.000	0.000	0.000	1.682	1.682
	Other	12.916	8.760	0.024	0.250	0.000	3.882	4.332
Place Total		25.328	17.440	0.024	0.250	0.000	7.614	8.064

Appendix 3

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not deliverable £m	Savings not deliverable - last month £m
Economy	Highways Maintenance. Refinance of the PFI contract, review capital expenditure, review routine and reactive maintenance.	1.500	0.000	0.000	1.500	0.000	0.000	0.000
	Highway Maintenance & Management Services (Private Finance Initiative)	1.000	0.000	0.000	1.000	0.000	0.000	0.000
	Other	5.166	1.563	0.000	3.139	0.464	0.000	0.000
Economy Total		7.666	1.563	0.000	5.639	0.464	0.000	0.000
Corporate Resources	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	2.360	0.000	0.000	2.187	0.173	0.000	0.000
	Reduce Local Welfare Assistance Provision Scheme.	1.600	1.600	0.000	0.000	0.000	0.000	0.000
	Service Birmingham	6.800	0.500	0.000	6.300	0.000	0.000	0.000
	Service Birmingham. We are proposing to reduce our ICT costs.	2.800	0.000	0.000	2.800	0.000	0.000	0.000
	Targeted net improvement in the housing benefit subsidy by reclaiming Housing Benefit Grant overpayments.	2.000	2.000	0.000	0.000	0.000	0.000	0.000
	To reduce the amount the Council spends on Information and Communication Technology (ICT) over the next few years.	2.500	2.500	0.000	0.000	0.000	0.000	0.000
	Acceleration of savings.	1.500	1.500	0.000	0.000	0.000	0.000	0.000
	Other	4.476	1.842	0.000	1.074	1.560	0.000	0.290
Corporate Resources Total		28.436	9.942	0.000	15.561	2.933	0.000	0.290
Cross Cutting	Other	0.146	0.146	0.000	0.000	0.000	0.000	0.000
Cross Cutting Total		0.146	0.146	0.000	0.000	0.000	0.000	0.000
Grand Total		123.238	37.803	0.024	22.604	12.789	50.018	36.606

MONTH 5

123.238

38.520

0.024

22.064

26.024

36.606

Notes:

1. Corporate mitigations of £22.796m have been identified against the Savings Programme. These would result in total net savings not deliverable of £27.222m.

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

a. Irrecoverable Housing Benefit

In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or returned to the city.

The cost to the Council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. There is no direct effect on the revenue account.

In 2016/17, from 1st August 2016 to 30th September 2016, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £0.447m, which Members are asked to note.

Age analysis	Up to 2010/11	2011/12 – 13/14	2014/15 -16/17	Total
	£m	£m	£m	£m
Benefit Overpayments	0.021	0.066	0.360	0.447
Total				0.447

Section (d) of this Appendix gives a more detailed age analysis of overpayments and income written off.

b. Irrecoverable Council Tax & Business Rates

All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).

If an account case is subject to this, then consideration is given to write the debt off subject to the requirement for Service Birmingham Revenues to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.

In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised by and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.

Cabinet are requested to approve the writing off of business rates debts to the Council which are greater than £0.025m, totalling £1.336m as detailed in Section (c) of this Appendix. Further information in respect of these is available on request.

In 2016/17, from 1st August 2016 to 30th September 2016, further items falling under this description in relation to Council Tax have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £1.119m, which Members are asked to note.

Age analysis	Up to 2010/11	2011/12 - 13/14	2014/15 -16/17	Total
	£m	£m	£m	£m
Council tax	0.359	0.286	0.474	1.119
Business rates	-	-	-	-
TOTAL	0.359	0.286	0.474	1.119

Section (e) of this Appendix gives a more detailed age analysis of overpayments and income written off.

c. **Business Rates Write Offs**i) **Business Rates**

Case No.	Supporting Information Further information in respect of the Business Rates Write Offs listed below is available on request.	Total Debt
1	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 01/04/2008 to 26/03/2009 – (6003152296) - £7,714.31 Property 2 - Business Rates due for period 01/04/2008 to 26/03/2009 – (6003647372) - £15,073.27 Property 3 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004251943) - £10,665.41 Property 4 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004077029) - £2,653.96 Property 5 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004077030) - £9,212.98 Property 6 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6003680220) - £15,696.88 Property 7 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6003662853) - £3,841.39	£64,858.20
2	Liability Period(s)/Account Ref Number(s) Business Rates due for period 23/07/2007 to 06/04/2009 – (6004216135)	£32,079.55
3	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/04/2008 to 14/06/2009 - (6004328356)	£74,870.38
4	Liability Period(s)/Account Ref Number(s) Business Rates due for period 29/07/2008 to 15/10/2009 - (6004359986) - £34,920.36	£34,920.36
5	Liability Period(s)/Account Ref Number(s) Business Rates due for period 28/07/2008 to 27/11/2009 – (6004365364)	£70,974.88
6	Liability Period(s)/Account Ref Number(s) Business Rates due for period 12/09/2008 to 02/06/2009 – (6004384676)	£30,955.72
7	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/10/2008 to 31/01/2010 – (6004388565)	£33,638.01
8	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 23/10/2008 to 30/12/2009 – (6004393462) - £25,874.69 Property 2 - Business Rates due for period 20/09/2008 to 24/01/2009 – (6004441994) - £26,456.11	£52,330.80

Appendix 4

9	Liability Period(s)/Account Ref Number(s) Business Rates due for period 30/09/2008 to 25/11/2008 – (6004393962)	£27,689.59
10	Liability Period(s)/Account Ref Number(s) Business Rates due for period 25/10/2008 to 13/09/2009 – (6004394545)	£44,252.26
11	Liability Period(s)/Account Ref Number(s) Business Rates due for period 07/11/2008-31/03/2009 – 6004405956	£54,346.35
12	Liability Period(s)/Account Ref Number(s) Business Rates due for period 22/8/08-25/6/09 - 6004410773	£52,559.44
13	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 27/10/08-06/01/09 – 6004415881 - £16,952.84 Property 2 - Business Rates due for period 07/01/09-23/08/09 – 6004468620 - £28,497.48 Property 3 - Business Rates due for period 07/01/09-14/06/10 – 6004635163 - £66,873.86	£112,324.18
14	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 01/04/2007 to 01/03/2009 – (6004403518) - £22,899.30 Property 2 - Business Rates due for period 01/04/2008 to 01/03/2009 – (6004403494) - £15,357.99	£38,257.29
15	Liability Period(s)/Account Ref Number(s) Business Rates due for period 19/05/2008 to 29/04/2009 – (6004423936)	£26,479.68
16	Liability Period(s)/Account Ref Number(s) Property 1: Business Rates due for period 12/11/08 to 21/2/12 (6004430588) - £111,509.54 Property 2: Business Rates due for period 12/11/08 to 21/2/12 (6004430599) - £22,038.99	£133,548.53
17	Liability Period(s)/Account Ref Number(s) Business Rates due for period 1/4/08 to 30/9/11 - (6004435856)	£51,224.84
18	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/11/2008 to 15/05/2011 - (6004455569)	£74,541.58
19	Liability Period(s)/Account Ref Number(s) Property 1: Business Rates due for period 1/3/09 to 31/3/10 (6004437749) - £3,293.00 Property 2: Business Rates due for period 1/3/09 to 6/10/10 (6004437783) - £22,560.01	£25,853.01
20	Liability Period(s)/Account Ref Number(s) Business Rates due for period 1/4/09 to 8/12/11 (6003575168)	£39,349.45

Appendix 4

21	Liability Period(s)/Account Ref Number(s) Business Rates due for period 22/6/07-14/1/10 - 6004205898	£33,489.08
22	Liability Period(s)/Account Ref Number(s) Business Rates due for period 3/8/09-9/2/10 - 6004493672	£48,821.55
23	Liability Period(s)/Account Ref Number(s) Business Rates due for period 1/4/10-31/10/11 – 6004569457	£30,069.29
24	Liability Period(s)/Account Ref Number(s) Business Rates due for period 05/12/2008 to 22/11/2010 – 6004416511	£94,739.27
25	Liability Period(s)/Account Ref Number(s) Business Rates due for period 19/5/10-7/7/11 - 6004583071	£53,331.92
	Total Debt	£1,335,505.21

d. Age analysis of Overpayments and Debts written off under delegated authority by Revenues and Benefits Division

Detail	2003-2005/6	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total	No of Debtors
Housing Benefit debts written off under delegated authority			£1,137	£1,380	£12,983	£5,846	£7,743	£24,246	£33,702	£125,583	£153,499	£81,149	£447,268	728
TOTAL	£0	£0	£1,137	£1,380	£12,983	£5,846	£7,743	£24,246	£33,702	£125,583	£153,499	£81,149	£447,268	728

Debt Size	Small		Medium		Large	Total	
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000	Cases	
624	£162,808	96	£197,510	8	£86,950	728	£447,268

e. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

Detail	1997-2006/7	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Council tax written off under delegated authority	£77,505	£31,089	£30,386	£128,173	£91,744	£70,810	£84,847	£130,222	£186,850	£201,445	£85,552	£1,118,623
Business rates written off under delegated authority	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	£77,505	£31,089	£30,386	£128,173	£91,744	£70,810	£84,847	£130,222	£186,850	£201,445	£85,552	£1,118,623

Total number of council tax debts: 1,985

Total number of business rates debts: 0

Debt size analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council tax written off under delegated authority	£459,163	318	£604,559	1660	£54,901	7	£1,118,623	1985
Business rates written off under delegated authority								
TOTAL	£459,163	318	£604,559	1660	£54,901	7	£1,118,623	1985

Report to:	CABINET
Report of:	Director of Finance
Date of Decision:	15th November 2016
SUBJECT:	CAPITAL AND TREASURY MANAGEMENT MONITORING QUARTER 2 (JULY TO SEPTEMBER 2016)
Key Decision: Yes	Relevant Forward Plan Ref: 001926/2016
If not in the Forward Plan: (please "tick" box)	Complied with Rule 15 <input type="checkbox"/>
	Complied with Rule 16 <input type="checkbox"/>
Type of decision:	Executive
Relevant Cabinet Member:	Councillor Ian Ward
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq
Wards affected:	All

1. Purpose of report:

- 1.1 The report notes developments in relation to Birmingham City Council's medium term capital programme up to 30th September 2016.
- 1.2 The report also monitors the treasury management portfolio and actions taken during the quarter under delegations.

2. Decision(s) recommended:

- 2.1 Cabinet is requested to:
- (i) Approve the revised multi-year capital programme of £1,881.366m.
 - (ii) In relation to the Wholesale Market:
 - a) Authorise the Director of Property in conjunction with the Strategic Director - Finance & Legal and the Acting City Solicitor (or their delegates) to conclude negotiations and enter into a funding agreement with Birmingham Wholesale Market Company Ltd (BWMC) to purchase a sprinkler system for the new market at a cost estimated at £1.000m.
 - b) Authorise the Acting Strategic Director of Place in conjunction with the Strategic Director – Finance & Legal and the Acting City Solicitor (or their delegates) and the Assistant Director – Procurement to conclude negotiations and enter into a contract through the City Council's Highways and Infrastructure Works Framework and the Construction West Midlands framework agreements for the procurement of highways and refurbishment works at the city centre markets site, at a cost of up to £0.250m.
 - c) Approve additional net capital expenditure of £1.314m for the Wholesale Market Project, funded from service prudential borrowing (see Appendix 12).
- 2.2 Cabinet is requested to note that:
- (i) Forecast capital expenditure in 2016/17 is £445.244m.
 - (ii) Actual capital expenditure as at 30th September 2016 was £133.545m, representing 29.99% of the forecast outturn for 2016/17.

Lead Contact Officer(s):	Steve Powell, Assistant Director of Finance (Financial Strategy)
Telephone No: E-mail address:	0121 303 4087 steve_powell@birmingham.gov.uk

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

4.4 Public Sector Equality Duty

There are no additional specific Equality Duty or Equality Analysis issues beyond any already assessed and detailed in the budget setting process and monitoring issues that have arisen in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.

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

- 5.1 The City Council's Capital Programme and the Treasury Management Policy and Strategy for 2016/17 was approved by the City Council on 1st March 2016.
- 5.2 A Capital Programme of £965.848m was approved by the City Council on 1st March 2016.
- 5.3 During Quarter 1 the programme increased by a further £220.761m to £1,186.609m.

5.4 **Addition / Reduction in Resources**

During Quarter 2 the programme increased by a further £694.757m to £1,881.366m and this is summarised in the table below.

	2016/17	2017/18	2018/19	Later Years	Total
	£m	£m	£m	£m	£m
Approved Capital Budget Q1	461.228	299.379	202.907	223.095	1,186.609
Addition or Reduction in Resources	17.149	13.238	20.320	644.050	694.757
Revised Capital Budget Quarter 2	478.377	312.617	223.227	867.145	1,881.366

The main variations for the increase in resources of £694.757m are outlined in Appendix 1. The majority of the additional resources relate to the inclusion of £668.5m for the Curzon Street Master Plan. As noted in the Cabinet report on 20 September, a dialogue is in progress with Government officials regarding the effect on EZ income of future business rate revaluations, which may reduce EZ income and affect the ability to approve business cases for Curzon and other Enterprise Zone projects.

5.5 **Forecast Budget Variations**

At Quarter 2 net slippage of £(34.474)m and a net overspend of £1.341m is forecast for the financial year ended 2016/17. The forecast expenditure for the year therefore decreases to £445.244m and is summarised in the table below.

	2016/17	2017/18	2018/19	Later Years	Total
	£m	£m	£m	£m	£m
Revised Capital Budget Quarter 2	478.377	312.617	223.227	867.145	1,881.366
Forecast Slippage at Q2	(34.474)	22.273	14.338	(2.137)	0.000
Add pressures (less underspends)	1.341	0.000	0.000	0.000	1.341
Forecast Outturn Q2	445.244	334.890	237.565	865.008	1,882.707

The reasons for the Quarter 2 slippage of £(34.474)m and the net overspend across the 4 year programme of £1.341m are outlined in Appendix 1.

5.6 **Expenditure to Date**

Actual expenditure on Voyager for the quarter ending 30th September 2016 is £133.545m. This represents 29.99% of the forecast outturn for 2016/17 and compares with 34.4% in 2015/16 financial year.

Capital expenditure on a scheme by scheme basis is detailed in Appendix 2.

5.7 **10 – Year Capital Programme**

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

The appendix includes programmes such as the HRA capital programme, the Enterprise Zone and the Curzon Street Master Plan (Enterprise Zone Phase 2).

5.5 **Treasury Management Monitoring**

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

6. Evaluation of alternative option(s):

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

7. Reasons for Decision(s):

- 7.1 To inform Cabinet of the latest projected position on the City Council's capital programme against the approved budget, and to monitor treasury management activity and risks.
- 7.2 To seek approval to the revised capital budget at 30th September 2016.

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

Chief Officer(s):

Cabinet Member:.....

Dated:

List of Background Documents used to compile this Report:

1st March 2016 Council Report – Council Business Plan 2016+
Financial Outturn Report – 17th May 2016.
20th September 2016 – Capital & Treasury Management Monitoring Report Quarter 1 (April to June 2016)

List of Appendices accompanying this Report:

1. Appendix 1 – Review of major capital monitoring variations at Quarter 2 2016/17
2. Appendix 2 – High level summary of the Capital Programme as at Quarter 2 2016/17
3. Appendix 3–Development and Funding of the Capital Programme at Quarter 2 2016/17
4. Appendix 4 – New Prudential Borrowing Capital Schemes in Quarter 2 2016/17
5. Appendix 5 – 10-Year Capital Programme as at Quarter 2 2016/17
6. Appendix 6 - Summary Debt and Investment Portfolio
7. Appendix 7 - Long Term Transactions in the Quarter
8. Appendix 8 - Treasury Investments Outstanding at 30th September 2016
9. Appendix 9- Treasury Investments made in July to September 2016
10. Appendix 10 - Accountable Body Investments
11. Appendix 11 - Prudential Indicators
12. Appendix 12 – Wholesale Market Project Update

PEOPLE DIRECTORATE - ADULTS & COMMUNITIES		2016/17 £'000	All Years £'000	Project Officer narratives
Personalisation, Reform & Efficiency of Adult Social Care	Budget	149	242	Initiatives to transform and improve the commissioning and delivery of Adult Care Services.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	149	242	
	On Target?			Yes
Programme of Minor Works	Budget	281	881	Improvements to Specialist Care Services property to improve delivery of Adult Social Care.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	281	881	
	On Target?			Yes
IT Schemes	Budget	745	2,024	New and enhanced IT systems to support the delivery of Adults & Communities Services.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	745	2,024	
	On Target?			Yes
Homeless Centres	Opening Budget	1,435	1,435	Programme of refurbishment of Homeless Hostels to improve services for the homeless.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,435	1,435	
	On Target?			Yes
LD Day Centres	Budget & Description	132	832	Programme of refurbishment of Day Centre facilities for the Learning Disabilities Service.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	132	832	
	On Target?			Yes
Better Care	Opening Budget	6,138	6,138	The Better Care Fund provides funding to local services for the provision of improved health and social care services for elderly and vulnerable adults.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(3,000)	0	(£3m) slippage because the Sustainability and Transformation Plans (STP) for the Birmingham and Solihull area are being submitted on 21st October 2016. As a result of these plans the strategic direction for Community Care First (CCF - an element of that plan) may change. This has resulted in slippage in the current capital funds into 2017/18 until these plans are more fully developed to allow BCC some flexibility to react to the future direction of care in the BSol STP area.
	(Under) / Overspend	0	0	
	Total revised forecast	3,138	6,138	
	On Target?			Yes, subject to the above

Independent Living	Opening Budget	4,600	13,800	Delivery of major adaptation schemes through the Disabled Facilities Grant.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	4,600	13,800	
	On Target?			Yes
	Opening Budget	13,480	25,352	
	Additional / (Reduced)	0	0	
	slippage/acceleration	(3,000)	0	
	(Under) / Overspend	0	0	
	Total revised forecast	10,480	25,352	

PEOPLE DIRECTORATE - CHILDREN, YOUNG PEOPLE AND FAMILIES		2016/17 £'000	All Years £'000	
Aiming Higher for Disabled Children	Opening Budget	300	487	Scheme to provide better access to short breaks provision by providing equipment, adaptations and facilities for disabled children and young people.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	300	487	
	On Target?			Yes
Devolved Capital	Opening Budget	2,525	5,369	Allocated to Maintained Schools to fund capital works.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,525	5,369	
	On Target?			This budget is managed and delivered by the individual schools.
School Condition Allowance	Opening Budget	15,954	35,438	School Condition Allowance programme covering programmed capital works, dual funded schemes, improvements to access and kitchen works.
	Additional / (Reduced) Resources	(500)	(500)	Transfer of capital receipts resources to the Business Transformation project approved on the 28th June 2016, as part of the 2016-17 Childrens' Services Capital Programme, in order to support urgent IT investment in Education systems. (See below Business Transformation)
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	15,454	34,938	
	On Target?			Yes
Basic Need/Additional Primary Places	Opening Budget	49,768	120,930	Building programme aimed at expanding school provision in order to meet pupil place requirements.
	Additional / (Reduced)	(15)	(15)	
	slippage/acceleration	(20,110)	0	Approximately £12m of the slippage is the result of the Lean Review carried out jointly between EdSI and Acivico to streamline the capital programme processes, which has resulted in adjustments to the original profiling of 11 of the projects using the new processes. One of the major changes has been to provide additional temporary buildings to reduce the number of phases required. The re-profiling of expenditure is now based on contractors being on site in Janueay 2017 rather than in September to October 2016. A further £2m of slippage is due to having to present a business case to the DfE re a scheme to deliver SEN provision arising from revised DfE guidance in June. In addition the Harborne scheme has resulted in a further £1.9m being slipped as a result of delays in obtaining landowner agreement as a result of pressures from adjoining residents. A further £0.7m of slippage relates to the purchase of Chamberlain House (for use by Uffculme Special School), however BPS have advised that until the Trust has been established the payment cannot be completed. The balance of £3.4m slippage primarily relates to planning, legal and school organisational issues including Washwood Heath whereby £0.6m has been slipped due to the impact of another school in the locality undergoing a complex form entry reconfiguration.
	(Under) / Overspend	0	0	
	Total revised forecast	29,643	120,915	
	On Target?			No, but pupil provision needs continue to be met.

Early Years Schemes	Budget	2,590	2,624	Funding for additional places in the nursery sector - mainly based at primary schools.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,590	2,624	
	On Target?			Yes
Other Minor Schemes	Opening Budget	28	28	Minor value schemes such as All Saints and Burford Community Development projects.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	28	28	
	On Target?			Yes
Business Transformation - Children's	Opening Budget	200	4,133	IT Investment in Children's Services.
	Additional / (Reduced) Resources	500	500	Transfer of capital receipts resources to the Business Transformation project approved on the 28th June 2016, as part of the 2016-17 Children's Services Capital Programme, in order to support urgent IT investment in Education systems. (See above School Condition Allowance).
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	700	4,633	
	On Target?			Yes
Section 106 schemes	Opening Budget	334	334	Various minor schemes funded by S106 receipts.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	26	26	
	Total revised forecast	360	360	
	On Target?			Yes
Universal Free School Meals	Budget	114	114	Capital funding to support the introduction of free school meals for reception years 1 and 2 children from September 2014.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	(8)	(8)	
	Total revised forecast	106	106	
	On Target?			Yes

TOTAL CHILDREN, YOUNG PEOPLE & FAMILIES	Opening Budget	71,813	169,457																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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PLACE DIRECTORATE - HIGHWAYS GENERAL FUND		2016/17 £'000	All Years £'000	
Safer Routes to Schools	Budget	607	1,207	Highway engineering schemes to improve safety and sustainable access in the vicinity of schools across the City.
	Additional / (Reduced)	(1)	(1)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	606	1,206	
	On Target?			Yes
Ward Minor Transport Measures	Budget	258	258	Projects across all wards to deliver reactive high priority highways services to improve highways infrastructure. Works include the provision of parking bays for people with disabilities, speed humps, and pedestrian crossings.
	Additional / (Reduced) Resources	165	165	£0.143m for various new Ward Minor Transport Measures schemes all <£100k funded from ITB and approved by Delegated Authorities. These funds have been transferred from a high level code which holds the allocations of ITB for Highways - see Network Integrity below. Other minor adjustments of £0.022m.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	423	423	
	On Target?			Yes
Minworth A38 Improvements	Budget	3,069	3,232	Major project in conjunction with Transportation to improve traffic management and the safety and accessibility for pedestrians and cyclists.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	3,069	3,232	
	On Target?			Yes
Network Integrity	Opening Budget	765	1,975	The Network Integrity and Efficiency programme will enhance and protect the highway network and support the localism agenda through measures to address local transport issues identified at ward level.
	Additional / (Reduced) Resources	(143)	(143)	Transfer of budgets for various new Ward Minor Transport Measures schemes all <£100k funded from ITB Grant and approved by Delegated Authorities (see Ward Minor Transport Measures above).
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	622	1,832	
	On Target?			Yes
Road Safety	Budget	624	1,224	Road safety schemes to reduce accidents across the City by redesigning roads or the implementation of safety measures.
	Additional / (Reduced)	(23)	(23)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	601	1,201	
	On Target?			Yes

Highways Structures	Budget	563	563	Phase 2 and 3 of the A38 (M) Tame Valley Viaduct Management Strategy
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	563	563	
	On Target?			Yes
Land Drainage & Flood Defences	Opening Budget	1,223	1,223	River Tame Flood Defence Scheme.
	Additional / (Reduced)	(118)	(118)	Adjustments to remove minor residual budgets for schemes that completed in 2015/16. There are no loss of grant resources.
	Resources			
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,105	1,105	
	On Target?			Yes
District Schemes	Budget	570	570	£0.286m S278 works at Perry Beeches; £0.310m other minor schemes <£100k.
	Additional / (Reduced)	26	26	
	slippage/acceleration	(47)	0	
	(Under) / Overspend	0	0	
	Total revised forecast	549	596	
	On Target?			Yes
TOTAL HIGHWAYS	Opening Budget	7,679	10,252	
	Additional / (Reduced)	(94)	(94)	
	slippage/acceleration	(47)	0	
	(Under) / Overspend	0	0	
	Total revised forecast	7,538	10,158	

PLACE DIRECTORATE - HOUSING PRIVATE SECTOR GENERAL FUND		2016/17 £'000	All Years £'000	
Affordable Housing	Opening Budget	550	1,250	Expenditure to bring privately owned long term void properties back into use through compulsory acquisition.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	550	1,250	
	On Target?			Yes
In Reach	Opening Budget	6,003	12,000	InReach - a Wholly Owned Company of BCC which has been set up to develop a site at Vincent Street in Ladywood for market rent accomodation.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	6,003	12,000	
	On Target?			Yes - The contractor for the development has recently been appointed and construction work has now commenced. It is anticipated that the current approved allocation of £6m will be fully spent, but the position will continue to be monitored and any re-phasing that may be required will be reported in the Quarter 3 report.
Other Programmes	Opening Budget	160	160	Fees relating to the delivery of major adaptations schemes.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	160	160	
	On Target?			Yes
TOTAL HOUSING PRIVATE	Opening Budget	6,713	13,410	
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	6,713	13,410	

PLACE DIRECTORATE - OTHER GENERAL FUND		2016/17 £'000	All Years £'000	
Swimming Pool Facilities	Opening Budget	28,029	40,391	Sport and physical activity review programme for the new build of Sparkhill Pool, Stechford Leisure Centre, Icknield Port Loop, Erdington Pool and Northfield Pool and the refurbishment of Wyndley Leisure Centre, Beeches Pool, Fox Hollies Leisure Centre, Billesley ITC and Cocks Moor Wood Leisure Centre.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	28,029	40,391	
	On Target?			Yes
Fleet & Waste Management	Opening Budget	2,413	9,464	Waste Depot Modernisation Programme
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,413	9,464	
	On Target?			Yes
Parks	Opening Budget	3,388	3,936	Various schemes including - Cofton Nurseries replacement glasshouses £1.833m; Cofton Park Pavillion £0.367m; Reservoirs & Pools £0.509m; Perry Park Skate Park £0.139m; Highgate Park Improvements £0.109m; Minworth Sports Facilities £0.515m; Kings Heath Park Hub £0.136m; Other Schemes <£100k £0.328m.
	Additional / (Reduced) Resources	355	324	£0.135m - Perry Park Skate Park - Delegated Authority 19/08/16 funded by Section 106 receipts and Contributions. £0.080m - Pye Hayes Tennis Courts - Delegated Authority 16/09/16 funded by contributions from Lawn Tennis Association and S106 receipts. £0.140m minor scheme additions <£0.100m approved by Delegated Authority. (£0.031m) rephasing of S106 scheme in future years.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	3,743	4,260	
	On Target?			Yes
Bereavement Services	Budget	8,211	8,211	Development of the Cemetery at Sutton New Hall for provision of additional burial plots
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	8,211	8,211	
	On Target?			Yes
Markets	Budget	29,554	30,509	Relocation of Birmingham Wholesale Markets to Witton including the purchase of land and construction of a building at a new site.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	1,500	1,500	The £1.5m forecast overspend includes additional works to the new building that were identified during the construction period. The forecast overspend will be funded by service prudential borrowing and the revenue costs of borrowing can be managed within the existing revenue budget due to lower than budgeted for prudential borrowing interest rates. Approval for the overspend is sought within this report and an update on the project is included in Appendix 12.
	Total revised forecast	31,054	32,009	
	On Target?			Yes, subject to the above

Community Initiatives	Budget	256	403	Includes refurbishment works to Handsworth Leisure Centre & replacement of the artificial pitch at Laurel Road.
	New Resources in Q1	(11)	(11)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	245	392	
	On Target?			Yes
Regulation and Enforcement	Opening Budget	372	372	Health and Safety Works to the mortuary ventilation system and flooring.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	372	372	
	On Target?			Yes
Brasshouse Relocation	Budget	2,081	2,081	Relocation of Brasshouse Adult Education Centre to the Library of Birmingham.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,081	2,081	
	On Target?			Yes
Civic House Refurbishment	Opening Budget	1,564	1,564	Major refurbishment of Civic House to create a new Adult Education Learning Centre in the Erdington Ward.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,564	1,564	
	On Target?	0	0	Yes
Strategic Libraries	Opening Budget	742	742	Residual budgets to complete works to doors and flooring at The Library of Birmingham.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	742	742	
	On Target?			Yes
Other Minor Schemes	Opening Budget	80	80	Minor Schemes <£100k
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	80	80	
	On Target?	0	0	Yes
TOTAL OTHER GENERAL FUND	Opening Budget	76,690	97,753	
	Additional / (Reduced)	344	313	
	slippage/acceleration	0	0	
	(Under) / Overspend	1,500	1,500	
	Total revised forecast	78,534	99,566	

PLACE DIRECTORATE - DISTRICT SERVICES		2016/17 £'000	All Years £'000	
Community Sport	Opening Budget	124	124	Community Sports - minor schemes
	Additional / (Reduced)	11	11	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	135	135	
	On Target?			
Community Libraries	Opening Budget	576	576	£0.456m West Heath Library rebuild; £0.120m other minor schemes.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	576	576	
	On Target?			
Community Development & Play	Opening Budget	4	4	Minor Schemes
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	4	4	
	On Target?			
Community Parks	Budget	172	172	Minor Schemes
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	172	172	
	On Target?			
Community Chest	Budget	31	31	Minor Schemes
	Additional / (Reduced)	25	25	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	56	56	
	On Target?			
Districts and Neighbourhoods	Budget	6	6	Minor Schemes
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	6	6	
	On Target?			
TOTAL DISTRICT SERVICES	Opening Budget	913	913	
	Additional / (Reduced)	36	36	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	949	949	

PLACE DIRECTORATE - HOUSING REVENUE ACCOUNT		2016/17 £'000	All Years £'000	
Housing Improvement Programme	Opening Budget	54,967	237,734	Capital Investment Programme - various projects to carry out improvements to stock including major structural works.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(236)	0	Minor rephasing of the programme as new contract arrangements are bedded in.
	(Under) / Overspend	0	0	
	Total revised forecast	54,731	237,734	
	On Target?			Yes, subject to the above slippage
Redevelopment	Opening Budget	56,046	185,632	Birmingham Municipal Housing Trust (BMHT) new build housing Stock Replacement Programme and Affordable Rent Programmes, together with related housing development, including sales and clearance.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(6,692)	0	BMHT (5.330m) - Further slippage due to continuing delays to Construction West Midlands programme, due to increased costs from tenders above FBC approvals requiring value engineering, amended planning or re-tendering; together with delays to start on sites on major projects, e.g. Primrose and Perry Common, due to finalising of contracts. Clearance (£1.362m) - Increased delay in demolition of Osborne Tower and Holbrook Tower due to delays in achieving vacant possession and building replacement substation. Delays in clearance of properties at Newtown and Aston due to proposals for temporary retention of properties to mitigate Homeless Service pressures.
	(Under) / Overspend	90	90	
	Total revised forecast	49,444	185,722	
	On Target?			Yes, subject to the above slippage
Other Programmes	Opening Budget	4,728	19,526	Mainly capital works to void properties and major adaptation works to HRA properties.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	4,728	19,526	
	On Target?			Yes
TOTAL HRA	Opening Budget	115,741	442,892	
	Additional / (Reduced)	0	0	
	slippage/acceleration	(6,928)	0	
	(Under) / Overspend	90	90	
	Total revised forecast	108,903	442,982	
PLACE DIRECTORATE - OVERALL MOVEMENTS	Opening Budget	207,736	565,220	
	Additional / (Reduced)	286	255	
	slippage/acceleration	(6,975)	0	
	(Under) / Overspend	1,590	1,590	
	Total revised forecast	202,637	567,065	

ECONOMY DIRECTORATE - REGENERATION		2016/17 £'000	All Years £'000	
Paradise Circus Redevelopment	Opening Budget	23,358	48,768	The major redevelopment of the Paradise Circus site. An investment plan resourced by the LEP for projects / programmes delivering development and long term growth.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	23,358	48,768	
	On Target?			Yes
Site Development & Access	Opening Budget	2,500	8,450	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This part of the scheme supports property development coming forward on EZ Sites (other than Paradise Circus)
	Additional / (Reduced)	0	0	
	slippage/acceleration	1,855	0	The budget has been accelerated for schemes coming forward into 2016/17 following the relaunch of the Site Development and Access Fund (SDAF) in the autumn of 2016. The programme has been relaunched after a review of processes and promotions to enable the incorporation of the wider Curzon Investment Plan proposals for unlocking and enabling strategic sites.
	(Under) / Overspend	0	0	
	Total revised forecast	4,355	8,450	
	On Target?			
Connecting Economic Opportunities	Opening Budget	75	13,301	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. - This scheme funds a range of projects to improve connectivity and create safe and attractive routes to EZ sites in the Snowhill, Digeth, Jewellery Quarter and Eastside Areas.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	75	13,301	
	On Target?			Yes
Southern Gateway Site	Opening Budget	1,000	35,470	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. - The Southern Gateway site supports the relocation of the Wholesale Markets to enable to redevelopment of this City Centre Site.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,000	35,470	
	On Target?			Yes
LEP Investment Fund	Opening Budget	0	20,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This funding has been made available to support the implementation of the Strategic Economic Plan and its four delivery programmes.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	0	20,000	
	On Target?			Yes

HS2 Curzon St	Opening Budget	0	30,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This forms part of the Birmingham Curzon HS2 Masterplan which has been prepared to ensure the City makes the most of the investment into the proposed High Speed 2 Terminus.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	0	30,000	
	On Target?			Yes
HS2 Interchange	Opening Budget	0	20,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This forms part of the Birmingham Curzon HS2 Masterplan which has been prepared to ensure the City makes the most of the investment into the proposed High Speed 2 Terminus.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	0	20,000	
	On Target?			Yes
Snow Hill Public Realm	Opening Budget	601	601	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. Office development at Two Snowhill.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	601	601	
	On Target?			Yes
Southside Links	Opening Budget	0	0	Provision of high quality pedestrian links stretching from Upper Hurst St, Ladywell Walk and Dudley St. This supports the newly opened southern portal at New Street Station to the Birmingham Smithfield development.
	Additional / (Reduced) Resources	175	415	Additional Borrowing approved for Southside Links as per the Capital & Treasury Management Monitoring Report Quarter 1 on 20th September 2016. This project is subject to approval by the Enterprise Zone executive.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	175	415	
	On Target?			Yes
One Station	Opening Budget	0	727	Enhancement of the areas linking New Street Station and Moor Street Station.
	Additional / (Reduced)	0	0	
	slippage/acceleration	207	0	Changes to the procurement process have enabled structural investigation works to commence earlier than originally anticipated. £0.207m of budget has been accelerated from future years.
	(Under) / Overspend	0	0	
	Total revised forecast	207	727	
	On Target?			Yes
Centenary Square	Opening Budget	2,239	10,115	This project is complimentary to the Metro project and will enhance the public square in line with the new Paradise Circus and Arena Central developments. This budget relates to Phase 1 of the programme of works
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,239	10,115	
	On Target?			Yes

Curzon Extension	Opening Budget	0	0	Curzon Investment Plan to deliver regeneration of local infrastructure over and above the High Speed Rail 2 that will integrate the new Curzon rail terminus and unlock wider development. This is to be delivered by 2026.
	Additional / (Reduced) Resources	1,500	668,500	The overall Curzon Investment Plan was agreed at Cabinet on 20th September 2016. The phasing of spend represents an initial working assumption which will be developed as individual business cases come through the Enterprise Zone executive. The prudential borrowing costs associated with the capital expenditure will be resourced through the Business Rate Income generated through the Enterprise Zone.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,500	668,500	
	On Target?			Yes
East Aston RIS	Opening Budget	4,856	4,856	East Aston regional Investment Site - Advanced Manufacturing Hub.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	4,856	4,856	
	On Target?			Yes
Life Sciences	Budget	7,192	7,192	Site remediation works in preparation for the new Life Science Campus in Selly Oak, Birmingham.
	Additional / (Reduced) Resources	5,728	5,728	£5.728m has been added to the project as per the Birmingham Life Sciences Campus report approved by Cabinet on 6th July 2016. Additional costs relate to additional road access and utility installations and a grant to the developer as a contribution towards their costs. The project will be funded from the capital receipt from the subsequent disposal of the land and a grant from the Local Growth Fund.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	12,920	12,920	
	On Target?			Yes
Women's Enterprise Centre	Budget	100	100	Redevelopment of the east wing of the Southside Business centre, Sparkbrook into a Women's Enterprise Centre
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	100	100	
	On Target?			Yes
Longbridge Regeneration	Opening Budget	872	3,502	Regeneration of Longbridge and the former Rover sites.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	872	3,502	
	On Target?			Yes
Local Centres	Opening Budget	970	1,246	Improvements to Local Centres, including shop frontages.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	970	1,246	
	On Target?			Yes

Conservation	Opening Budget	276	276	Improvements to Warstone Lane Cemetery including repairs, conservation and new building works, reinstatement of historical boundary railings, stones piers and entrance gates, restoration of catacombs.
	Additional / (Reduced) Resources	50	1,370	Major restoration works to Warstone Lane Cemetery funded by grants, lottery fund and contributions agreed by Cabinet in July 2016.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	326	1,646	
	On Target?			Yes
Business Growth Programme	Budget	375	8,865	ERDF Business Growth Programme to provide grant assistance targeted at up to 576 existing small and medium enterprises.
	Additional / (Reduced) Resources	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	375	8,865	
	On Target?			Yes
Grand Hotel	Budget	0	0	Grand Hotel Investment
	Additional / (Reduced) Resources	1,000	1,000	Investment in the Grand Hotel Development in the form of a repayable grant funded by Prudential Borrowing towards the refurbishment costs of the hotel. This was approved by Cabinet in October 2015.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,000	1,000	
	On Target?			Yes
Planning Other	Budget	288	389	Various minor schemes <£100k
	Additional / (Reduced) Resources	82	82	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	370	471	
	On Target?			Yes
Minor Schemes	Opening Budget	612	612	£0.552m Making the Connection - Public Realm Enhancements around New Street, linking Paradise Circus, Arena Central and Southern Gateway.
	Additional / (Reduced) Resources	(60)	(60)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	552	552	
	On Target?			Yes
A34 Perry Barr Corridor	Opening Budget	0	0	A34 Perry Barr Corridor Developments - Phase 1. Infill of Subways (delivered by Transportation); Design of Replacement Bus Interchange; Acquisition of Warehouse and office premises to unlock development land.
	Additional / (Reduced) Resources	1,360	1,360	Resources added for the A34 Corridor Developments funded by Local Growth Fund grant and approved by Cabinet in March 2016.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,360	1,360	
	On Target?			Yes

Unlocking Housing Sites	Opening Budget	0	0	Project for providing Grants and/or Loans to property developers to unlock sites with problems which make them uneconomical to develop. This project is demand led. The first nine months were launching the project and attracting applications from private developments and housing associations. These applications have to go through due diligence by Finance Birmingham and the costs are claimed by the developers as the housing is constructed.
	Additional / (Reduced) Resources	3,180	9,000	Unlocking Housing Sites - project to provide additional housing on sites which were previously uneconomic to develop. The project is funded by Local Growth Fund grant and was approved by Cabinet on December 8th 2015.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	3,180	9,000	
	On Target?			Yes
	Opening Budget	45,314	214,470	
	Additional / (Reduced)	13,015	687,395	
	slippage/acceleration	2,062	0	
	(Under) / Overspend	0	0	
	Total revised forecast	60,391	901,865	
ECONOMY DIRECTORATE - EMPLOYMENT & SKILLS		2016/17 £'000	All Years £'000	
National College for High Speed Rail	Opening Budget	22,038	24,174	Construction of a new building that will serve as the operational training headquarters for High Speed Rail College at Birmingham
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	22,038	24,174	
	On Target?			Yes

ECONOMY DIRECTORATE - TRANSPORTATION		2016/17 £'000	All Years £'000	
Gateway/Grand Central residual budgets	Opening Budget	13,245	13,245	Budget to support residual costs of the Gateway and Grand Central schemes.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	13,245	13,245	
	On Target?			Yes
Coventry Road A45	Opening Budget	89	89	Upgrading of the A45
	Additional / (Reduced)	1	1	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	90	90	
	On Target?			Yes
A34 North Perry Barr	Opening Budget	672	672	
	Additional / (Reduced)	1	1	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	673	673	
	On Target?			
Local Growth Projects	Opening Budget	2,236	10,961	Holding pot of ITB and other grants match funding for schemes funded by Local Growth Grant. As schemes are approved this pot will reduce
	Additional / (Reduced)	126	(55)	Re-allocation of ITB grant funding to various schemes within the overall Transportation capital programme.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	2,362	10,906	
	On Target?			Yes - budgets here are held at a high level until business cases are approved.
Inner Ring Road schemes (1)	Opening Budget	621	621	Iron Lane / Ashted Circus - projects to reduce congestion on the Inner Ring Road. Budgets are allocated for Development costs awaiting Full Business Cases which are in progress.
	Additional / (Reduced)	(84)	(84)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	537	537	
	On Target?			Yes
Minworth A38 & Peddimore Access	Opening Budget	1,929	1,929	Major project in conjunction with Highways to improve traffic management at Peddimore also safety and accessibility for pedestrians and cyclists. Works are also being undertaken on the A38 Sutton Coldfield Bypass to repair and replace a number of life expired assets.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,929	1,929	
	On Target?			Yes

Battery Way	Opening Budget	94	94	Unlocking access to development sites and an alternative route between Warwick Road and Reddings Lane which bypasses residential areas improving safety and access for road users.
	Additional / (Reduced)	456	3,643	Local Growth fund grant funding the Battery Way Extension project approved by Cabinet on 26th July 2016.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	550	3,737	
	On Target?			Yes
Longbridge Connectivity	Opening Budget	370	5,234	A number of schemes at Longbridge to improve traffic management and accessibility for pedestrians and cyclists.
	Additional / (Reduced)	0	0	
	slippage/acceleration	305	0	Acceleration of future years budgets to fund early payments to utility companies in order to achieve an 18% reduction on overall costs, as set out in the New Roads and Street Works Act.
	(Under) / Overspend	0	0	
	Total revised forecast	675	5,234	
	On Target?			Yes
Other Minor Schemes	Opening Budget	629	629	Minor schemes being taken forward as part of the Local Growth Programme. Awaiting FBC's.
	Additional / (Reduced) Resources	313	313	£0.200m ITB Grant Resources added for the final land compensation payments to ESSO for the Heartlands Spine Road, as approved by the Assistant Director for Transportation and Connectivity in July 2016.
	slippage/acceleration	0	0	£0.113m other minor scheme approvals.
	(Under) / Overspend	0	0	
	Total revised forecast	942	942	
	On Target?			Yes
Selly Oak Relief Road - Improved Access at Birmingham & Worcester Canal	Opening Budget	421	489	Project for improving cycling and pedestrian access at the Worcester & Birmingham Canal adjacent to the University Railway Station In Edgbaston
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	421	489	
	On Target?			Yes
Metro Extension	Opening Budget	9,134	15,605	This is a multi year multi funded programme to build a metro system across the City Centre from New Street Station to Centenary Square. The major funding sources are Enterprise Zone and Local Growth Fund.
	Additional / (Reduced) Resources	114	108	Cabinet Member approval received on 21st July 2016 for additional carriageway and traffic management works at Spring Hill of £0.122m funded by ITB Grant. (£0.014m) other minor scheme adjustments.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	9,248	15,713	
	On Target?			Yes

Infrastructure Development	Opening Budget	1,294	2,494	Projects and activities to develop future year programmes, including future major transport schemes to be funded by devolved DfT resources provided to Local transport Bodies.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,294	2,494	
	On Target?			Yes
S106/278 Schemes	Opening Budget	478	478	Projects funded from S106 and S278 funds.
	Additional / (Reduced)	4	4	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	482	482	
	On Target?			Yes
Walking & Cycling	Opening Budget	5,874	9,910	Projects to reduce congestion, improve air quality, improve access and improve health and physical fitness as part of a country-wide government initiative.
	Additional / (Reduced) Resources	2,003	2,003	Cabinet Member for Transport & Roads Jointly with the Strategic Director for Economy have agreed the following Reports:- £0.852m Main Parallel Routes; £0.408m Local Links to Green Routes; £0.770m 20mph Pilot Areas - all approved on 18th August 2016 and funded by Dept for Transport Grants. (£0.027m) other minor scheme adjustments.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	7,877	11,913	
	On Target?			Yes
Local Accessibility	Opening Budget	1,239	1,239	Local Accessibility Schemes programme, which seeks to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. £0.469m Bike North Birmingham Projects; £0.527 ITB funding to support projects as allocated by the Transport and Highways Capital Programme approved in February 2016.
	Additional / (Reduced)	(30)	(30)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,209	1,209	
	On Target?			Yes
Economic Growth Zone	Opening Budget	57	1,506	Projects to take forward the Councils' 6 economic growth zones and other schemes to unlock growth and reduce congestion across the city.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	57	1,506	
	On Target?			Yes
Inner Ring Road schemes (2)	Budget	1,029	2,395	Holloway Circus; Haden Circus; Curzon Circle - projects to reduce congestion on the Inner Ring Road.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(392)	0	The delay in the construction programme for Holloway Circus has meant that the EZ funding of £0.392m has been slipped from 2016/17 to 2017/18 to reflect the revised programme for the delivery of the scheme. The delays are as a result of complexities in the procurement process.
	(Under) / Overspend	0	0	
	Total revised forecast	637	2,395	
	On Target?			Yes, subject to the above slippage

Enabling Growth & Tackling Congestion	Budget	1,548	2,643	ITB in year and future years funding to support projects comprising measures to address congestion and public transport issues as allocated by the Transport and Highways Capital Programme approved in February 2016.
	Additional / (Reduced)	5	5	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	1,553	2,648	
	On Target?			Yes
Road Safety	Budget	485	485	Road safety schemes to reduce accidents across the City by redesigning roads or the implementation of safety measures.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	485	485	
	On Target?			Yes
Digital Districts	Opening Budget	3,551	3,551	Delivery of Bham Connectivity voucher scheme to encourage the uptake of high speed broadband connectivity.
	Additional / (Reduced)	70	70	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	3,621	3,621	
	On Target?			Yes
Other Minor Projects	Opening Budget	310	310	Schemes coming to an end
	Additional / (Reduced)	(2)	(2)	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	308	308	
	On Target?			Yes
TOTAL TRANSPORTATION	Opening Budget	45,305	74,579	
	Additional / (Reduced)	2,977	5,977	
	slippage/acceleration	(87)	0	
	(Under) / Overspend	0	0	
	Total revised forecast	48,195	80,556	
ECONOMY DIRECTORATE - OVERALL MOVEMENTS	Opening Budget	112,658	313,224	
	Additional / (Reduced)	15,992	693,372	
	slippage/acceleration	1,975	0	
	(Under) / Overspend	0	0	
	Total revised forecast	130,624	1,006,596	

CORPORATE RESOURCES DIRECTORATE		2016/17 £'000	All Years £'000	
Revenue Reform Projects	Opening Budget	17,750	38,000	Costs of redundancy funded by capital receipts as part of the Government's capital receipts flexibility scheme.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	17,750	38,000	
	On Target?			It is now anticipated that redundancy costs in 2016/17 will be substantially lower than provided for in this budget. Alternative plans to make use of the ability to capitalise reform project costs are being developed subject to formal approval by a City Council meeting of a revised Efficiency Plan, as required by the Government rules.
IT Projects	Opening Budget	1,848	1,848	Various IT projects to support and update the Council's IT Infrastructure.
	Additional / (Reduced) Resources	276	535	£0.518m approved in July 2016 by the Deputy Leader Jointly with the Strategic Director for Change and Support Services for Desktop Refresh Phase 4 funded by Prudential Borrowing. £0.017m other minor scheme adjustments.
	slippage/acceleration	0	0	
	(Under) / Overspend	(116)	(116)	Minor underspends <£100k across three projects funded from service prudential borrowing.
	Total revised forecast	2,008	2,267	
	On Target?			Yes
Birmingham Property Projects	Opening Budget	14,249	14,849	Projects as part of the Attwood Green area redevelopment £1.185m; Arena Central works £1.676m; Red Rose Shopping Centre redevelopment £11.493m; Access to Buildings £0.478m; Other Minor schemes £0.017m.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	14,249	14,849	
	On Target?			Yes
Corporate Resources - Software	Opening Budget	267	267	Software developments in Corporate Resources Directorate due to legislative or increased capacity requirements.
	Additional / (Reduced) Resources	610	610	£0.610m approved in July 2016 by the Deputy Leader Jointly with the Strategic Director for Change and Support Services for a replacement Document Management System for Revenues and Benefits Service funded by Prudential Borrowing.
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	877	877	
	On Target?			Yes
ICentrum	Opening Budget	519	519	Residual budget for a loan of £7.5m to Birmingham Technology (Property) Ltd for the Innovation Birmingham Icentrum Building. The final instalment has been made in 2016/17.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	519	519	
	On Target?			Complete

Capital Loans & Equity	Opening Budget	9,606	9,606	Capital Equity Investments.
	Additional / (Reduced)	0	0	
	slippage/acceleration	0	0	
	(Under) / Overspend	0	0	
	Total revised forecast	9,606	9,606	
	On Target?			Yes
ICT Infrastructure	Opening Budget	8,521	41,846	A ten year programme for Enhancements to Core ICT across Birmingham City Council made up of various projects including replacement servers, infrastructure and enhancements to software.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(5,164)	0	The Corporate ICT Investment Plan required alignment to the ICT&D strategy to ensure that BCC are making the most of its limited financial resources. Therefore, only the critical/tactical projects for this financial year have been progressed. This has resulted in some projects being delayed until 2017/18. A revised ICT&D Strategy, taking account of changes to the revenue and capital profiles of spend was approved by Cabinet on 18th October 2016.
	(Under) / Overspend	(151)	(151)	(£0.203m) savings against the Internet Explorer 11 project as a result of using internal BCC resources rather than an external company. £0.052m overspend against the LAN Switch Replacement project as a result of increased hardware costs due to a fall in exchange rates (the hardware is priced in US\$). The additional cost will be met from within resources for the Corporate Infrastructure Investment Plan.
	Total revised forecast	3,206	41,695	
	On Target?			Yes, subject to the above slippage
SAP Investment Plan	Opening Budget	2,781	6,421	New Developments to SAP software funded from service prudential borrowing.
	Additional / (Reduced)	0	0	
	slippage/acceleration	(1,200)	0	Due to further technical delays with implementing the major SAP upgrade project across the Council and associated work to finalise the Integrated Support Services (ISS) technology solutions, the budget for the overall SAP investment plan has been re-phased into later years. The delivery of the wider investment plan is underpinned by the SAP upgrade which provides the platform and technical capability for implementing a number of other SAP and associated ICT developments, including the initial ISS Phase 1 technology requirements.
	(Under) / Overspend	0	0	
	Total revised forecast	1,581	6,421	
	On Target?			Yes subject to above slippage
TOTAL CORPORATE RESOURCES DIRECTORATE - OVERALL	Opening Budget	55,541	113,356	
	Additional / (Reduced)	886	1,145	
	slippage/acceleration	(6,364)	0	
	(Under) / Overspend	(267)	(267)	
	Total revised forecast	49,796	114,234	
OVERALL MOVEMENTS	Opening Budget	461,228	1,186,609	
	Additional / (Reduced)	17,149	694,757	
	slippage/acceleration	(34,474)	0	
	(Under) / Overspend	1,341	1,341	
	Total revised forecast	445,244	1,882,707	

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 2									Appendix 2			
	2016/17								All Years - 2017-2020			
	Quarter 1 Budget 2016/17 £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2 £'000's	Forecast Over / Under spend Qtr 2 £'000's	Year End Forecast at Quarter 2 £'000's	Actual Spend at Quarter 2 £'000's	Actual to Date as % of Forecast %	All Years Quarter 1 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 2 Forecast £'000's
PEOPLE DIRECTORATE												
Adults & Communities												
Telehealthcare	0	0	0	0	0	0	496	0.0	0	0	0	0
Personalisation, Reform & Efficiency of Adult Social Care	149	0	149	0	0	149	0	0.0	242	0	0	242
Programme of Minor Works	281	0	281	0	0	281	174	61.9	881	0	0	881
IT Schemes	745	0	745	0	0	745	33	4.4	2,024	0	0	2,024
Homeless Centres	1,435	0	1,435	0	0	1,435	1,273	88.7	1,435	0	0	1,435
LD Day Centres	132	0	132	0	0	132	2	1.5	832	0	0	832
Better Care Fund	6,138	0	6,138	(3,000)	0	3,138	0	0.0	6,138	0	0	6,138
Independent Living	4,600	0	4,600	0	0	4,600	3,105	67.5	13,800	0	0	13,800
Total Adults & Communities	13,480	0	13,480	(3,000)	0	10,480	5,083	48.5	25,352	0	0	25,352
Children, Young People & Families												
Aiming Higher for Disabled Children	300	0	300	0	0	300	300	100.0	487	0	0	487
Devolved Capital Allocation to Schools	2,525	0	2,525	0	0	2,525	1,409	55.8	5,369	0	0	5,369
Capital Maintenance	15,954	(500)	15,454	0	0	15,454	2,640	17.1	35,438	(500)	0	34,938
Basic Needs / Additional Primary Places	49,768	(15)	49,753	(20,110)	0	29,643	11,763	39.7	120,930	(15)	0	120,915
Early Years	2,590	0	2,590	0	0	2,590	23	0.9	2,624	0	0	2,624
Other Minor Schemes	28	0	28	0	0	28	52	185.7	28	0	0	28
IT Investment - Children's Services	200	500	700	0	0	700	165	23.6	4,133	500	0	4,633
Section 106	334	0	334	0	26	360	130	36.1	334	0	26	360
Universal Infant Free School Meals	114	0	114	0	(8)	106	18	17.0	114	0	(8)	106
Total Children, Young People & Families	71,813	(15)	71,798	(20,110)	18	51,706	16,500	31.9	169,457	(15)	18	169,460
TOTAL CAPITAL - PEOPLE DIRECTORATE	85,293	(15)	85,278	(23,110)	18	62,186	21,583	34.7	194,809	(15)	18	194,812

	2016/17								All Years - 2017-2020			
	Quarter 1 Budget 2016/17 £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2 £'000's	Forecast Over / Under spend Qtr 2 £'000's	Year End Forecast at Quarter 2 £'000's	Actual Spend at Quarter 2 £'000's	Actual to Date as % of Forecast %	All Years Quarter 1 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 2 Forecast £'000's
PLACE DIRECTORATE												
General Fund												
Highways - General Fund												
Safer Routes to Schools	607	(1)	606	0	0	606	247	40.8	1,207	(1)	0	1,206
Ward Minor Transport Measures	258	165	423	0	0	423	219	51.8	258	165	0	423
Minworth A38 Improvements	3,069	0	3,069	0	0	3,069	7	0.2	3,232	0	0	3,232
Network Integrity - Other Schemes	765	(143)	622	0	0	622	70	11.3	1,975	(143)	0	1,832
Road Safety	624	(23)	601	0	0	601	214	35.6	1,224	(23)	0	1,201
Highway Structures	563	0	563	0	0	563	169	30.0	563	0	0	563
Land Drainage and Flood Defences	1,223	(118)	1,105	0	0	1,105	0	0.0	1,223	(118)	0	1,105
District Schemes	570	26	596	(47)	0	549	191	34.8	570	26	0	596
Total Highways GF	7,679	(94)	7,585	(47)	0	7,538	1,117	14.8	10,252	(94)	0	10,158
Affordable Housing	550		550	0	0	550	0	0.0	1,250	0	0	1,250
In Reach (St Vincents)	6,003		6,003			6,003	0	0.0	12,000	0	0	12,000
Other Programmes	160		160	0	0	160	0	0.0	160	0	0	160
Total Private Sector Housing GF	6,713	0	6,713	0	0	6,713	0	0.0	13,410	0	0	13,410
Other - General Fund												
Sport & Swimming Pool Facilities	28,029	0	28,029	0	0	28,029	5,728	20.4	40,391	0	0	40,391
Fleet & Waste Management	2,413	0	2,413	0	0	2,413	33	1.4	9,464	0	0	9,464
Parks	3,388	355	3,743	0	0	3,743	997	26.6	3,936	324	0	4,260
Bereavement Services	8,211	0	8,211	0	0	8,211	66	0.8	8,211	0	0	8,211
New Wholesale Market	29,554	0	29,554	0	1,500	31,054	20,412	65.7	30,509	0	1,500	32,009
Community Initiatives	256	(11)	245	0	0	245	0	0.0	403	(11)	0	392
Regulation and Enforcement	372	0	372	0	0	372	3	0.8	372	0	0	372
Adult Education - Brasshouse Relocation	2,081	0	2,081	0	0	2,081	1,695	81.5	2,081	0	0	2,081
Adult Education - Civic House	1,564	0	1,564	0	0	1,564	1,249	79.9	1,564	0	0	1,564
Strategic Libraries	742	0	742	0	0	742	13	1.8	742	0	0	742
Museums & Arts	80	0	80	0	0	80	68	85.0	80	0	0	80
Other Services	0		0	0	0	0	0	0.0	0	0	0	0
Total Place Other GF	76,690	344	77,034	0	1,500	78,534	30,264	38.5	97,753	313	1,500	99,566
Total General Fund	91,082	250	91,332	(47)	1,500	92,785	31,381	33.8	121,415	219	1,500	123,134
Community Sport	124	11	135	0	0	135	1	0.7	124	11	0	135
Community Libraries	576	0	576	0	0	576	0	0.0	576	0	0	576
Community Development & Play	4	0	4	0	0	4	4	100.0	4	0	0	4
Community Parks	172	0	172	0	0	172	7	4.1	172	0	0	172
Community Chest	31	25	56	0	0	56	5	8.9	31	25	0	56
Districts and Neighbourhoods	6		6	0	0	6	(87)	0.0	6	0	0	6
Total District Services	913	36	949	0	0	949	(70)	(7.4)	913	36	0	949
HRA												
Housing Improvement Programme	54,967		54,967	(236)	0	54,731	13,136	24.0	237,734	0	0	237,734
Redevelopment	56,046		56,046	(6,692)	90	49,444	13,423	27.1	185,632	0	90	185,722
Other Programmes	4,728		4,728	0	0	4,728	676	14.3	19,526	0	0	19,526
Total HRA	115,741	0	115,741	(6,928)	90	108,903	27,235	25.0	442,892	0	90	442,982
TOTAL CAPITAL - PLACE DIRECTORATE	207,736	286	208,022	(6,975)	1,590	202,637	58,546	28.9	565,220	255	1,590	567,065

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 2

Appendix 2

	2016/17									All Years - 2017-2020			
	Quarter 1 Budget 2016/17 £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2 £'000's	Forecast Over / Under spend Qtr 2 £'000's	Year End Forecast at Quarter 2 £'000's	Actual Spend at Quarter 2 £'000's	Actual to Date as % of Forecast %		All Years Quarter 1 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 2 Forecast £'000's
ECONOMY DIRECTORATE													
Enterprise Zone - Paradise Circus	23,358		23,358	0	0	23,358	10,257	43.9		48,768	0	0	48,768
Enterprise Zone - Site Development & Access	2,500		2,500	1,855	0	4,355	355	8.2		8,450	0	0	8,450
Enterprise Zone - Connect Economic Opportunities	75		75	0	0	75	0	0.0		13,301	0	0	13,301
Enterprise Zone - Southern Gateway Site	1,000		1,000	0	0	1,000	0	0.0		35,470	0	0	35,470
Enterprise Zone - LEP Investment Fund	0		0	0	0	0	0	0.0		20,000	0	0	20,000
Enterprise Zone - HS2 Curzon St Site	0		0	0	0	0	0	0.0		30,000	0	0	30,000
Enterprise Zone - HS2 Interchange Site	0		0	0	0	0	0	0.0		20,000	0	0	20,000
Enterprise Zone - Snow Hill Public Realm	601		601	0	0	601	250	41.6		601	0	0	601
Enterprise Zone - Southside Links	0	175	175	0	0	175	0	0.0		0	415	0	415
Enterprise Zone - Metro Centenary Square	2,239		2,239	0	0	2,239	29	1.3		10,115	0	0	10,115
Enterprise Zone - City Centre Links	0		0	0	0	0	0	0.0		0	0	0	0
Enterprise Zone - One Station	0		0	207	0	207	6	0.0		727	0	0	727
Enterprise Zone Phase II - Curzon Extension	0	1,500	1,500	0	0	1,500	0	0.0		0	668,500	0	668,500
Total Enterprise Zone	29,773	1,675	31,448	2,062	0	33,510	10,897	32.5		187,432	668,915	0	856,347
Regeneration													
East Aston RIS	4,856		4,856	0	0	4,856	1,508	31.1		4,856	0	0	4,856
Life Sciences	7,192	5,728	12,920	0	0	12,920	9,875	76.4		7,192	5,728	0	12,920
Women's Enterprise	100		100	0	0	100	1	1.0		100	0	0	100
Longbridge Regen	872		872	0	0	872	0	0.0		3,502	0	0	3,502
Local Centres	970		970	0	0	970	110	11.3		1,246	0	0	1,246
Conservation	276	50	326	0	0	326	0	0.0		276	1,370	0	1,646
Business Support Programme	375		375	0	0	375	0	0.0		8,865	0	0	8,865
Grand Hotel	0	1,000	1,000	0	0	1,000	0	0.0		0	1,000	0	1,000
Planning - Other	288	82	370	0	0	370	267	72.2		389	82	0	471
Making the Connection	612	(60)	552	0	0	552	3	0.5		612	(60)	0	552
A34 Corridor - Perry Barr	0	1,360	1,360	0	0	1,360	925	68.0		0	1,360	0	1,360
Unlocking Housing Sites	0	3,180	3,180	0	0	3,180	0	0.0		0	9,000	0	9,000
Total Other Planning & Regeneration Projects	15,541	11,340	26,881	0	0	26,881	12,689	47.2		27,038	18,480	0	45,518
Total Planning & Regeneration	45,314	13,015	58,329	2,062	0	60,391	23,586	39.1		214,470	687,395	0	901,865
National College for HS2	22,038		22,038	0	0	22,038	5,118	23.2		24,174	0	0	24,174
Total Employment Services	22,038	0	22,038	0	0	22,038	5,118	23		24,174	0	0	24,174
Transportation													
Grand Central	13,245	0	13,245	0	0	13,245	456	3.4		13,245	0	0	13,245
Coventry Road A45	89	1	90	0	0	90	5	5.6		89	1	0	90
A34 North Perry Barr	672	1	673	0	0	673	570	84.7		672	1	0	673
Local Growth Fund incl holding code & minor schemes	2,236	126	2,362	0	0	2,362	0	0.0		10,961	(55)	0	10,906
Inner Ring Road - Local Growth	621	(84)	537	0	0	537	216	40.2		621	(84)	0	537
Minworth & Peddimore Access	1,929	0	1,929	0	0	1,929	62	3.2		1,929	0	0	1,929
Battery Way Extension	94	456	550	0	0	550	113	20.5		94	3,643	0	3,737
Longbridge Connectivity	370	0	370	305	0	675	572	84.7		5,234	0	0	5,234
Selly Oak Relief Road	421	0	421	0	0	421	6	1.4		489	0	0	489
Chester Road	0	0	0	0	0	0	306	#DIV/0!		0	0	0	0
Metro Extension	9,134	114	9,248	0	0	9,248	258	2.8		15,605	108	0	15,713
Other minor schemes	629	313	942	0	0	942	159	16.9		629	313	0	942
Infrastructure Development	1,294	0	1,294	0	0	1,294	487	37.6		2,494	0	0	2,494
Section 106/278 Schemes	478	4	482	0	0	482	188	39.0		478	4	0	482
Walking & Cycling	5,874	2,003	7,877	0	0	7,877	3,746	47.6		9,910	2,003	0	11,913
Local Accessibility	1,239	(30)	1,209	0	0	1,209	171	0.0		1,239	(30)	0	1,209
Economic Growth Zone	57	0	57	0	0	57	92	161.4		1,506	0	0	1,506
Inner Ring Road 2	1,029	0	1,029	(392)	0	637	156	24.5		2,395	0	0	2,395
Enabling Growth & Tackling Congestion	1,548	5	1,553	0	0	1,553	61	0.0		2,643	5	0	2,648
Road Safety	485	0	485	0	0	485	272	56.1		485	0	0	485
Digital Districts	3,551	70	3,621	0	0	3,621	292	8.1		3,551	70	0	3,621
Minor Schemes	310	(2)	308	0	0	308	(156)	0.0		310	(2)	0	308
Total Transportation	45,306	2,977	48,282	(87)	0	48,195	8,032	16.7		74,580	5,977	0	80,557
TOTAL CAPITAL - ECONOMY DIRECTORATE	112,658	15,992	128,649	1,975	0	130,624	36,736	79		313,224	693,372	0	1,006,596

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 2									Appendix 2			
	2016/17								All Years - 2017-2020			
	Quarter 1 Budget 2016/17 £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2 £'000's	Forecast Over / Under spend Qtr 2 £'000's	Year End Forecast at Quarter 2 £'000's	Actual Spend at Quarter 2 £'000's	Actual to Date as % of Forecast %	All Years Quarter 1 Budget £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 2 Forecast £'000's
CORPORATE RESOURCES DIRECTORATE												
Birmingham Property Services:												
Access to Buildings	50		50	0	0	50	0	0.0	478	0	0	478
Business Transformation - Working for the Future	17		17	0	0	17	0	0.0	17	0	0	17
Attwood Green Park	59		59	0	0	59	0	0.0	59	0	0	59
Attwood Green - Holloway Head	862		862	0	0	862	560	65.0	1,034	0	0	1,034
Attwood Green - Woodview CC	92		92	0	0	92	2	2.2	92	0	0	92
Red Rose Shopping Centre	11,493		11,493	0	0	11,493	10,803	94.0	11,493	0	0	11,493
Arena Central	1,676		1,676	0	0	1,676	119	7.1	1,676	0	0	1,676
Total Birmingham Property Services Projects	14,249	0	14,249	0	0	14,249	11,484	80.6	14,849	0	0	14,849
Revenue Reform Projects	17,750		17,750	0	0	17,750	982	0.0	38,000	0	0	38,000
Corporate Resources	267	610	877	0	0	877	151	0.0	267	610	0	877
IT Projects	1,848	276	2,124	0	(116)	2,008	1,507	75.0	1,848	535	(116)	2,267
ICentrum	519		519	0	0	519	519	100.0	519	0	0	519
Capital Loans & Equity Funds	9,606		9,606	0	0	9,606	1,175	12.2	9,606	0	0	9,606
Corporate ICT Investment	8,521		8,521	(5,164)	(151)	3,206	215	6.7	41,846	0	(151)	41,695
SAP New Developments	2,781		2,781	(1,200)	0	1,581	647	0.0	6,421	0	0	6,421
Total Other Corporate Resources	41,292	886	42,178	(6,364)	(267)	35,547	5,196	14.6	98,507	1,145	(267)	99,385
TOTAL CAPITAL - CORPORATE RESOURCES DIRECTORATE	55,541	886	56,427	(6,364)	(267)	49,796	16,680	33.5	113,356	1,145	(267)	114,234
TOTAL CAPITAL PROGRAMME	461,228	17,149	478,377	(34,474)	1,341	445,244	133,545	29.99	1,186,609	694,757	1,341	1,882,707

Capital Monitoring as at 30th September 2016					Appendix 3
	2016/17 £'000's	2017/18 £'000's	2018/19 £'000's	Later Years £'000's	Total Plan £'000's
Expenditure					
Approved Budget Quarter 1 2016/17	461,228	299,379	202,907	223,095	1,186,609
New Resources Quarter 2	17,149	13,238	20,320	644,050	694,757
Revised Budget Quarter 2	478,377	312,617	223,227	867,145	1,881,366
Forecast Slippage - Quarter 2	(34,474)	22,273	14,338	(2,137)	0
Forecast Overspend (Underspend)	1,341	0	0	0	1,341
Forecast Outturn at Quarter 2	445,244	334,890	237,565	865,008	1,882,707
Resources					
Use of Specific Resources:					
Grants & Contributions	146,683	126,631	86,916	3,843	364,073
Earmarked Capital Receipts - RTB	17,757	36,281	16,151	0	70,189
Revenue Contributions - Departmental	2,929	3,353	190	0	6,472
Revenue Contributions - HRA	75,143	69,416	74,409	72,616	291,584
Revenue Contributions - Income Generation	0	0	0	0	0
	242,512	235,681	177,666	76,459	732,318
Use of Corporate or General Resources:					
Unsupported Prudential Borrowing - General*	16,281	9,761	5,200	12,839	44,081
Unsupported Prudential Borrowing - Corporate	6,645	0	0	0	6,645
Unsupported Prudential Borrowing - Directorate	179,806	89,448	54,699	775,710	1,099,663
Forecast Use of Resources	445,244	334,890	237,565	865,008	1,882,707
* General Prudential Borrowing to replace the use of receipts, revenue contributions and corporate resources to fund Equal Pay.					

Additions or Reductions in Prudential Borrowing for Capital Schemes July to September 2016

	#	2016/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000	Total £'000
Corporate Prudential Borrowing						
Economy Directorate:						
Life Sciences	A	(7,192)				
TOTAL ECONOMY DIRECTORATE		(7,192)				
TOTAL CORPORATE PRUDENTIAL BORROWING		(7,192)	0	0	0	0
Service Prudential Borrowing:						
Place Directorate						
New Wholesale Market	A	1,500	0	0	0	1,500
Housing Improvement	A	749	0	(749)	0	0
Housing Redevelopment	A	(749)	0	749	0	0
TOTAL PLACE DIRECTORATE		1,500	0	0	0	1,500
Economy Directorate:						
Enterprise Zone Investment	A	2,030	522	0	(2,137)	415
One Station	A	207	(207)	0	0	0
Curzon Enterprise Zone	N	1,500	5,750	17,200	644,050	668,500
Grand Hotel Development	N	1,000				
Inner Ring Road	A	(392)	392			
TOTAL ECONOMY DIRECTORATE		4,345	6,457	17,200	641,913	668,915
Corporate Resources Directorate:						
IT Project	A	159	259	0	0	418
Document Management System	N	610		0	0	610
ICT Infrastructure	A	(6,514)	6,364	0	0	(150)
TOTAL CORPORATE RESOURCES DIRECTORATE		(5,745)	6,623	0	0	878
TOTAL SERVICE PRUDENTIAL BORROWING		100	13,080	17,200	641,913	671,293
TOTAL ADDITION (REDUCTION) IN PRUDENTIAL BORROWING		(7,092)	13,080	17,200	641,913	671,293
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.						

(See Explanatory Footnote overleaf)

CAPITAL - 10 YEAR CAPITAL EXPENDITURE PLAN - FORECAST AS AT QUARTER 2 2016/17

APPENDIX 5

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 & Later Years	TOTAL
	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
PEOPLE DIRECTORATE											
Adults & Communities	10,480	9,593	5,279	0	0	0	0	0	0	0	25,352
Children, Young People & Families	51,706	66,203	51,551	0	0	0	0	0	0	0	169,460
TOTAL PEOPLE DIRECTORATE	62,186	75,796	56,830	0	0	0	0	0	0	0	194,812
PLACE DIRECTORATE											
Highways - General Fund	7,538	1,415	1,205	1,205	0	0	0	0	0	0	11,363
Private Sector Housing	6,713	6,278	419	0	0	0	0	0	0	0	13,410
Other - General Fund	78,534	20,482	550	0	0	0	0	0	0	0	99,566
District services	949	0	0	0	0	0	0	0	0	0	949
HRA:											
Housing Improvement Programme	54,731	55,924	71,075	56,004	41,797	37,435	34,608	36,422	37,231	38,175	463,402
Redevelopment	49,444	68,016	34,979	33,283	26,166	18,757	23,138	23,600	24,073	24,554	326,010
Other Programmes	4,728	4,855	4,932	5,011	4,839	4,922	4,232	4,317	4,404	4,492	46,732
Total HRA	108,903	128,795	110,986	94,298	72,802	61,114	61,978	64,339	65,708	67,221	836,144
TOTAL PLACE DIRECTORATE	202,637	156,970	113,160	95,503	72,802	61,114	61,978	64,339	65,708	67,221	961,432
ECONOMY DIRECTORATE											
Regeneration											
Enterprise Zone Paradise Circus Redevelopment	23,358	14,145	8,521	1,285	1,459	0	0	0	0	0	48,768
Enterprsie Zone Site Development & Access	4,355	0	0	0	0	0	4,095	0	0	0	8,450
Enterprise Zone Connecting Economic Opportunities	75	925	0	0	0	0	12,301	0	0	0	13,301
Enterprise Zone Southern Gateway Site	1,000	1,000	1,000	5,142	11,345	1,338	14,645	0	0	0	35,470
Enterprise Zone LEP Investment Fund	0	0	0	5,000	5,000	5,000	5,000	0	0	0	20,000
Enterprise Zone HS2 - Curzon Street Phase 1	0	0	0	7,500	7,500	7,500	7,500	0	0	0	30,000
Enterprise Zone HS2 - Interchange Site	0	0	0	5,000	5,000	5,000	5,000	0	0	0	20,000
Enterprise Zone Snow Hill Public Realm	601	0	0	0	0	0	0	0	0	0	601
Enterprise Zone Southside Links	175	240	0	0	0	0	0	0	0	0	415
Enterprsie Zone One Station	207	520	0	0	0	0	0	0	0	0	727
Enterprise Zone Centenary Square	2,239	7,876	0	0	0	0	0	0	0	0	10,115
EZ Phase II - Curzon Street Masterplan	1,500	5,750	17,200	13,300	10,100	8,700	63,400	76,300	77,000	395,250	668,500
Other Regeneration Schemes	26,881	12,219	6,418	0	0	0	0	0	0	0	45,518
Total Regeneration	60,391	42,675	33,139	37,227	40,404	27,538	111,941	76,300	77,000	395,250	901,865

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 & Later Years	TOTAL
	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast	Quarter 2 Forecast
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Employment Services	22,038	2,136	0	0	0	0	0	0	0	0	24,174
Transportation	48,195	24,912	7,449	3,954	0	0	0	0	0	0	84,510
TOTAL ECONOMY DIRECTORATE	130,624	69,723	40,588	41,181	40,404	27,538	111,941	76,300	77,000	395,250	1,010,549
CORPORATE RESOURCES DIRECTORATE											
Birmingham Property Services Schemes	14,249	372	228	0	0	0	0	0	0	0	14,849
Other Corporate Resource Schemes	35,547	32,028	26,760	4,698	352	0	0	0	0	0	99,385
TOTAL CORPORATE RESOURCES DIRECTORATE	49,796	32,400	26,988	4,698	352	0	0	0	0	0	114,234
TOTAL CAPITAL EXPENDITURE PROGRAMME	445,244	334,890	237,565	141,382	113,558	88,652	173,919	140,639	142,708	462,471	2,281,028
RESOURCES											
Use of Specific Resources:											
Grants & Contributions	146,683	126,631	86,916	9,002	250	250	250	250	250	250	370,732
Use of Earmarked Capital Receipts	17,757	36,281	16,151	12,839	9,332	9,811	9,438	9,688	9,944	10,207	141,448
Revenue Contributions - Departmental	2,929	3,353	190	0	0	0	0	0	0	0	6,472
- HRA	75,143	69,416	74,409	72,616	58,220	51,053	52,290	54,401	55,514	56,764	619,826
- Income Generation	0	0	0	0	0	0	0	0	0	0	0
Total Specific Resources	242,512	235,681	177,666	94,457	67,802	61,114	61,978	64,339	65,708	67,221	1,138,478
Use of Corporate or General Resources:											
Corporate Resources	16,281	9,761	5,200	0	0	0	0	0	0	0	31,242
Unsupported Prudential Borrowing - Corporate	6,645	0	0	0	0	0	0	0	0	0	6,645
Unsupported Prudential Borrowing - Directorate	179,806	89,448	54,699	46,925	45,756	27,538	111,941	76,300	77,000	395,250	1,104,663
Total Corporate Resources	202,732	99,209	59,899	46,925	45,756	27,538	111,941	76,300	77,000	395,250	1,142,550
TOTAL CAPITAL RESOURCES	445,244	334,890	237,565	141,382	113,558	88,652	173,919	140,639	142,708	462,471	2,281,028
Footnote:											
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.											

Treasury Portfolio Summary

Appendix 6

	15/16 Q2 30-Sep-15		15/16 Q3 31-Dec-15		15/16 Q4 31-Mar-16		16/17 Q1 30-Jun-16		16/17 Q2 30-Sep-16	
PWLB	2,250,922,000	77.4%	2,250,922,000	75.7%	2,275,922,000	76.2%	2,290,922,000	76.8%	2,255,922,000	75.5%
Bonds	295,630,344	10.2%	295,630,344	9.9%	295,630,344	9.9%	295,630,344	9.9%	287,971,000	9.6%
LOBO's (note 1)	206,850,000	7.1%	206,350,000	6.9%	206,350,000	6.9%	206,350,000	6.9%	206,350,000	6.9%
Long Term Other	1,325	0.0%	1,325	0.0%	1,179	0.0%	1,179	0.0%		0.0%
Quasi Loan (Salix loans)	287,531	0.0%	287,531	0.0%	263,495	0.0%	263,495	0.0%	239,459	0.0%
Short Term	228,448,596	7.9%	280,435,536	9.4%	267,333,639	9.0%	321,831,883	10.8%	292,783,655	9.8%
Gross Debt	2,982,139,795	102.5%	3,033,626,735	102.0%	3,045,500,657	102.0%	3,114,998,901	104.4%	3,043,266,114	101.8%
Less Investments	(73,539,852)	-2.5%	(60,779,700)	-2.0%	(58,725,092)	-2.0%	(132,172,829)	-4.4%	(54,310,206)	-1.8%
Net Debt	2,908,599,943	100.0%	2,972,847,035	100.0%	2,986,775,565	100.0%	2,982,826,072	100.0%	2,988,955,908	100.0%
Year-End Budgeted Net Debt	3,279,000,000	88.7%	3,279,000,000	90.7%	3,279,000,000	91.1%	3,450,000,000	86.5%	3,450,000,000	86.6%
Prudential Borrowing Limit	3,740,000,000		3,740,000,000		3,740,000,000		3,780,000,000		3,780,000,000	

Notes

LOBO Loan

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

Appendix 7

1st July 2016 - 30th September 2016

New Long Term Loans

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

No new long term loans were taken

Long Term Loans prematurely repaid during the quarter.

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

No long term loans were prematurely repaid during the quarter.

Short term loan debt outstanding at 30 September 2016

Institution	Average Rate %	Amount £
local authorities	0.56%	291,468,000
other lenders	0.44%	1,315,655
total short term loan debt outstanding	0.56%	292,783,655

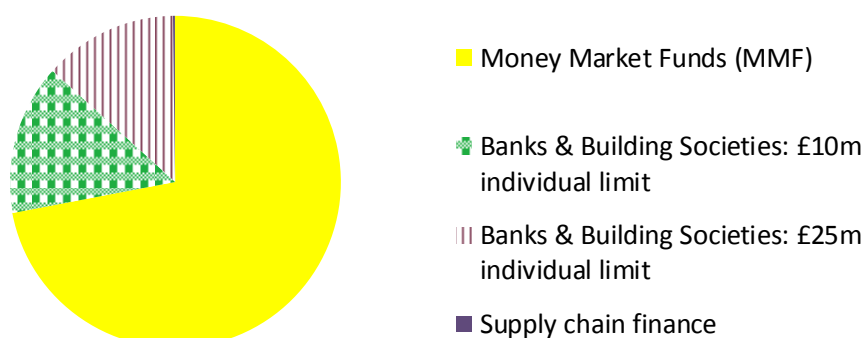
Short term loans are borrowed for a period of less than 12 months. The interest rate is likely to be close to bank base and will change broadly in line with base rate changes.

Treasury Investments Outstanding at 30 September 2016

Investments by Institution:	Fitch Rating Short Term / Long Term	End Date	Rate %	Amount £
Standard Life (Ignis) MMF	AAAmf	01/10/16	0.37%	9,700,000
Aberdeen SWIP MMF	AAAmf	01/10/16	0.38%	29,400,000
Morgan Stanley MMF	AAAmf	01/10/16	0.32%	406
			before 19 Aug 2016: 0.45%	
Svenska Handelsbanken	F1+/AA	01/10/16	from 19 Aug 2016: 0.20%	7,000,000
HSBC	F1+/AA-	01/10/16	0.30%	99,783
Barclays Bank	F1/A	01/10/16	0.50%	8,002,876
Supply chain finance	-	01/10/16	3.00%	107,142
Total				54,310,206

Investments by type:

	Current Quarter £	%
Money Market Funds (MMF)	39,100,406	72.0
Banks & Building Societies: £10m individual limit	8,002,876	14.7
Banks & Building Societies: £25m individual limit	7,099,783	13.1
Supply chain finance	107,142	0.2
Total	54,310,206	100.0

Investments as at 30 September 2016

Treasury Management Investment Details
1st July 2016 to 30th September 2016

New Investments Market Fixed Term Deposits

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

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

New Investments Call Accounts

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Barclays Bank PLC FIBCA A/C	31	21	2,475,924	0.50% reduced from 0.45% to 0.20% on 19/8/2016
Svenska Handelsbanken	5	7	1,728,261	0.30%
HSBC	0	0	0	

New Investments Money Market Funds

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Aberdeen (SWIP)	7	11	17,816,304	0.43%
Amundi Money Market Fund	2	4	1,292,391	0.43%
CCLA Public Sector Deposit Fund	0	0	3,043,478	0.37%
Deutsche Managed Sterling Fund	1	3	1,065,217	0.43%
Federated Money Market Fund	6	8	10,086,957	0.44%
LGIM	0	6	15,930,435	0.43%
Morgan Stanley	0	0	406	0.41%
Standard Life (Ignis) Sterling Liquidity	8	8	32,915,217	0.45%

Accountable Body Investments - 30th September 2016

	Growing Places Fund	Advanced Manufacturing Supply Chain Initiative	Regional Growth Fund	Total
	£000	£000	£000	£000
Goldman Sachs Money Market Fund	2,757	76		2,833
JP Morgan Money Market Fund			12,546	12,546
Total Money Market Funds	2,757	76	12,546	15,379
Debt Management Office	6,000			6,000
Treasury Bills	6,397	47,994		54,391
Total Accountable Body investments	15,154	48,070	12,546	75,770

Note

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

WHOLE COUNCIL		16/17 Indicators £m	16/17 Forecast £m	17/18 Indicators £m	17/18 Forecast £m	18/19 Indicators £m	18/19 Forecast £m
Capital Finance							
1	Capital Expenditure - Capital Programme	451.2	445.2	265.7	334.9	249.0	237.6
2	Capital Expenditure - other long term liabilities	27.4	27.0	28.3	27.9	30.9	30.4
3	Capital expenditure	478.6	472.3	294.0	362.8	279.9	267.9
4	Capital Financing Requirement (CFR)	4,682.6	4,630.2	4,604.0	4,571.3	4,519.1	4,506.6
Planned Debt							
5	Peak loan debt in year	3,490.5	3,372.3	3,566.1	3,460.4	3,621.2	3,539.4
6	+ Other long term liabilities (peak in year)	492.9	493.7	470.5	471.0	448.5	448.8
7	= Peak debt in year	3,983.4	3,866.0	4,036.6	3,931.4	4,069.7	3,988.2
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no
Prudential limit for debt							
9	Gross loan debt	3,780.0	3,372.3	3,780.0	3,460.4	3,780.0	3,539.4
10	+ other long term liabilities	520.0	493.7	520.0	471.0	520.0	448.8
11	= Total debt	4,300.0	3,866.0	4,300.0	3,931.4	4,300.0	3,988.2
Notes							
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. The Prudential Code calls this Borrowing and the capital financing requirement.						
11	The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.						

DEBT AND PRUDENTIAL INDICATORS

Appendix 11b

HOUSING REVENUE ACCOUNT		16/17	16/17	17/18	17/18	18/19	18/19
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure	133.5	108.9	115.3	128.8	98.5	111.0
HRA Debt							
2	Capital Financing Requirement (CFR)	1,129.3	1,117.4	1,124.4	1,100.3	1,113.0	1,076.5
3	Statutory cap on HRA debt	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4
Affordability							
4	HRA financing costs	97.5	91.0	97.9	89.6	98.2	88.6
5	HRA revenues	287.0	287.4	284.5	284.5	281.3	281.3
6	HRA financing costs as % of revenues	34.0%	31.7%	34.4%	31.5%	34.9%	31.5%
7	HRA debt : revenues	3.9	3.9	4.0	3.9	4.0	3.8
8	Forecast Housing debt per dwelling	£18,056	£17,866	£18,026	£17,641	£17,926	£17,337
9	Estimate of the incremental impact of new capital investment decisions on housing rents.	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
(expressed in terms of ave. weekly housing rent)							

Notes

- 2-3 The HRA Capital Financing Requirement (CFR) is being used by the Government as the measure of HRA debt for the purposes of establishing a cap on HRA borrowing for each English Housing authority.
- 4 Financing costs include interest and MRP (or depreciation in the HRA)
- 7 This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27, which is two years later than previously forecast.
- 8 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time
- 9 The cost of borrowing for the Capital Programme represents the interest and repayment costs arising from any new prudential borrowing introduced in the capital programme since the last quarter, expressed in terms of an average weekly rent. The calculation excludes the cost of borrowing which is funded from additional income or savings. As all planned HRA borrowing is funded from additional income in this way, the impact is zero. The Prudential Code calls this the Estimate of the incremental impact of capital investment decisions on housing rents.

DEBT AND PRUDENTIAL INDICATORS

Appendix 11c

GENERAL FUND		16/17	16/17	17/18	17/18	18/19	18/19
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure (including other long term liabilities)	345.1	363.4	178.7	234.0	181.4	156.9
2	Capital Financing Requirement (CFR)	3,553.3	3,512.9	3,479.7	3,471.0	3,406.1	3,430.1
General Fund debt							
3	Peak loan debt in year	2,361.2	2,254.9	2,441.7	2,360.1	2,508.2	2,462.9
4	+ Other long term liabilities (peak in year)	492.9	493.7	470.5	471.0	448.5	448.8
5	= Peak General Fund debt in year	2,854.1	2,748.6	2,912.2	2,831.1	2,956.7	2,911.7
General Fund Affordability							
6	Total General Fund financing costs	261.9	257.3	272.4	265.5	274.6	268.9
7	General Fund net revenues	835.3	835.3	813.9	813.9	808.5	808.5
8	General Fund financing costs (% of net revenues)	31.4%	30.8%	33.5%	32.6%	34.0%	33.3%
9	Estimate of the incremental impact of new capital investment decisions on Council Tax.	N/A	£0.00	N/A	£0.18	N/A	£0.18

Expressed in terms of Council Tax (Band D equiv)

(impact already included in Council Tax increases assur

Note

- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases
- 8 This indicator includes the gross revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 The incremental impact of new capital investment decisions represents the interest and repayment implications arising from any changes in forecast prudential borrowing in the capital programme since the last quarter, expressed in terms of Council Tax at Band D. Any implications are cumulative in later years as successive years' borrowing is added. Any impact has been funded within the Long Term Financial Plan and assumed Council Tax charges up to 2017/18. The calculation excludes the cost of borrowing which is funded from additional income or savings. At Quarter 1, all the changes in forecast prudential borrowing relate to self-funding projects, so there is no net incremental impact on Council Tax.

PRUDENTIAL INDICATORS

Appendix 11d

TREASURY MANAGEMENT

	16/17	16/17	17/18	17/18	18/19	18/19
	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
CIPFA Treasury Management Code						
1 Has the authority adopted the TM Code?	Yes	Yes	Yes	Yes	Yes	Yes
Interest rate exposures						
	Limit	Forecast Maximum	Limit	Forecast Maximum	Limit	Forecast Maximum
2 upper limit on fixed rate exposures	130%	96%	130%	87%	130%	84%
3 upper limit on variable rate exposures	30%	16%	30%	18%	30%	21%
Maturity structure of borrowing						
(lower limit and upper limit)	Limit	Forecast Year End	Limit	Forecast Year End	Limit	Forecast Year End
4 under 12 months	0% to 30%	16%	0% to 30%	17%	0% to 30%	19%
5 12 months to within 24 months	0% to 30%	2%	0% to 30%	4%	0% to 30%	1%
6 24 months to within 5 years	0% to 30%	6%	0% to 30%	3%	0% to 30%	4%
7 5 years to within 10 years	0% to 30%	13%	0% to 30%	15%	0% to 30%	16%
8 10 years to within 20 years	5% to 40%	20%	5% to 40%	17%	5% to 40%	19%
9 20 years to within 40 years	10% to 60%	34%	10% to 60%	36%	10% to 60%	35%
10 40 years and above	0% to 40%	10%	0% to 40%	8%	0% to 40%	6%
Investments longer than 364 days						
upper limit on amounts maturing in:	Limit	Forecast	Limit	Forecast	Limit	Forecast
11 1-2 years	200	-	200	-	200	-
12 2-3 years	100	-	100	-	100	-
13 3-5 years	100	-	100	-	100	-
14 later	0	-	0	-	0	-

Note

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

Wholesale Market Project – Update November 2016

Building of the city's new wholesale market at The Hub, Witton, is now almost complete and after a three month fit-out period, operations are scheduled to start by the end of this financial year. Continued dialogue with market trader representatives has led to a series of change requests totalling £1.121m under the main Development Agreement with IM Priorities Development Ltd and a need to add a sprinkler system, appropriate to the way that traders have indicated they wish to use the building.

A sprinkler system has been sourced through a tendering exercise by Birmingham Wholesale Market Company Ltd (BWMC), the joint venture company set up to operate the new market, and the estimated cost to serve common areas (c.f. the costs for which traders will be responsible as part of their fit out) stands at up to £1.000m.

With the benefit of a forecast saving of £0.909m on the City Council's budgeted contribution towards tenants' fit out costs, an overall capital overspend of £1.314m (2.9%) is currently forecast against the approved budget of £45.824m, as follows:

£'000

1,250 Main IM Development Agreement, including £1.121m for client change requests

1,000 Sprinkler system, to be purchased via BWMC

(909) Tenant Incentives (fit out works) - fewer traders eligible to claim than budgeted

(27) Other variations (net)

1,314 TOTAL FORECAST OVERSPEND

The additional expenditure will all be funded by additional service prudential borrowing, which will rise to £22.138m, which is £1.314m more than approved. Despite the increase in prudential borrowing, forecast borrowing costs for the project are lower than budgeted, due to the impact of reduced interest rates, and the impact of the additional capital expenditure can be contained within project's approved revenue budget.

At the existing city centre site, refurbishment (Phase 1) work at the existing Open Market has been completed within the approved budget for this element of the project and, following extensive negotiations with market trader representatives, a package of mitigation measures for Open Market traders (Phase 2) has been provisionally agreed at an estimated total cost of up to £0.250m, again within budget. This includes relaying and reinforcing work at Edgbaston Street/Moat Lane (complete), a security barrier to control access to Edgbaston Street and works to improve storage facilities at the existing site for Open Market traders. The proposed procurement routes are the City Council's Highways and Infrastructure Works Framework and the Constructing West Midlands framework agreements and the procurement processes will be undertaken following the protocols of these agreements.

Cabinet is requested to:

1. Approve additional net capital expenditure of £1.314m as described above.
2. Approve additional service prudential borrowing of £1.314m.
3. Authorise the Director of Property in conjunction with the Strategic Director -Finance & Legal and the Acting City Solicitor (or their delegates) to conclude negotiations and enter into a funding agreement with Birmingham Wholesale Market Company Ltd (BWMC) to purchase a sprinkler system for the new market at a cost estimated at £1.000m.
4. Authorise the Acting Strategic Director of Place in conjunction with the Strategic Director - Finance and Legal and the Acting City Solicitor (or their delegates) and the Assistant Director – Procurement to conclude negotiations and enter into contract through the City Council's Highways and Infrastructure Works Framework and the Constructing West Midlands framework agreements for the procurement of highways and refurbishment works at the city centre markets site, at a cost of up to £0.250m.

Report to:	Cabinet
Report of:	Director of Property
Date of Decision:	15th November 2016
SUBJECT:	DISPOSAL OF THE FORMER BANK, 301 BROAD STREET, BIRMINGHAM
Key Decision: Yes	Relevant Forward Plan Ref: 002567/2016
If not in the Forward Plan: (please "tick" box)	Chief Executive Approved <input type="checkbox"/> O & S Approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor John Clancy - Leader of the Council
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq Corporate Resources Overview and Scrutiny Committee
Wards affected:	Ladywood Ward

1. Purpose of report:

- 1.1 To advise members of very significant proposal from the University of Birmingham to invest and create a landmark facility and gateway for the University in the City Centre.
- 1.2 The report also seeks approval to declare the former bank, 301 Broad Street, Birmingham shown edged black on the plan attached as Appendix 1 of this report surplus to requirements and authorise solus negotiations for the grant of a long lease with the University of Birmingham
- 1.3 The subject property is shown edged black on the attached plan at Appendix 1 extending to 0.28 acres / 0.109 hectares.
- 1.4 An accompanying Private report provides commercially confidential information regarding the transaction.

2. Decision(s) recommended:

- 2.1 It is recommended that Cabinet notes this report and the proposal of the University of Birmingham to create a landmark facility and gateway for the university in the City Centre.
- 2.2 Agrees to declare the former bank at 301 Broad Street, Birmingham surplus to requirements..
- 2.3 Approves solus negotiations for the disposal of the property with the University of Birmingham.

Lead Contact Officer:	Liam Davies BCC Major Projects Birmingham Property Services
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3. Consultation

3.1 Internal

Ward members (Ladywood) have been consulted with no adverse comments received. Senior officers from Birmingham Property Services, Legal and Democratic Services and City Finance have been consulted and involved in the preparation of this report and approve this report going forward.

3.2 External

Not applicable

4. Compliance Issues:

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

The Councils aim to preserve significant buildings in the City and ensures that any development maintains or improves the special character of the building(s). The Councils Conservation Strategy sets the detail and policies regarding significant buildings.

Safeguarding the future of significant historic buildings and providing a beneficial future use is in line the key objectives of the Council Business Plan and Budget 2016+ and in accordance with a number of the Council's key priorities, including:

Fairness - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham ensuring dignity, in the quality of making judgments that are free from discrimination this is achieved through the education and the provision of community hub space, museum exhibitions and public performance space within the building.

Prosperity - to lay the foundations for a prosperous City, built on an inclusive economy – through the creation of a new educational facility to foster business engagement activity with blue-chip / technological partners and enabling the creative arts & music sectors.

Democracy - to involve local people and communities in the future of their local area and their Public Services –to meet local community and educational needs and to encourage localised targeting of training, education and employment initiatives.

The reports proposal also contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2016+', specifically to help deliver a balanced budget and contribute to the Councils plan to rationalise its property portfolio as part of its asset management programme.

4.2 Financial Implications

The disposal of this surplus asset will generate capital receipts for the Council to help support the Council Business Plan and Budget 2016+, and contribute to key business priorities.

The property for disposal within this report is recorded within the Council's balance sheet as FAR 003917

4.3 Legal Implications

The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

Having carried out an initial screening, there is no requirement to undertake a full equality analysis.

Equality Analysis (EA) Ref No. EA001502

5. Relevant background/chronology of key events:

- 5.1 The property comprising the former bank was originally created as the Birmingham Corporation Savings Bank by a 1916 Act of Parliament, to raise money to aid World War I, it subsequently became the first and only municipal bank in the country.
- 5.2 Currently a vacant building fronting onto Broad Street, the immediate surrounding area is being developed as part of Arena Central, a mixed use development. Opposite is Centenary Square and beyond is the Library of Birmingham. The surrounding area is predominantly commercial. The Property is a Grade II Listed Building designed by architect T. Cecil Howitt in the Monumental Classical architectural style.
- 5.3 An interim use policy was established to enable short term beneficial use of the building such as film and television use with Film Birmingham, community and Council events, arts festivals and historic building exhibition access.
- 5.4 A number of organisations including religious and arts organisations have also broached an interest in either acquiring or utilising the building. Despite the interest received with building information and access to the property provided, firm proposals have not been forthcoming.
- 5.5 In considering the future use of the property, any proposal would need to; satisfy long term historical conservation /preservation concerns for the building; provide beneficial use, act as interface between the public realm areas of Centenary Square and Arena Central and provide access to the public for heritage purposes.
- 5.6 Officers have received a formal proposal supported by a robust business case for a significant investment proposal the use by the University of Birmingham, which will ensure the future beneficial use of the historic building and providing a key interface with the emerging commercial Arena Central development, Centenary Square and the Library of Birmingham.
- 5.7 The proposal by the University of Birmingham will create a landmark facility and will create a gateway for the university in the city centre. Use will include a university research showcase, museum space, community hub, performance space for music/film/arts & drama, business engagement activity with major corporates, blue-chip, tech partners and an arts & music showcase.
- 5.8 Given its architectural merit and history, the proposed use by the University of Birmingham provides the necessary reassurance that the building will be subject to appropriate restoration / building repair and maintenance programmes.
- 5.9 The property is surplus to the Councils needs and bringing forward for disposal will enable the preservation of an important historic building in the heart of the city centre

6. Evaluation of alternative option(s):

- 6.1 Not to proceed with the sale would result in increasing on-going repair and maintenance costs for the Council and the continued associated management cost liability in managing the use of an empty property.
- 6.2 Not to proceed would mean not realising a capital receipt

7. Reasons for Decision(s):

- 7.1 To seek approval to declare the former bank at 301 Broad Street, Birmingham surplus to requirements.
- 7.2 To seek approval for solus negotiations for the disposal of the property with the University of Birmingham.

Signatures**Date**

Cllr John Clancy
Leader of the Council

.....

.....

Peter Jones
Director of Property

.....

.....

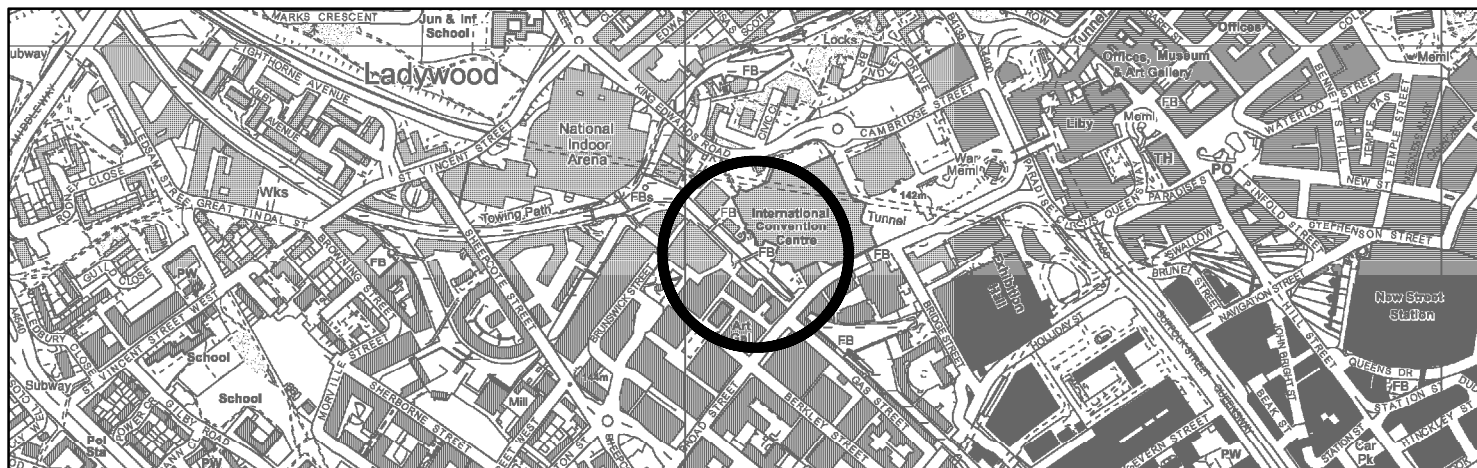
List of Background Documents used to compile this Report:

Officers files

List of Appendices accompanying this Report (if any):

1. Appendix 1 – Site Plan

Report Version	3	Dated	November 2016
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Scale (Main Map)

1:1,250

Drawn

Jon Wilson

Date _____

04/10/2016

O.S. Sheet: SP0686NW

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR ECONOMY
Date of Decision:	15th November 2016
SUBJECT:	SNOW HILL GROWTH STRATEGY
Key Decision: Yes	Relevant Forward Plan Ref: 002352/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor John Clancy: Leader of the Council Councillor Stewart Stacey: Cabinet Member for Transport and Roads Councillor Majid Mahmood: Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Zafar Iqbal: Economy, Skills and Transport Councillor Mohammed Aikhlaq: Corporate Resources and Governance
Wards affected:	Aston, Ladywood, Nechells

1.	Purpose of report:
1.1	In the 2016 Budget HM Treasury committed to providing a £2m ringfenced capital Local Growth Fund allocation (via the Greater Birmingham and Solihull Local Enterprise Partnership) to support the progression of the Snow Hill Masterplan (adopted by the Council in October 2015), with the objective of maximising inclusive economic growth and realising the development potential of Snow Hill Station and the surrounding business district area. A local contribution of £0.631m will be provided to support this work, as required by Government.
1.2	Further to discussions with Government over the summer period it is proposed to produce a 'Snow Hill Growth Strategy', which seeks to create a development proposition focussed upon the successful transformation of Snow Hill Station and its immediate environs, with the model adopted for Birmingham Curzon to be followed. 'De-risking' development opportunities for the private sector will form a key part of the strategy, particularly in the context of developing both around and above a 'live' railway operation. In addition, the strategy will identify the wider growth potential of the Masterplan area, connectivity enhancements and suitable delivery model options.
1.3	This report covers the key work packages and deliverables to be included in the Snow Hill Growth Strategy, grant acceptance, procurement strategy, timescales and project governance arrangements. Confidential information that could impact on the tendering process is provided in the accompanying private report.

2.	Decision(s) recommended:
	That Cabinet:
2.1	Accepts £2m of ringfenced Local Growth Fund (LGF) capital funding from the Greater Birmingham and Solihull Local Enterprise Partnership to support the development of the Snow Hill Growth Strategy.
2.2	Approves the procurement strategy to commence tendering activities for the professional services as set out in paragraph 5.6 of this report in accordance with Standing Orders and the Procurement Governance Arrangements.
2.3	Authorises the Strategic Director for Economy in conjunction with the Assistant Director of Procurement to commence single contractor negotiations with Network Rail Infrastructure Ltd to enter into a contract to undertake feasibility and design development activities associated with the Snow Hill Station specific work package of the Snow Hill Growth Strategy.

2.4	Delegates the award of the contract to Network Rail Infrastructure Ltd to undertake feasibility and design development activities associated with the Snow Hill Station specific work package of the strategy, subject to successful completion of the negotiations, to the Strategic Director for Economy in conjunction with the Strategic Director of Finance and Legal (or their delegate), the Acting City Solicitor (or their delegate) and the Assistant Director of Procurement.
2.5	Approves the proposed project governance arrangements set out in paragraph 5.7 of this report.
2.6	Authorises the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

Lead Contact Officer(s):	Phil Edwards – Head of Growth and Transportation
Telephone No:	0121 303 7409
E-mail address:	Philip.edwards@birmingham.gov.uk

3. Consultation	
	<u>Internal</u>
3.1	Consultation has been undertaken with the Deputy Leader, Cabinet Member for Transparency, Openness and Equality, Assistant Director (Development) and Assistant Director (Transportation and Connectivity) who support the proposals contained within this report.
3.2	Officers from City Finance, Procurement and Legal and Democratic Services have been involved in the preparation of this report.
	<u>External</u>
3.3	A work specification for the Snow Hill Growth Strategy has been developed in conjunction with the Cities and Local Growth Unit, which cross cuts a number of Government departments including HM Treasury, the Department for Transport (DfT) and the Department for Communities and Local Government (DCLG). Initial engagement has taken place with Transport for West Midlands (TfWM), Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), adjacent land owners, Network Rail, London Midland and franchise bidders for the new West Midlands Rail Passenger Franchise.

4. Compliance Issues:	
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	The development of the 'Snow Hill Growth Strategy' aligns with the Snow Hill Masterplan, Big City Plan, Birmingham Development Plan and the Council's Birmingham Connected Transport strategy. Additionally the proposals support the Council Business Plan and Budget 2016+ and the Council's vision 'A City for Growth' and key priorities around Jobs and Skills (a city to succeed in) and Housing (a great city to live in). Work is also set in the context of the Midlands Engine, Midlands Connect, West Midlands Combined Authority (WMCA) Strategic Economic Plan and the GBSLEP Strategic Economic Plan.
4.1.2	<p>Birmingham Business Charter For Social Responsibility:</p> <p>The providers on the West Midlands Transportation Professional Services Framework Agreement are certified signatories to the Charter. The recommended supplier for each area of professional services will be required to commit to additional actions that are relevant and proportionate to the value of the contract awarded.</p> <p>Network Rail and the recommended provider from the Crown Commercial Services framework for Professional Estates Services will be required to become certified signatories to the Charter, with action plans produced and approved prior to the award of contracts that are relevant and proportionate to the value of contracts awarded. This would include appropriate apprenticeship opportunities in the rail and estates sectors. Given the scale and importance of the Snow Hill Growth Strategy, further development work of a significant nature and proposed rail investment in the city, Network Rail becoming a signatory to the Charter will be a major benefit to Birmingham Citizens.</p>

4.2	Financial Implications (Will decisions be carried out within existing finance and Resources?)														
4.2.1	LGF capital funding of £2m will be provided to the Council in its previously agreed capacity as Accountable Body for GBSLEP (including all LGF resources) under section 31 of the Local Government Act 2003. The Council acting in a project delivery capacity will be required to enter into a Service Level Agreement with GBSLEP to formally secure and draw down resources, with the grant to be expended on the work packages described in Appendix A. These work packages have been agreed with the Cities and Local Growth Unit of Government.														
4.2.2	<p>In addition to LGF resources secured from Government via the GBSLEP, a local funding contribution of £0.631m has been committed to formulate an overall budget for the Snow Hill Growth Strategy of £2.631m. This reflects Government requirements and levels of local contribution provided for previous work including the HS2 Growth Strategy. A breakdown of the local contribution is provided below.</p> <p>Local Contribution</p> <table> <tr> <td>Source</td><td></td></tr> <tr> <td>Integrated Transport Block</td><td>£50,000</td></tr> <tr> <td>HS2 Growth Strategy</td><td>£100,000</td></tr> <tr> <td>Transport for West Midlands</td><td>£100,000</td></tr> <tr> <td>Future Council Programme</td><td>£225,000</td></tr> <tr> <td>Salaries</td><td>£156,000</td></tr> <tr> <td>Total</td><td>£631,000</td></tr> </table>	Source		Integrated Transport Block	£50,000	HS2 Growth Strategy	£100,000	Transport for West Midlands	£100,000	Future Council Programme	£225,000	Salaries	£156,000	Total	£631,000
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Transport for West Midlands	£100,000														
Future Council Programme	£225,000														
Salaries	£156,000														
Total	£631,000														
4.2.3	It should be noted that Integrated Transport Block capital resources are included within the Transportation and Highways Capital Funding Strategy approved by Cabinet in February 2016, while HS2 Growth Strategy and Transport for West Midlands revenue resources have been approved under Chief Officer delegation to produce an updated strategic transport model for the city centre highway network. This model will be used for the transport modelling elements of the Snow Hill Growth Strategy.														
4.2.4	Within the Future Council Programme a total of £0.225m revenue has been allocated across 2016/17 and 2017/18 to undertake a Ring Road Study and a revised Signage Strategy as part of SN2 (Birmingham Connected/Clean Air Zone). This work has a large synergy with the Snow Hill Growth Strategy and will be jointly procured for reasons of efficiency and value for money.														
4.2.5	Salaries of project management resources within the Economy Directorate based upon three GR5 posts in Planning and Regeneration and Transport and Connectivity complete the local contribution. These salaries will be covered by current funding models operating within the Directorate.														
4.2.6	Details of the estimated budget allocations for each work package to be procured are contained within the accompanying private report.														
4.2.7	There are no ongoing revenue costs associated with this report.														
4.3	<u>Legal Implications</u>														
4.3.1	The arrangements set out in this report are in compliance with the powers of general competence as set out in Section 1 of the Localism Act 2011.														
4.3.2	<p>Pre-Procurement Duty under the Public Service (Social Value) Act 2012:</p> <p>Consideration of whether to undertake a consultation exercise was discussed during the planning stage and it was agreed that this would not be required as tenderers will be asked how their bid addresses social value as part of the evaluation and no additional stakeholder consultation was required. This consideration also included how this procurement exercise might improve the social and economic well-being of the city and will be addressed by evaluating social value.</p>														

4.4	<u>Public Sector Equality Duty (see separate guidance note)</u>
4.4.1	An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed as the strategy develops. The initial screening EA001514 is provided as Appendix B to this report.

5. Relevant background/chronology of key events:	
5.1	The Snow Hill district is identified in the Big City Plan (2010) as one of five areas for major transformation in the city centre, with significant potential to deliver sustainable growth, improved connectivity, environmental quality, new residential communities and a diversified economic base. In October 2015 the Council adopted the Snow Hill Masterplan that identifies the key interventions required to enable the above transformation over the period 2015 to 2035. In addition, the Masterplan sets out a framework to guide infrastructure investment and future development in the area. Key proposals within the Masterplan comprise: the major transformation of Snow Hill Station; reconfiguration of the A38 Great Charles Street Queensway; extension of the office core around Snow Hill Station; revitalisation of the Steelhouse Lane area; and substantial improvements to the public realm, integrated transport, air quality (noting the now mandated Clean Air Zone) and walking and cycling provision.
5.2	In the 2016 Budget HM Treasury committed to providing a ringfenced £2m capital LGF funding allocation (via GBSLEP) to support the progression of the Snow Hill Masterplan, adopted by the Council in October 2015, with the objective of maximising inclusive economic growth and realising the development potential of Snow Hill Station and the surrounding business district area.
5.3	Further to discussions with Government over the summer period it is proposed to produce a 'Snow Hill Growth Strategy', which seeks to create a development proposition focussed upon the successful transformation of Snow Hill Station and its immediate environs, with the model used for Birmingham Curzon to be adopted. 'De-risking' development opportunities for the private sector will form a key part of the strategy, particularly in the context of developing both around and above a 'live' railway operation. In addition, the strategy will identify the wider growth potential of the Masterplan area, connectivity enhancements and suitable delivery model options, along with detailed consideration of viability, deliverability, constructability, affordability, finance and funding. Work activities will be broken down into the following packages: Snow Hill Station; Regeneration and Growth; Wider Transportation and Connectivity; Delivery Advice and Models; Communications and Stakeholder Management. Further detail is provided in Appendix A to this report.
5.4	As Government funding is to be provided via GBSLEP it has been necessary to produce a 'light touch' business case for consideration and evaluation in accordance with the LEP's assurance framework. In accordance with LEP delegations, this business case was approved by the GBSLEP Director in November 2016.
5.5	Development of the Snow Hill Growth Strategy will require external professional services support in respect of detailed work around Snow Hill Station, Regeneration, Wider Transportation and Delivery Advice and Models. Such support is not available in-house.
5.6	Professional Services Procurement Strategy
5.6.1	Transport Planning Professional Services The professional services required will be tendered by a further competition exercise using the West Midlands Transportation Professional Services Framework Agreement. The framework agreement was awarded following approval by the then Cabinet Member for Commissioning, Contracting and Improvement jointly with the then Deputy Chief Executive on 1 st September 2015. This is the Council's approved route for the engagement of this type of professional services. The further competition exercise will follow the protocol and evaluation guidelines of the framework agreement.

5.6.2	<p>Engagement of a Delivery Advisor</p> <p>A further competition exercise for the engagement of a delivery advisor will be undertaken using the Crown Commercial Services Estate Professional Services Framework Agreement in line with the protocol and evaluation guidelines of the framework agreement. This engagement will include taxation advice.</p>
5.6.3	<p>Single Contractor Negotiations</p> <p>As outlined above a key element of the Snow Hill Growth Strategy will be to 'de-risk' future development opportunities for the private sector, particularly in the context of developing both around and above a 'live' railway operation. In this respect it is proposed that the Strategic Director for Economy is authorised to commence single contractor negotiations with Network Rail Infrastructure Ltd to undertake feasibility and design development activities relating to Snow Hill Station. This approach also recognises Network Rail Infrastructure Ltd as asset and freehold owner of Snow Hill Station complex; their vast experience of station regeneration projects (including Birmingham Gateway and lessons learnt); a requirement to incorporate rail infrastructure improvements into the strategy including electrification of the Snow Hill lines and reinstatement of platform 4; interfaces with adjacent land owners, rail industry regulators, franchise operators and bidders; unique network operating knowledge; health and safety; and union related operational requirements. The justification for entering into single contractor negotiations is that Network Rail Infrastructure Ltd is the sole supplier and no other organisation could undertake the tasks required in a comprehensive manner.</p> <p>Subject to the successful conclusion of Single Contractor Negotiations, it is proposed that contract award by way of entry into a 'Development Services Agreement' with Network Rail Infrastructure Ltd be delegated to the Strategic Director for Economy in conjunction with the Strategic Director of Finance and Legal (or their delegate), the Acting City Solicitor and the Assistant Director of Procurement.</p>
5.7	<p>In discussion with Government a three tier governance structure has been developed to oversee and drive forward the Snow Hill Growth Strategy comprising a Steering Group, Project Board and Working Group. It is proposed that the Leader of the Council serves as chair of the Steering Group, supported by the Strategic Director for Economy, with senior level representation from GBSLEP, TfWM, Network Rail, Cities and Local Growth Unit, Department for Transport, Train Operating Companies/Franchise Bidders and the private sector development community. The Project Board will be chaired by the Assistant Director (Transport and Connectivity) and the Working Group by the Head of Growth and Transportation, with representation as per the Steering Group, albeit at appropriate levels of seniority. It is proposed that terms of reference for all groups are agreed at the first meeting of the Steering Group, with all governance structures to be initiated during December 2016</p>
5.8	<p>Given high levels of stakeholder interest in the Snow Hill Growth Strategy, it is further proposed that a Reference Group/Wider Stakeholder Panel be created to support strategy development and to act in a critical friend capacity.</p>
5.9	<p>In terms of milestones the below development programme is envisaged, with future revisions falling within the remit of the Steering Group.</p> <ul style="list-style-type: none"> • Cabinet Agreement to Commence Strategy – November 2016; • Procurement and Award of Contracts– complete by February 2017; • Options development, feasibility, business cases, delivery models – complete by June 2018; • Options Appraisal report to Cabinet – September 2018; and • Launch Growth Strategy/Development Proposition – November 2018.
5.10	<p>As noted above, an options appraisal report will be brought to Cabinet upon completion of the Snow Hill Growth Strategy, with approval to be sought in respect of preferred option/s. Additionally, launch arrangements will be confirmed.</p>

6. Evaluation of alternative option(s):	
6.1	Do not progress the Snow Hill Growth Strategy. This option is not recommended as the Council does not have alternative means of developing the strategy at a later date. This option also conflicts with the Council's vision 'A City for Growth' and key priorities around Jobs and Skills (a city to succeed in) and Housing (a great city to live in).

7. Reasons for Decision(s):	
7.1	To accept grant funding of £2 million revenue from the Greater Birmingham and Solihull Local Enterprise Partnership to support the development of a Snow Hill Growth Strategy.
7.2	To approve the procurement strategy set out in paragraph 5.6 of this report and authorises the Strategic Director for Economy in conjunction with the Assistant Director of Procurement to commence Single Contractor Negotiations with Network Rail to undertake feasibility and design development activities associated with the Snow Hill Station specific work package of the strategy.
7.3	To approve the proposed governance arrangements set out in paragraph 5.7 of this report.

Signatures	<u>Date</u>
Cllr John Clancy – Leader of the Council
Cllr Stewart Stacey – Cabinet Member for Transport and Roads
Cllr Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Waheed Nazir Strategic Director for Economy

List of Background Documents used to compile this Report:	
1	Council Business Plan and Budget 2016+
2	Birmingham Connected Transport Strategy
3	Birmingham Development Plan
4	Big City Plan
5	Snow Hill Masterplan
6	GBSLEP Strategic Economic Plan

List of Appendices accompanying this Report (if any):	
1.	Growth Strategy Objectives, Work Packages and Key Deliverables – Appendix A
2.	Equalities Assessment Initial Screening – Appendix B

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

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

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Age (b) Disability (c) gender reassignment (d) pregnancy and maternity (e) Race (f) religion or belief (g) Sex (h) sexual orientation

APPENDIX A

GROWTH STRATEGY WORK PACKAGES AND OBJECTIVES

The Snow Hill Growth Strategy will produce a development proposition for the transformation of Snow Hill Station, with a specific objective to 'de-risk' future private sector investment in terms of commercial development opportunities both around and above the current station complex and its environs. In developing the proposition there will be a strong focus on shaping it to maximise the opportunities for private sector investment. Proposed objectives for the project have been broken down into three areas covering Snow Hill Station, regeneration and growth, and wider transport and connectivity. Development viability, deliverability, constructability, affordability, finance and funding will be key components of each work package; an overarching phasing plan and suggested delivery model/vehicle (i.e. joint venture arrangements or Regeneration Company) will also be formulated as part of the project.

Snow Hill Station (see Plan One)

- Assess the opportunities and options for successful and de-risked development over the station through the removal of the current multi-storey car park;
- Provide for successful and de-risked development in and around the station taking into account land holdings in both public (considering the one public estate) and private sector ownership;
- Radically transform the appearance of the existing station including improving the passenger experience through improved accessibility and passenger circulation;
- Provide sufficient rail and passenger handling capacity to address current capacity issues and forecast growth up to 2043 to reflect proposals being consulted upon in the West Midlands and Chilterns Route Utilisation Strategy. These include electrification, the reinstatement of platform 4, Bordesley Chords, Water Orton Improvements and Camp Hill Line stations;
- Transform passenger facilities and the environment within the station and create a new gateway for the Snow Hill district;
- Facilitate the improved operational management of the station, which is compromised by its current layout;
- Improve access to/from/in and through the station for all users;
- Provide improved interchange with the Midland Metro;
- Enable improved pedestrian permeability of the station allowing enhanced connectivity between the station/Colmore Business District and the Jewellery Quarter without the requirement to enter a paid concourse area;
- Consider deliverability, constructability and affordability in the context of the station remaining operational at all times and significantly build upon the lessons learnt from Birmingham Gateway and the CP5 enhancements programme; and
- Develop a phased delivery plan and appropriate delivery models/vehicles to input to the overall development proposition and Growth Strategy.

Regeneration and Growth

- Identify the growth potential across the Masterplan area, focussed in and around the station and its environs, and validate projections and opportunities for development;

- Develop expansion options that would be unlocked as a result of the transformation of Snow Hill Station and consider how constraints can be mitigated, thus 'de-risking' development opportunities;
- Refine options in the context of commercial and economic viability;
- Consider deliverability, constructability and affordability;
- Identify land value uplift as part of economic assessments;
- Consider and identify a suitable delivery model/vehicle; and
- Identify a phased delivery plan and appropriate delivery models/vehicles to input to the overall development proposition and Growth Strategy.

Wider Transportation and Connectivity

- Develop and assess technical options for improving the transport network in the wider Snow Hill Masterplan area, with a focus on modal shift, walking, cycling, urban realm, public transport and air quality in the context of the mandated Clean Air Zone (CAZ);
- Develop options to reduce severance created by the A38 Queensway and enable vastly enhanced connectivity within the Masterplan area;
- Propose two to three 'big moves' to provide a step change in transport infrastructure;
- Consider deliverability, constructability and affordability as part of up to three strategic outline business cases;
- Consider and identify a suitable delivery model/vehicle; and
- Identify a phased delivery plan and appropriate delivery models/vehicles to input to the overall development proposition and Growth Strategy.

Key Deliverables

In the context of the above objectives and work package breakdown the key deliverables are as follows.

Snow Hill Station

It is proposed that work in the Snow Hill Station package follows the Guide to Rail Investment Process (GRIP) as defined by Network Rail to Stages 2 and 3. This work will build upon the current GRIP Stage 2 report produced by Network Rail to develop options to increase the passenger handling and circulation capacity of the station within the existing footprint. To date this work has not considered or explored potential options (including risks) to develop over the railway by removing the existing multi-storey car park, nor wider development opportunities in and around the station complex.

GRIP Stage 2 – aim - Define the scope of the investment and identify constraints. Confirm that the outputs can be economically delivered and aligned with network strategy.

GRIP Stage 2 – output - Identifying solutions in response to the requirements.

GRIP Stage 3 – aim - Develops options for addressing constraints. Assesses and selects the most appropriate option that delivers the stakeholders' requirements together with confirmation that the outputs can be economically delivered.

GRIP Stage 3 – output - Single option determined and stakeholder approval to option secured through Approval in Principle [AIP].

The main risks to the successful transformation of Snow Hill Station and the realisation of significant private sector development opportunities rest within the station environment. Key constraints will be identified at GRIP stage 2 including structural surveys to determine the integrity of the existing station building and multi-storey car park; demolition and constructability in a live station environment (station and development above and surrounding Snow Hill); capacity of utilities; passenger and rail capacity; external interfaces with other modes; external property and land ownership interfaces; planned rail improvements; rail regulations and procedures; interface with train operating companies; planning and permitted development requirements; and union considerations in the context of station change.

GRIP stage 3 will develop options for addressing the above constraints and seek approval in principle from all key stakeholders in respect of a preferred option. Within the GRIP 3 report financial and economic viability will be established along with overall deliverability, constructability, affordability and the production of a finance and funding plan. A phased delivery plan will also be produced along with a proposed delivery model/vehicle involving key public and private sector partners.

Regeneration and Growth

The regeneration and growth work package will identify development options in the wider Snow Hill Masterplan area that could be realised with the transformation of the station; this is a key lesson learnt from the Birmingham Gateway project and also reflects work undertaken for HS2 Birmingham Curzon.

Work will focus on the areas highlighted in Plan Two and similarly to the station package identify key constraints, risks and development opportunities. Particular reference will be given to establishing an infrastructure baseline, land ownership, capacity of utilities, phased regeneration and growth options, viability and overall deliverability, constructability, affordability, funding and financing. The work package will also consider local connectivity within the area and how sustainable development can be facilitated including alignment with BCC's current work around parking provision, a revised parking policy and evolving work on the mandated Clean Air Zone.

Further to engagement with key stakeholders a preferred options report will be produced setting out phased development options and measures to address constraints necessary to de-risk opportunities for the private sector. Again proposals will be developed in respect of an appropriate delivery model/vehicle.

Wider Transportation and Connectivity (see Plan Three)

The wider transportation and connectivity work package seeks to enable sustainable development within the Snow Hill Masterplan area and realise opportunities that could be achieved with a modal shift away from the private car to public transport, walking and cycling.

Taking into account schemes already under construction or planned through the HS2 Growth Strategy, Local Growth Fund and West Midlands Combined Authority Devolution Deal, the work package's primary focus will be on options to address the environmental, connectivity and severance impacts imposed by the A38 Queensway. Building upon previous work a preferred option for the future of the A38 Queensway will be developed and assessed using BCC's city centre SATURN model, which is currently being updated to incorporate major infrastructure changes made over the last 5 years. Possible options include:

- Do nothing;
- Sink the current A38 into a deep continuous tunnel between Dartmouth Circus and Suffolk Street Queensway;
- Sink the A38 Great Charles Street Queensway into a shallow 'cut and cover tunnel' in the vicinity of Snow Hill to reduce severance between the Colmore Row area and the Jewellery Quarter;
- Abandon the A38 Queensway tunnels and close without mitigation i.e. let traffic find alternative routes and encourage modal shift; and

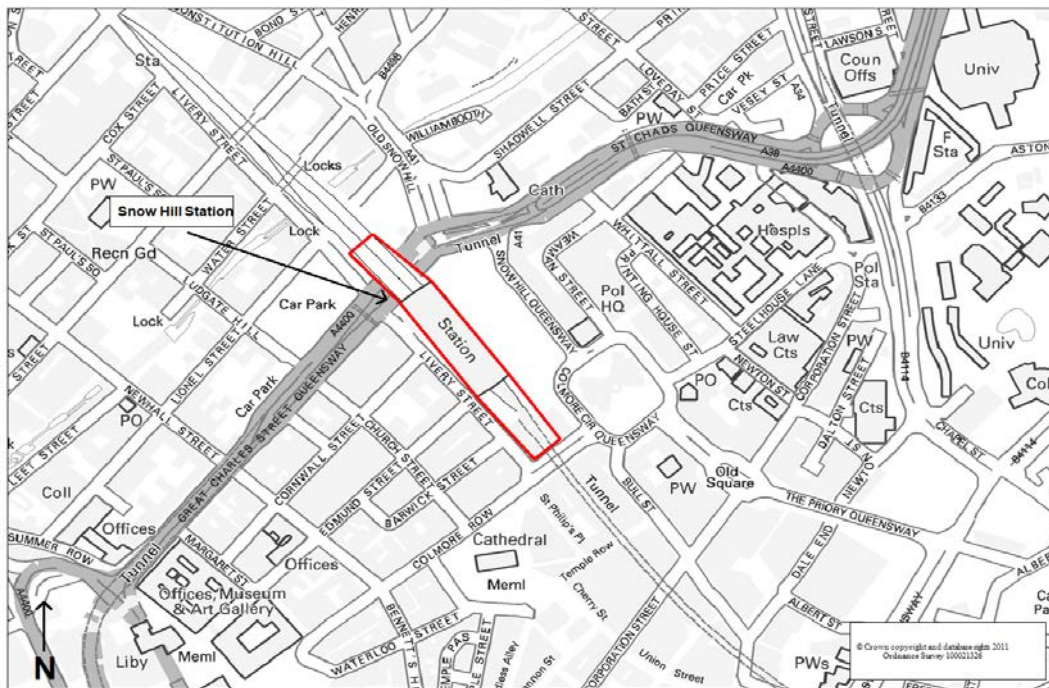
- Abandon the A38 Queensway tunnels and mitigate impacts with further improvements to the city's ring road in conjunction with planned public transport enhancements.

From the above work two or three big moves will be developed and strategic outline business cases produced in accordance with the 5 cases required for a transport appraisal. Again deliverability, constructability, affordability, financing and funding will be key aspects of this task.

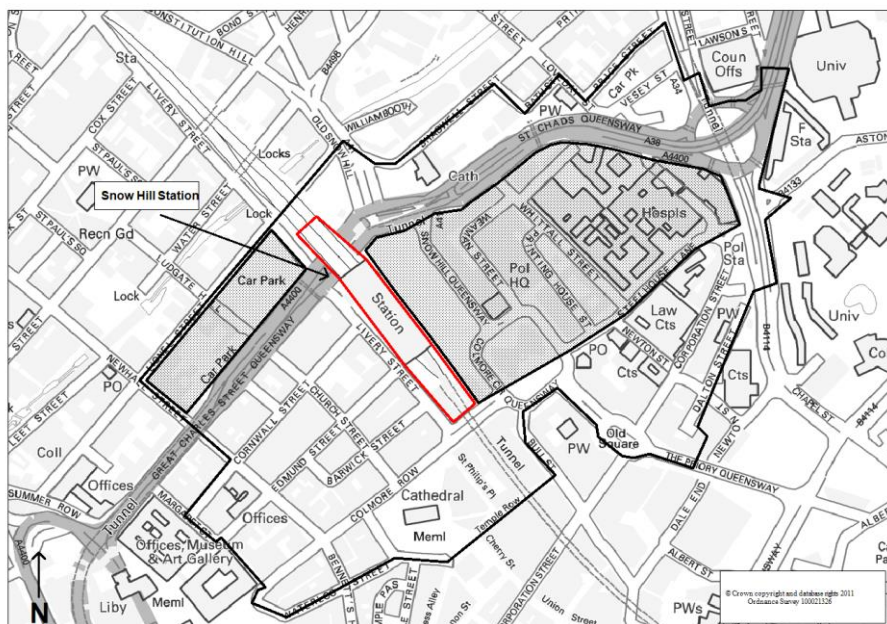
Growth Strategy

It is proposed that the final deliverable will be in the form of a Snow Hill Growth Strategy, which will holistically join and present the work undertaken for each of the work packages.

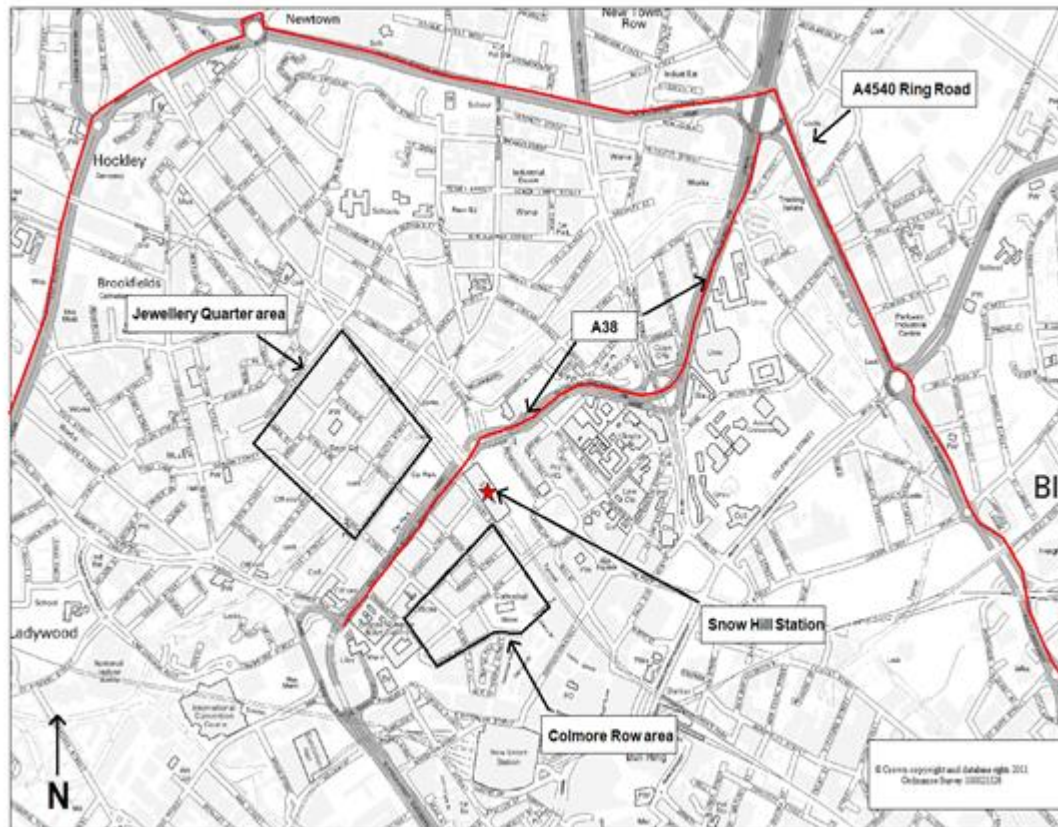
Plan One – Snow Hill Station Work Package Boundary



Plan Two – Regeneration and Growth Work Package Boundary



Plan Three – Transport and Connectivity Work Package Boundary



Equality Analysis

Birmingham City Council Analysis Report

EA Name	Snow Hill Growth Strategy
Directorate	Economy
Service Area	Transportation Services Growth And Transportation
Type	New/Proposed Policy
EA Summary	This Equalities Assessment reviews the recommendation to accept 2 million pounds revenue funding from the Government (via the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)) to support the progression of the Snow Hill Masterplan, and to produce a Snow Hill Growth Strategy.
Reference Number	EA001514
Task Group Manager	Peter.A.Bethell@birmingham.gov.uk
Task Group Members	philip.edwards@birmingham.gov.uk, david.i.harris@birmingham.gov.uk, Hilary.Mills@birmingham.gov.uk
Date Approved	2016-10-25 01:00:00 +0100
Senior Officer	philip.edwards@birmingham.gov.uk
Quality Control Officer	Lesley.Edwards@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

<p>What is the purpose of this Policy and expected outcomes?</p>	<p>The purpose of this policy is to produce a Snow Hill Growth Strategy, which seeks to create a development proposition focussed upon the successful transformation of Snow Hill Station and its immediate environs.</p> <p>The expected outcomes are that the Council:</p> <ul style="list-style-type: none"> Accepts grant funding of 2 million pounds Government revenue funding via the GBSLEP to support the progression of the Snow Hill Masterplan and the development of the Snow Hill Growth Strategy; Approves the proposal to procure external professional services in respect of detailed work around the Snow Hill Station, Regeneration, Wider Transportation and Delivery Advice and Models; and authorises the Strategic Director for Economy to commence Single Contractor Negotiations with Network Rail to undertake feasibility and design development activities associated with the Snow Hill Station specific work package of the strategy; Authorises the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations. <p>Internally, consultation has been undertaken with the Deputy Leader, the Strategic Director (Finance and Legal), the Assistant Director (Development) and the Assistant Director (Transportation and Connectivity), who support the proposals. Officers from City Finance, Procurement and Legal and Democratic Services have been involved in the preparation of the proposals.</p> <p>Externally, a work specification for the Snow Hill Growth Strategy has been developed in conjunction with the Cities and Local Growth Unit, which cross cuts a number of Government departments including HM Treasury, the Department for Transport (DfT) and the Department for Communities and Local Government (DCLG). Initial engagement has taken place with Transport for West Midlands (TfWM), the GBSLEP, adjacent land owners, Network Rail, London Midland and franchise bidders for the new West Midlands Rail Passenger Franchise.</p> <p>The development of a Snow Hill Growth Strategy aligns with the Snow Hill Masterplan, the Big City Plan, the Birmingham Development Plan and the Councils Birmingham Connected Transport strategy. Additionally, the proposals support the Council Business Plan and Budget 2016+ and the citys vision A City for Growth; and key priorities around Jobs and Skills (a city to succeed in) and Housing (a great city to live in). Work is also set in the context of the Midlands Engine, Midlands Connect, West Midlands Combined Authority (WMCA) Strategic Economic Plan and the GBSLEP Strategic Economic Plan.</p> <p>The Snow Hill district is identified in the Big City Plan (2010) as one of five areas for major transformation in the city centre, with significant potential to deliver sustainable growth, improved connectivity, environmental quality, new residential communities and a diversified economic base. In October 2015 the Council adopted the Snow Hill Masterplan that identifies the key interventions required to enable the above transformation over the period 2015 to 2035. In addition, the Masterplan sets out a framework to guide infrastructure investment and future development in the area. Key proposals within the Masterplan comprise: the major transformation of Snow Hill Station; reconfiguration of the A38 Great Charles Street Queensway; extension of the office core around Snow Hill Station; revitalisation of the Steelhouse Lane area; and substantial improvements to the public realm, integrated transport, air quality (noting the now mandated Clean Air Zone) and walking and cycling provision.</p> <p>In the 2016 Budget HM Treasury committed to providing 2 million pounds revenue funding (via GBSLEP) to support the progression of the Snow Hill Masterplan, adopted by the Council in October 2015, with the objective of maximising inclusive economic growth and realising the development potential of Snow Hill Station and the surrounding business district area.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

A Strong Economy	Yes
Safety And Opportunity For All Children	No
A Great Future For Young People	No
Thriving Local Communities	No
A Healthy, Happy City	Yes
A Modern Council	Yes

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	Yes
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

All schemes proposed within the Snow Hill Growth Strategy will be provided as a public good and will be available for all members of the community and visitors alike to use.

Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes. The initial screening for the acceptance of the revenue funding has indicated no adverse impacts or discrimination, and it is concluded that a full EA is not necessary at this time.

The facilities and measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity or disability.

This position will be reviewed for individual scheme Product Definition Documents / Full Business Cases as they progress through standard Council governance and approval processes.

Initial engagement in preparation of the Snow Hill Growth Strategy has taken place with key delivery partners including with TfWM, the GBSLEP, adjacent land owners, Network Rail, London Midland and franchise bidders for the new West Midlands Rail Passenger Franchise.

Any new projects that would be funded as part of the Snow Hill Growth Strategy would be subject to individual EAs.

3 Concluding Statement on Full Assessment

All schemes proposed within the Snow Hill Growth Strategy will be provided as a public good and will be available for all members of the community and visitors alike to use.

Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes. The initial screening for the acceptance of the revenue funding has indicated no adverse impacts or discrimination, and it is concluded that a full EA is not necessary at this time.

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Any new projects that would be funded as part of the Snow Hill Growth Strategy would be subject to individual EAs.

4 Review Date

23/10/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

Report to:	CABINET	
Report of:	Strategic Director of Economy	
Date of Decision:	15 November 2016	
SUBJECT:	DRIVING HOUSING GROWTH AND SUPPORTING YOUNG PEOPLE INTO EMPLOYMENT THROUGH THE BMHT DEVELOPMENT PROGRAMME	
Key Decision: Yes	Relevant Forward Plan Ref: 001227/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>	
	O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Peter Griffiths, Housing and Homes and Councillor Majid Mahmood, Value for Money and Efficiency, Councillor Brett O'Reilly, Jobs and Skills	
Relevant O&S Chairman:	Councillor Victoria Quinn, Housing and Homes Councillor Mohammed Aikhlaq, Corporate Resources and Governance, Councillor Zafar Iqbal, Economy Skills and Transport	
Wards affected:	Sutton Four Oaks, Aston, Bartley Green, Nechells, Sparkbrook	

1. Purpose of report:	
1.1	To provide details of the outcome for the procurement process undertaken for four council housing schemes providing 63 new Council homes for social rent, as detailed in section 5 of this report and detailed within the private report.
1.2	To approve the Full Business Case (FBC) set out in Appendix 2 of this report for the proposed council housing new starts at Montgomery Street (Sparkbrook) for 10 units for rent and Gladstone Street (Nechells) for 32 units for rent for 2017/8.
1.3	To note the success of the Building Birmingham Scholarship (BBS) programme and approve the continuation of this initiative.

2. Decision(s) recommended:	
That Cabinet:	
2.1	Notes the procurement process that has been undertaken for the construction and delivery of 63 new Council homes for social rent at Bangham Pit (Bartley Green), Caynham Road (Bartley Green), Park Lane (Aston) and White Farm Road (Sutton Four Oaks).
2.2	Approves the FBC as set out in Appendix 2 of this report for the two 2017/8 BMHT new schemes at Montgomery Street (Sparkbrook) for 10 units for rent and Gladstone Street (Nechells) for 32 units for rent at a cost of £5.96m and delegates approval to award contracts following the procurement processes as detail in paragraph 5.5 to the Strategic Director of Economy in conjunction with the Strategic Director of Finance and Legal (or their delegate), the Acting City Solicitor (or their delegate) and the Assistant Director of Procurement.

- 2.3 Authorises the Strategic Director of Economy to seek consent under Section 174 of the Localism Act 2011 to exclude the new properties to be delivered at Montgomery Street and Gladstone Street from Right to Buy pooling requirements, to ensure that any capital receipts generated from the sale of homes under the Right to Buy are retained by the Council.
- 2.4 Authorises the Strategic Director of Economy to receive the result of any consultations concerning the loss of Public Open Space notices in accordance with Section 123 (2A) of the Local Government Act 1972 and to decide whether to proceed with the relevant disposal or appropriation under S122 (2A) in consultation with Cabinet Members for Housing and Homes and Clean Streets, Recycling and Environment.
- 2.5 Authorises the Strategic Director of Economy to submit and process all necessary Highway Closure applications and notices required to facilitate the development of sites highlighted in Section 5 of this report and to enter into any appropriate agreements for alterations to highway access to the sites.
- 2.6 Delegates to the Director of Property the power to amend or vary the development boundaries of any of the sites.
- 2.7 Approves the continuation of the levy charged to contractors of £500 per dwelling constructed for the Council as part of the ongoing BMHT programme and the extension of the successful Building Birmingham Scholarship programme.
- 2.8 Authorises the Acting City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the above recommendations including the execution and completion all appropriate way leaves and easements and highway agreements required for the development of the four sites listed in Appendix 1 and the 2 sites listed in Appendix 2.

Lead Contact Officer(s):	Steve Dallaway – Development Manager Planning and Regeneration
Telephone No: E-mail address:	0121 303 3344 steve.dallaway@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 The Leader has been consulted regarding the contents of this report and supports the proposals coming forward for an Executive Decision.
- 3.1.2 Officers in Legal Services, City Finance, Procurement, Birmingham Property Services, Highways, Employment Services, Housing Development and the Place Directorate (Parks) have been involved in the preparation of this report.
- 3.1.3 Relevant Ward Members and Executive Members for the Districts have been consulted and their comments are included where appropriate.

- 3.1.4 Where planning applications have yet to be made, relevant Ward Councillors will be consulted on the proposals of each BMHT scheme in the 2017/8 new starts programme.
- 3.1.5 The Acting Strategic Director of Place and the Service Director Housing Transformation have been consulted and supports the recommendations within this report.
- 3.2 External
- 3.2.1 All 4 sites where tenders are being recommended for approval have already secured detailed planning approvals and residents were consulted as part of this process.
- 3.2.2 Residents will be consulted on the council house new starts programme proposals for 2017/8 as part of the planning application process and by notification of the contractor mobilising for a start on site.
- 3.2.3 Contractors have been consulted on the continuation of the BBS programme and are strongly in favour of the continuation of these arrangements as part of delivering new homes across the city via the BMHT vehicle.

4. Compliance Issues:

- 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?
- 4.1.1 The development of new homes for a growing city is a key objective of the Council Business Plan and Budget 2016+. The development of new affordable housing within the City and its associated programmes such as BBS are in accordance with a number of the Council's key priorities, including:
- Fairness** - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham, and ensure dignity, in particular for our elderly and safeguarding for children – by providing new affordable homes, apprenticeships and bursary programme placements.
- Prosperity** - to lay the foundations for a prosperous City, built on an inclusive economy – by stimulating the construction industry through the Council's housing building programme.
- Democracy** - to involve local people and communities in the future of their local area and their Public Services – by consulting communities about proposals for new development and ensure that new homes meet local needs and localised targeting of training, education and employment initiatives to complement the house-building programme.
- 4.1.2 Birmingham Business Charter for Social Responsibility (BB4CSR)
- The recommended provider for the development of Bangham Pit, Caynham, Park Lane and White Farm sites is a certified signatory to the Birmingham Business Charter for Social Responsibility and has provided actions proportionate to the value of this proposed contract. The actions proposed include:

- 8 people will benefit from apprenticeships and a further 19 from work placements and employment opportunities
- Mentoring support to local colleges
- Use of find it in Birmingham as a primary source to advertise opportunities to local businesses
- Engagement with local schools and community groups to provide information about the construction industry
- Provision of support to the local community eg planters to schools, waste timber to schools, litter picking in the area of each scheme etc.
- Payment of the Birmingham Living Wage

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the contracts for Gladstone Street and Montgomery Street. Tenderers will submit an action plan with their tender that will be evaluated in accordance with the evaluation criteria and the action plan of the successful tenderers will be implemented and monitored during the contract period.

4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

- 4.2.1 Full details of the approved costs and funding for the four council housing schemes which have been tendered (Bangham Pit Phase 2, Caynham Road, Park Lane and White Farm Road Phase 2) are set out in the report approved by Cabinet in October 2015. The total cost of all ten schemes that were approved in this report is now estimated at £19.51m, compared to £18.48m in the October 2015 report. The increase will be funded from RTB receipts. This estimate includes the tendered values included in the private report, the cost of works for the six other schemes in the report where contracts have been awarded, fees and other costs.
- 4.2.2 The estimated total capital construction cost of the proposed developments at Montgomery Street and Gladstone Street is £5.96m. The developments will be funded from HRA revenue contributions, RTB 1-4-1 receipts and Affordable Housing S106. The FBC document for these developments is included in Appendix 2.
- 4.2.3 The future running costs of the properties and areas of public realm retained within the HRA at Gladstone Street and Montgomery Street will be met from ongoing rental income to be derived from the new build properties. This will result in an overall revenue surplus to the HRA over 30 years of £1.89m.
- 4.2.4 The financial viability of the proposals at Gladstone Street and Montgomery Street is based on the social housing rent policy that was outlined by the Chancellor of the Exchequer on 2/7/15 (i.e. that rents will be reduced by 1% per annum from 2016-17 to 2019-20). The working assumption is that rents will then revert back to CPI+1% after 2019-20 (currently projected at 3% per year). However, should rents not increase at this rate, it is anticipated that efficiency savings within the HRA will be needed to ensure that the scheme breaks even.

The new Council rented homes will be subject to the Right to Buy cost floor regulations, which mean that for the first 15 years following the completion of the new homes, any tenant purchasing their Council property through Right to Buy will be obliged to pay the Council full construction cost of the property, irrespective of any discount to which they may be entitled under the Right to Buy legislation.

4.2.5 Where new highway is required to enable these sites to be redeveloped to support the housing construction described in this report then such development costs and ongoing maintenance costs will be met by the HRA. Appropriate permissions to construct highway will also be required. Opportunities will be explored to align any changes to the highway as a consequence of each new development to the Highways Management & Maintenance PFI (HMMPI) programme of works to minimise costs of delivery to the schemes.

4.2.6 The costs of the BBS programme will be funded from a £500 per unit levy charged to contractors who build homes for the council. It is anticipated that this will be net neutral to the Council and there will be no additional cost to the Council for the continuation of this programme.

4.3 Legal Implications

4.3.1 As the Housing Authority, the relevant legal powers relating to the discharge of the Council's statutory function to provide for its housing need are contained in Section 9 of the Housing Act 1985.

4.4 Public Sector Equality Duty

4.4.1 There are currently around 18,427 people on the Council's waiting list for affordable housing, with another 5,000 pending assessment. Many of these people live in overcrowded conditions across the housing sector. Evidence from allocating properties previously developed under the BMHT banner has revealed the extent of this problem, with many families being allocated from accommodation that was too small for their needs.

4.4.2 Through the BMHT programme, the Council provides homes that reflect the Strategic Housing Market Assessment for Birmingham with an emphasis on 2 bedroom houses and 4+ bedroom houses. Whilst there is a clear driver for family homes (and these make up the majority of the new development programme) the programme also looks to meet other needs, such as people without children and elderly residents who wish to down-size from under-occupied homes. Local need, site restrictions and financial viability are taken into account when determining the exact mix of homes and typologies to build on each site.

4.4.3 The BMHT Delivery Plan for 2015-20 included an Equality Impact Analysis and was agreed by Cabinet in December 2014 which operates city-wide. It includes areas where different cultural requirements will need to be reflected in the design of the homes provided. Feedback from previous schemes delivered has been utilised and these will be used in developing the schemes outlined within the BMHT Delivery Plan. New property archetypes need careful consideration in terms of construction affordability and value for money and have now been refined into the BMHT Standard House Types catalogue. The Council's house building programme represents a unique opportunity to break the mould of repetitive market house types and meet the specific needs of its diverse population.

4.4.4 The delivery of the BBS programme specifically targets young people from deprived backgrounds and in priority wards. Progress will be reported to the Cabinet Member for Jobs and Skills on a regular basis.

5. Relevant background/chronology of key events:

- 5.1 The back-drop to this report is the Council's approval to a five-year new build programme (2015-20) which Cabinet approved in December 2014. Further reports since then have delivered the Council's 'Building Birmingham' programme using its BMHT vehicle to provide new homes for rent and outright sale across many neighbourhoods within the city and which have provided high-quality homes that have made a lasting difference to the local area.
- 5.2 Large scale housing and regeneration programmes at Newtown, Balaam Wood (Egg Hill/Longbridge), Abbey Fields and Jarvis Road (Erdington), Perry Common and Kings Norton have all been successful by using BMHT to plan, and subsequently go on to deliver, the Council's housing offer with the majority of the 1000+ new homes provided for sale being sold to first time buyers. Earlier in 2016 the Council was able to celebrate its 2000th home built using the BMHT vehicle. With Cabinet approval in 2015, the Council is now delivering outright sales of homes directly through its new brand 'Forward Homes', capturing development profit that would normally be lost to private developers and their shareholders.
- 5.3 Procurement Approach (Development of Housing at Bangham Pit, Caynham, Park Lane and White Farm Road)
- 5.3.1 A procurement process was undertaken for the development of four council house schemes for rent at the following sites:
- Bangham Pit Road, Bartley Green (31 homes comprising 26 bungalows and 5 houses)
 - Caynham Road, Bartley Green (18 homes comprising 13 houses and 5 bungalows)
 - Park Lane, Aston (9 houses)
 - White Farm Road, Sutton Four Oaks (5 bungalows)
- 5.3.2 These four schemes had previously been tendered using the Constructing West Midlands (CWM) framework agreement. The procurement process comprised of 10 schemes, to deliver 127 new homes which were contained within an overall FBC approved by Cabinet in October 2015.
- Following a lengthy process of dialogue, it was not possible to agree tender sums for 4 of the 10 schemes within the FBC level agreed by Cabinet in October 2015. After consultation with Corporate Procurement Services and Acivico, it was agreed with the (former) Cabinet Member for Commissioning, Contracting and Improvement to undertake a further procurement process for the four schemes referred to in paragraph 5.3.1. The outcome of this process is detailed in Appendix 1 of this report and the confidential information related to the recommendations to the award of contracts in the Private Report.
- 5.4 The BMHT programme 2017/8
- 5.4.1 The Housing Revenue Account Business Plan contains a number of assumptions about the provision of new affordable housing. This includes substantial projects which will be implemented over a number of years. A list of forecasted completions is contained in Appendix 3.

5.5 Procurement Approach (Montgomery Street and Gladstone Street)

- 5.5.1 It is proposed to proceed with 2 new BMHT schemes at Montgomery Street in Sparkbrook and Gladstone Street in Nechells, that will deliver a further 42 housing units for rent. A Planning application has been submitted for Montgomery Street and the scheme at Gladstone Street secured planning permission in June 2015. Montgomery Street will be tendered using the Dynamic Purchasing System (DPS) which is aimed specifically at the procurement of sites under 15 units in total and aimed at smaller and medium enterprises. The tender strategy was agreed by Cabinet in June 2016 and the DPS award is anticipated in December 2016. The evaluation will follow the protocol of the framework agreement and the award of Montgomery Street Contract is planned for Spring 2017. Gladstone Street was included in the BMHT Delivery Plan for 2015-20 report in December 2014. The BMHT Delivery Plan 2015-20 allows for schemes to be substituted if there were any problems with specific sites and Montgomery Street, which was appropriated into the HRA in 2015, is a substitute site for the proposed site at Melvina Road in Nechells which currently has significant constraints that make the scheme difficult to secure a residential planning permission.
- 5.5.2 It is proposed to commence the procurement process for Gladstone Street, the larger development, using the Homes and Community Agency's Delivery Partner Panel 2 (HCA DPP2) framework agreement in accordance with its protocol so that the development commences immediately after the demolition of Osborne Tower in May/June 2017. The procurement route was agreed in the Cabinet report dated 28th June 2016 and the HCA DPP2 framework agreement has been selected as it is suitable for larger developments and offers the best value to award a contract within the timescales.
- 5.5.3 Cabinet is asked to delegate the approval of the commencement of the procurement process and subsequent awards of contracts for these 2 schemes to the Strategic Director of Economy and Acting Strategic Director of Place in conjunction with the Strategic Director of Finance and Legal (or their delegate), the Acting City Solicitor (or their delegate) and the Assistant Director of Procurement to enable these housing schemes to start as quickly as possible in the 2017/2018 financial year and provide revenue to the Council upon completion.

5.6 Extension of the Building Birmingham Scholarship (BBS) programme

- 5.6.1 Cabinet approved the creation of the BBS at its meeting in November 2012. After one year in development, the scheme was officially launched with a pilot phase (12 months) in November 2013. The BBS initiative is aimed at upskilling young people in construction related disciplines so they can be the leaders of house building and regeneration of the future and has a particular emphasis on targeting, attracting and supporting people from low income families. The funding for BBS is derived from a £500 per unit levy charged to contractors who build homes for the council, with the expectation that contractors use their social value or corporate social responsibility programmes to fund this.
- 5.6.2 Since 2013, over £500,000 has been raised on the back of new contracts to support this initiative and with the majority committed, there needs to be a new approval to continue to levy and collect this, in order to support the initiative.
- 5.6.3 The programme has gone from strength to strength since being launched in November 2013. The information below illustrates the number of people who have been supported or are currently being supported through BBS.

- 2013 (pilot) – 4 students supported
- 2014 – 16 students recruited
- 2015 – 25 students recruited

- 5.6.4 In September 2016 another 27 students were brought onto the programme making the total 72 people now having been supported since its inception. The attached small brochure in Appendix 4 illustrates some of the key achievements and successes of the BBS programme which genuinely changes the lives of young people.
- 5.6.5 The actual financial outlay for supporting a BBS student is relatively low with most students receiving no more than £9,000 in support in a number of ways including contributions to fees, equipment or in some cases subsistence/living costs over 3 years. The success of the initiative is mainly around creating a talent pool of young people who are being quickly offered employment with BMHT partners including local contractors, architects and consultants such as Capita and Arcadis who provide cost and programme support to the Council.
- 5.6.6 The opportunity exists to increase the number of opportunities for BBS by encouraging more partners to sign up to offer both work experience, summer placements and guaranteed interviews. On this basis it is recommended that the BBS initiative is now mainstreamed into the delivery of the BMHT programme. This funding will come from contractors and not the Council and therefore there will be no direct financial implications on the council by agreeing to this.

6. Evaluation of alternative option(s):

- 6.1 **Disposal of land on private market** – this option is discounted as HRA land is currently earmarked for the ongoing delivery of the BMHT programme
- 6.2 **Deliver all new homes for outright sale** – this option is discounted on the basis that the cost of construction and associated fees is more than the current market value of the new homes and would therefore mean that the Council would lose money by developing these homes for outright sale.
- 6.3 Alternative procurement options for the four schemes are detailed in Appendix 1.

7. Reasons for Decision(s):

- 7.1 To enable the award of contracts for four schemes, to develop a further two sites and the commencement of the procurement process for these two schemes that will support the Council in delivering housing growth across the City by providing as many new homes as possible using the Council's resources.
- 7.2 To support the training and development of young people from low income households by expanding the BBS initiative.

Signatures	<u>Date</u>
Councillor Peter Griffiths Cabinet Member for Housing and Homes
Councillor Majid Mahmood Cabinet Member for Value for Money and Efficiency	
Councillor Brett O'Reilly Cabinet Member for Jobs and Skills
Waheed Nazir Strategic Director for Economy

List of Background Documents used to compile this Report:
Cabinet Report - October 2015 - <i>'KEEPING BIRMINGHAM BUILDING': BIRMINGHAM MUNICIPAL HOUSING TRUST (BMHT): PROGRAMME APPROVALS 2015 - 2017 - APPROVAL OF FULL BUSINESS CASE</i>
BMHT Delivery Plan for 2015-20 (agreed by Cabinet in December 2014)
Cabinet Report - November 2012 - <i>'BUILDING BIRMINGHAM - APPROVAL OF TENDERS AND FULL BUSINESS CASE- BIRMINGHAM MUNICIPAL HOUSING TRUST (AFFORDABLE RENT PROGRAMME AND STOCK REPLACEMENT PROGRAMME)'</i>
Cabinet Report dated 28 th June 2016 – Supporting Small and Medium Enterprises – A Tender Strategy for Establishing the BMHT Dynamic Purchasing System

List of Appendices accompanying this Report (if any):
1. Contract Award Strategy – BMHT Housing Development Proposals (Bangham Pit Road, Caynham Road, White Farm Road and Park Lane)
2. Full Business Case (FBC) 2017/8 new starts
3. BMHT Programme
4. Building Birmingham Scholarship Key Achievements
5. Stakeholder Analysis and Risk Register

CONTRACT AWARD – BIRMINGHAM MUNICIPAL HOUSING TRUST, HOUSING DEVELOPMENT PROPOSALS (BANGHAM PIT ROAD, CAYNHAM ROAD, WHITE FARM ROAD AND PARK LANE SITES (P348)

1 Background and Service Requirements

- 1.1 This appendix provides details of the procurement process followed for the proposed development of housing on the Bangham Pit, Caynham Road, White Farm Road and Park Lane sites further to paragraph 2.1 and 5.3 of the Public Report.

2 Market Analysis

- 2.1 The market for house builders is mature and made up of companies ranging from local Small and Medium Enterprises who generally build smaller developments from single units upwards, to large multi-national organisations normally associated with volume house building.

3 Strategic Procurement Options

The procurement options considered were as followed

- 3.1 Carry out a Further Competition exercise using the CWM Framework Agreement – this was discounted for the reason stated in paragraph 1.2.
- 3.2 Tender each site on an individual basis – this would not be a prudent use of Council funds due to the time and resource required and the impact on the HRA Business Plan. Also, this option would be time-consuming for potential tenderers.
- 3.3 One tender exercise awarded by lot – this was the procurement approach undertaken on the basis that structuring the sites by lot allowed SMEs to tender in fair competition with the larger house builders. There are benefits as prices reflect current market conditions and the latest Council requirements were included in the tender exercise.

4 Procurement Approach

4.1 Duration and Advertising Route

The contract will be for a period of 22 months commencing November 2016. The opportunity was advertised in the Official Journal of the European Union, Contracts Finder and on www.finditbirmingham.com.

4.2 Procurement Route

The requirement was tendered using the 'open' procedure.

4.3 Scope and Specification

- 4.3.1 The development of 63 new build affordable homes on four sites across the city. The contracts will be let as individual lots with a range of between 5 and 31 dwellings on each site. The forms of contract will be the JCT Standard Design and Build Form. The Council developed the designs to detailed planning application and carried out investigations and surveys necessary to support this. The appointed contractors will be required to take this information, complete the design works, clear any residual planning

conditions and carry out the complete construction of the dwellings to the Council's specification and in accordance with all appropriate standards and requirements.

4.3.2 Tenderers may be awarded one or more of the Lots and could bid for as many Lots as they desire, subject to the turnover and capability criteria as set out in the tender documentation.

4.3.3 The breakdown of lots was as follows:

Lot	Constituency/ Ward	Site	Dwellings
1	Northfield / Bartley Green	Bangham Pit Road	31
2	Northfield / Bartley Green	Caynham Road	18
3	Sutton Coldfield / Four Oaks	White Farm Road	5
4	Ladywood / Aston	Park Lane	9

4.4 Tender Structure

4.4.1 Invitation to Tender (ITT) Stage

The contract was advertised on 5th August 2016 seeking expressions of interest from organisations who wished to tender for all or some of the lots identified in the tender documentation. In response to the advert, twenty-nine companies expressed an interest and downloaded the ITT documentation to complete. Following a request from tenderers to allow more time to complete the tender documentation, the deadline by extended from 13th September 2016 to 20th September 2016. Eight companies responded as requested by the deadline and twenty-one effectively withdrew themselves by not returning a tender. Two companies advised before the deadline that a tender would not be submitted and no correspondence was received from the other nineteen.

4.4.2 Evaluation and Selection Criteria

The evaluation criteria for the ITT stage was as follows:

ASSESSMENT A		
		Scoring
Section 2A – Part 1	Supplier Information & Lot Selection	Pass/Fail
Section 2A – Part 2	Grounds for Mandatory Exclusion	Pass/Fail
Section 2A – Part 3	Grounds for Discretionary Exclusion Section 1	Pass/Fail
Section 2A – Part 4	Grounds for Discretionary Exclusion Section 2	Pass/Fail
Section 2A – Part 5	Economic & Financial Standing	Pass/Fail
Section 2A – Part 6	Technical & Professional Ability	Pass/Fail
Section 2A – Part 7	Additional ITT Questions <ul style="list-style-type: none"> • Environmental Management • Insurance • Compliance with Equalities Duties • Health & Safety • Social Value, Charter & Living Wage 	Pass/Fail Pass/Fail Pass/Fail Pass/Fail Pass/Fail Pass/Fail
Section 2A – Part 8	Tender Statement	Pass/Fail

Tenderer's submissions that passed the criteria above proceeded to the next stage of the assessment.

Assessment B

Tenders submissions for Lot 1 – Bangham Pit Road, Lot 2 -Caynham Road and Lot 4 – Park Lane were evaluated using a split of 30% quality, 10% social value and 60% price. Tenders for Lot 3 – White Farm Road were evaluated using a split of 30% quality and 70% price. Social value was not included for Lot 3 as the value of the scheme is below the threshold for inclusion. The split was established having due regard to the corporate document 'Evaluating Tenders Guidance' which considers the complexity of services to be provided.

Tenders were evaluated against the specification in accordance with a pre-determined evaluation model.

The evaluation criteria used for the ITT stage was:

Mandatory Criteria	Weighting %	Sub-Criteria	Sub-Weighting %
Quality	30%	Experience & Competency	20%
		Design Quality & Specification	10%
		Management of Programme	25%
		Organisational Management & Resources	20%
		Health & Safety	25%
Social Value	10%	Local Employment	25%
		Buy Birmingham First	20%
		Partners in Communities	20%
		Good Employer	15%
		Green & Sustainable	10%
		Ethical Procurement	10%
Value for Money / Price	60%	Price	100%
	100%		100%

4.4.3 The evaluation was undertaken by officers from the Housing Regeneration and Development Team and the Council's Employer's Agents (Acivico Ltd, Arcadis LLP, Capita Property Management Ltd) supported by Corporate Procurement. The outcome of the evaluation is detailed in the accompanying private report.

4.4.4 Service Delivery Management

4.4.4.1 Contract Management

The operational management of the developments will be managed by the Council's Employer's Agents and the overall management will be carried out by the Development Manager.

4.4.4.2 Performance Management

BMHT already have a robust method of assessing contractor's performance through Key Performance Indicators and will be continually assessed over the life of each building contract.

Appendix 2 - Full Business Case (FBC)

1. General Information

Directorate	Economy	Portfolio/Committee	Housing, Development
Project Title	DRIVING HOUSING GROWTH AND SUPPORTING YOUNG PEOPLE INTO EMPLOYMENT THROUGH THE BMHT DEVELOPMENT PROGRAMME	Project Code	Various
Project Description	<p>In December 2014, Cabinet approved a five-year housing development programme of over 2,000 new homes via its BMHT vehicle as part of its commitment to delivering housing growth across Birmingham. The HRA Business Plan that came into effect from March 2012 is based upon the delivery of new council stock, replacing homes lost due to planned clearance and Right to Buy.</p> <p>This report includes 2 new BMHT schemes for social rent proposed at;</p> <ol style="list-style-type: none"> 1. Gladstone Street in Nechells (32 homes) and 2. Montgomery Street in Sparkbrook (10 homes) <p>as part of the proposed new starts programme for 2017/8 and commencing in Q1 of 2017/8. These two sites have been prioritised for early development to provide rented homes in areas of high demand and in some cases are replacing schemes in the 5-year housing development plan that are unable to come forward at this stage.</p>		
Links to Corporate and Service Outcomes	<p>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following and as set out in Section 4 of the attached public Cabinet report:</p> <ul style="list-style-type: none"> • Council Business Plan & Budget 2016+ • Housing Revenue Account Business Plan 2016+ • Housing Plan 2010 refresh • Homelessness Strategy 2012 • Birmingham Housing Growth Plan 		
Project Definition Document Approved by	Cabinet	Date of Approval	8 th December 2014 'BMHT Delivery Plan 2015-20'
Benefits Quantification- Impact on Outcomes	Measure		Impact
	Number of new homes built for Social Rent that will be		42 New affordable homes for Social Rent

	made available to meet demand across the city	
	Number of apprenticeships and training places secured through these developments	8 full time apprenticeships and 19 training placements will be provided
	Assessment of Environmental Sustainability of the development/s	All 42 BMHT homes will be built to current Building Regulation standards and to a level equivalent to the former Code for Sustainable Homes Level 4 prioritising insulation, air tightness and mechanical ventilation and heat recovery systems.
	Reducing crime and anti-social behaviour	Adopting Secure by Design standards and practice and using Building for Life as a tool to set the highest possible urban design principles. Removing a redundant car park at Montgomery Street in Sparkbrook, where fly tipping is a major issue for the council and local residents.
Project Deliverables	The delivery of 42 new council properties for Social Rent by December 2018	
Scope	<p>The key elements remaining within the scope of these projects are;</p> <ul style="list-style-type: none"> • Planning applications to be secured • Appointment of preferred contractors • Achieve a start on site by Summer 2017 • Construction and completion of all 42 homes by December 2018 	
Scope exclusions	The projects do not consider the detailed arrangements for the management or ongoing maintenance of the new council housing once completed as this will be dealt with under the existing arrangements for HRA dwellings.	
<i>Dependencies on other projects or activities</i>	<ul style="list-style-type: none"> • Planning Permission • Completion of legal documents including JCT building contracts • Appointment of the preferred contractors • Advertising loss of open space where appropriate 	
Achievability	The council is now a recognised and substantial provider of affordable and market housing and has taken steps to ensure that any schemes it wishes to see built can come forward. It has specifically promoted the engagement of local, smaller contractors alongside larger firms via its new	

	Dynamic Purchasing System, thus offering opportunities to SMEs within Birmingham and the West Midlands.		
Project Manager	Steve Dallaway/Development Manager/ Planning and Regeneration Tel. 0121 303 3344 steve.dallaway@birmingham.gov.uk		
Budget Holder	Clive Skidmore / Head of Housing Regeneration and Development Tel. 0121 303 1667/ clive.skidmore@birmingham.gov.uk		
Sponsor	Waheed Nazir / Strategic Director of Economy Tel. 0121 464 7735 waheed.nazir@birmingham.gov.uk		
Project Accountant	Guy Olivant / Head of City Finance (HRA) Tel. 0121 303 5742 / guy.olivant@birmingham.gov.uk		
Project Board Members	<ul style="list-style-type: none"> • Waheed Nazir /as above • Clive Skidmore / as above • Guy Olivant / /as above • John Jamieson/Head of Asset Management and Maintenance/Tel. 303 4082/ john.jamieson@birmingham.gov.uk • Guy Chaundy/Senior Service Manager-Landlord Services Tel. 464 9260/ guy.chaundy@birmingham.gov.uk 		
Head of City Finance (HoCF)	Guy Olivant	Date of HoCF Approval:	October 2016

Financial Tables

Key Inputs			
Construction		Running Costs, etc.	
Grant	Nil	Weekly rent	£78-£144
		Rent loss - voids / arrears	3.0%
Total Build Costs (including fees and pre contract costs)	£5.96m	Annual rent increase	-1.0% until 2019/20 then 3.0% ongoing
RTB Activity	None	Management Costs	£702
Key Outputs		Repairs Costs	£893
(Surplus) / Deficit after 30 years	£(7.85)m	Capital Works (5-yearly)	£4,476
		Annual Cost Increase	2.5% (CPI 2.0%)

HRA Extract	2016/17	2017/18	2018/19	2019/20	2020/21	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
	£m	£m	£m	£m	£m	£m
Rental Income	0.00	(0.03)	(0.13)	(0.20)	(0.22)	(9.41)
Voids and arrears	0.00	0.00	0.00	0.01	0.01	0.28
Repairs and Maintenance	0.00	0.00	0.02	0.04	0.04	1.64
Management Costs	0.00	0.00	0.02	0.03	0.03	1.29
Cash-backed Depreciation	0.00	0.01	0.00	0.00	0.00	(1.65)
HRA Deficit / (Surplus)	0.00	(0.02)	(0.09)	(0.12)	(0.14)	(7.85)
Revenue contributions from wider HRA/ RTB 1-4-1/ Affordable housing S106	(0.11)	(2.66)	(2.46)	(0.73)	0.00	(5.96)
Net HRA Impact	0.11	2.64	2.37	0.61	(0.14)	(1.89)

Capital Account	2016/17	2017/18	2018/19	2019/20	2020/21	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
	£m	£m	£m	£m	£m	£m
Pre Contract Costs	0.11	0.00	0.00	0.00	0.00	0.11
Build Costs (including Fees)	0.00	2.66	2.46	0.73	0.00	5.85
Total Development Costs	0.11	2.66	2.46	0.73	0.00	5.96
Capital Investment / Renewals ¹	0.00	0.00	0.00	0.00	0.00	1.66
Revenue Contributions from wider HRA / RTB 1-4-1 / Affordable Housing S106	(0.11)	(2.66)	(2.46)	(0.73)	0.00	(5.96)
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	0.00	(1.66)
Total Capital Income	(0.11)	(2.66)	(2.46)	(0.73)	0.00	(5.96)
Capital Account (Surplus) / Deficit	0.00	0.00	0.00	0.00	0.00	0.00

Balance Sheet Extract	2016/17	2017/18	2018/19	2019/20	2020/21	2046/47
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 30
	£m	£m	£m	£m	£m	£m
Land & Buildings	0.97	2.24	4.93	5.84	5.99	11.38
Cyclical Investment Reserve	0.00	0.01	0.04	0.09	0.13	0.37
Capital Reserve	(0.97)	(2.25)	(4.97)	(5.93)	(6.12)	(11.75)
Net	0.00	0.00	0.00	0.00	0.00	0.00

Properties	2016/17	2017/18	2018/19	2019/20	2020/21	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	Year 4	
Social Rent Properties	0	10	28	4	0	42
Sale Properties	0	0	0	0	0	0
Total Properties	0	10	28	4	0	42

Note:

1. Formal approval to the ongoing capital investment / renewals programme (at a total value of £1.66 million over the coming 30 years) will be sought in due course as a part of the overall HRA capital programme as details of elemental investment needs emerge over time.

Appendix 3 – BMHT Rent Programme 2016/17 - 2018/19

	Completions planned 2016/17	Completions planned 2017/18	Completions planned 2018/19	Completions planned 2019/20	Total
RENT PROPERTIES BMHT Schemes Approved	270	351	37	70	728
New tender awards (in report)					
1. Bangham Pit Road Ph2, Bartley Green	0	18	13	0	31
2. Caynham Road, Bartley Green	0	18	0	0	18
3. White Farm Road Phase 2, Sutton Coldfield	0	5	0	0	5
4. Park Lane, Aston	0	9	0	0	9
Sub Total	0	50	13	0	63
New starts for 2017/8 (FBC)					
1. Montgomery Street, Sparkbrook	0	10	0	0	10
2. Gladstone Street, Nechells	0	0	28	4	32
Sub Total	0	10	28	4	42
Specific BMHT schemes being worked up to FBC stage	0	29	95	145	269
Total Rent Properties Currently Planned	270	440	173	219	1,102
Total Rent Properties planned in HRA BP 2016+	347	308	119	206	980
Variation to HRA BP 2016+	(77)	132	54	13	122

Appendix 4

Building Birmingham Scholarship Key Achievements



Building
Birmingham
Scholarship



Investing in Birmingham's young people

2013

BBS piloted

90

BBS applications
received
(to date)

73

Accepted onto BBS

23%

Female students
being supported
through BBS

80%

BBS students from
priority ward areas of
Birmingham



42% 37% 21%

£0 - £10k

£10 - £20k

£20 - £30k

ANNUAL HOUSEHOLD INCOME OF BBS STUDENTS

38

work experience
placements
undertaken between
2013 – 2015 cohorts

8

students recruited
into fulltime
employment



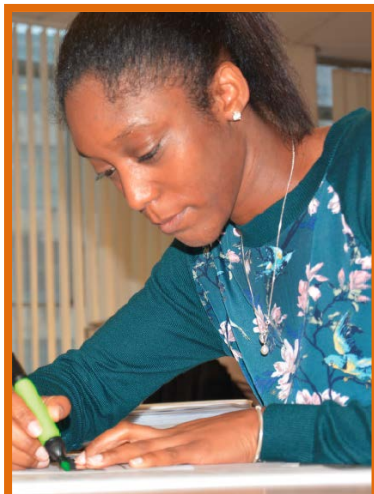
SUCCESS STORIES



COURTNEY DANIEL

Secured fulltime employment with Jessup as Site Assistant Manager after first year of studies in 2014.

Rising Star of Birmingham 2015 award winner.



SENA CHAUHAN

Secured Operation & Maintenance Document Assistant role at Thomas Elliot Group in 2014.



ADAM ZAMAN

Secured Trainee Project Manager role at Capita in 2015.



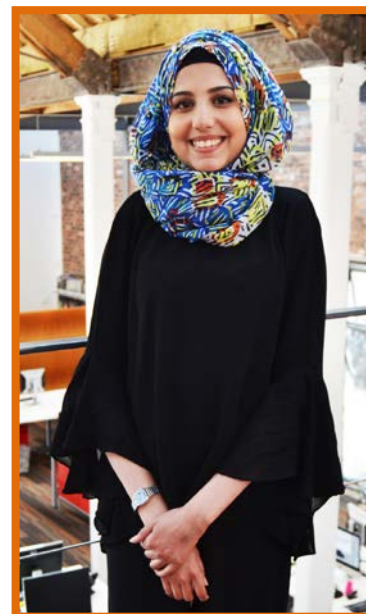
WAHID IQBAL

Secured Trainee Project Manager role at Arcadis in 2016.



TYUB SABIR

First BBS graduate scholar 2016. Awarded 1st Class Hons Degree. Secured fulltime employment as Construction Planner with Galliford Try.



MEELAD FARIS

Secured Trainee Architect role at Glancy Nicholls Architects in 2016.



20 SCHOOLS ENGAGED WITH 2015 / 16

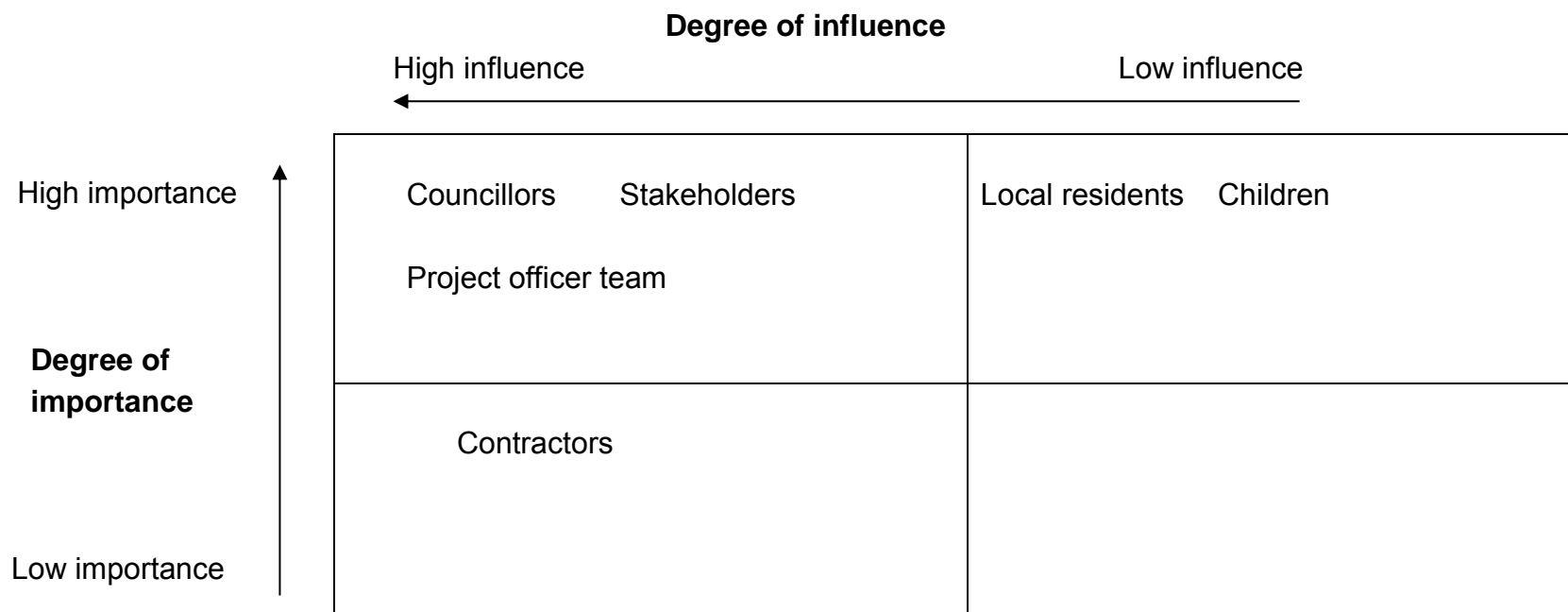
We are working with schools across the city and in priority ward areas to raise awareness about careers available within the built environment sector.

SCHOOLS ENGAGEMENT PROGRAMME

Inspiring young people into construction

Identified Stakeholders:

- Local residents & stakeholders, Young People Needing Support In Education and Training
- Cabinet Members
- Strategic Director – Place
- Ward Councillors
- Project officer team
- Contractors



Stakeholder	Stake in project	Potential impact on project	What does the project expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Councillors	Link with local residents	High	Consultation with community and support for project	Objections from local residents	Provide information and keep informed. Ensure Members are fully briefed on relevant matters	Client officers and project manager
Local residents, children & stakeholders	End users and adjoining neighbours	Medium High	Contribution to the design during consultation. Understanding during construction works.	Fear of anti-social behaviour. May object to disturbance of works operations.	Careful design and prompt reaction to limit concerns or site issues. React Promptly and effectively to concerns or site issues.	Client officers and project manager and local councillors
Project officer team	Design, delivery and responsibility for project	High	Design to meet the requirements. Expertise in delivery. Project management. Long term management	Unforeseen delays Unforeseen costs	Co-ordinate design team and contractor	Client officers and project manager
Contractors	Construction work	Medium	Works to be completed to the client brief and delivered on time and in budget.	Sub-standard work	The primary and specialist contractors will be closely monitored and obligated contractually.	Project manager and quantity surveyor

Appendix 5 - Delivering Housing Growth – Risk Register

Risk	Probability	Impact	Mitigation Strategy	Resource Implications	Current Position
Failure to secure planning permission (Montgomery Street)	Low	High	Pre-application process complete. All necessary surveys undertaken. Local Ward Member support for scheme.	Liaison with Planning Management Employers Agent time/fees	Planning Application submitted.
Delays to demolition of Osborne Tower (Gladstone Street) and Sapphire Tower (Park Lane)	Medium	High	Ensure demolition contracts in place ASAP. Ensure all appropriate service issues addressed.	Acivico to manage demolition programme.	Sapphire Tower is already half demolished and new services issues addressed ahead of demolition. Priority management of last remaining tenant in Osborne Tower. Demolition contract to be issued ASAP.
Unknown site impediments (all schemes)	Medium	High	Site Investigations undertaken. Risk assigned to contractor rather than BCC.	Employers Agent to issue specific clauses in contract and assess likely risk and suggest appropriate provisional sums.	Legal Services to ensure robust contractual conditions.

Risk	Probability	Impact	Mitigation Strategy	Resource Implications	Current Position
Delays to construction programme	Low	High	<p>Contract Management of the building contract both financial monitoring and site progress</p> <p>Site investigation reports passed to contractors.</p> <p>Robust project management arrangements with EA's BMHT and Contractor.</p>	Contained within programme budgets	Contractors on the 4 re-tendered sites have delivered previous elements of the BMHT programme and have extensive previous experience including the typologies being constructed and similar site constraints on previous schemes. They are aware of the stringent monitoring and have worked with this previously
Procurement challenge by unsuccessful tenderers	Low	Low	Ability to effectively dismiss any claims or challenge	Legal Services/CPS/Client	Robust procurement process and evaluation undertaken led by Corporate Procurement Services with client

					involvement with professional advice from the Employers Agents and legal advice where appropriate.
Risk	Probability	Impact	Mitigation Strategy	Resource Implications	Current Position
Escalation in costs of construction resulting in fewer homes provided	Medium	High	Fixed cost design and build contract adopted	Financial model affected increased costs and/or reduced rental income	Contract award is on basis of fixed price without qualifications. Removal of clarifications to tenders as part of evaluation process
Contractor insolvency during construction	Low	High	Capacity checks have been completed. Schemes will all have NHBC (or equivalent) cover	Parent Company Guarantee's (PCG) or Performance Bond's (PB) required as part of BMHT procurement and tender award.	Up to date checks are mandatory before building contracts are signed.

Risk	Probability	Impact	Mitigation Strategy	Resource Implications	Current Position
Sub-contractor or supply chain insolvency during construction	Low	High	Well established supply chain is in place	Programme and cost liability transferred to contractors	Appropriate control mechanisms will be put in place including PCGs and PBs and NHBC cover. Most contractors are now pro-actively re-enforcing their links with their established sub-contractors
Challenges regarding loss of amenity land	Medium	Medium	Appropriate adverts are completed timely. Process agreed and enshrined within planning permissions.	Legal Services	Offsite contributions already agreed where appropriate. New communal garden to replace amenity land agree at White Farm Road.

Report to:	CABINET
Report of:	Strategic Director of Economy
Date of Decision:	15 November 2016
SUBJECT:	SUPPLIER EXCELLENCE PROGRAMME (SEP) - FULL BUSINESS CASE
Key Decision: Yes	Relevant Forward Plan Ref: 002671/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member	Cllr Brett O'Reilly, Jobs and Skills
Relevant O&S Chairman:	Cllr Zafar Iqbal, Economy, Skills and Transport
Wards affected:	All

1. Purpose of report:	
1.1	To accept an offer of European Social Fund (ESF) revenue grant of £2m from the Department of Works and Pensions (DWP) to deliver a Supplier Excellence Programme (SEP) for the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) area and for Birmingham City Council to act as the Accountable Body on behalf of the GBSLEP.
1.2	To note that the SEP will offer funding of £1k to £18k towards level 3 and 4+ training packages targeted at 1,200 individual beneficiaries, within existing Small and Medium Enterprises (SMEs). It will grow skill levels within existing SME supply chain companies across priority growth sectors, significantly transforming business expertise, capability and capacity embedding tools, to improve workforce performance and business competitiveness.

2. Decision(s) recommended:	
That Cabinet :-	
2.1	Subject to confirmation of funding from the Department for Work and Pensions, approves the Full Business Case (FBC) (attached at Appendix 1) for the Supplier Excellence Programme (SEP) European Social Fund (ESF) project, which will provide packages of level 3 and 4+ training to existing and new employees within Small and Medium Enterprises (SMEs) across the GBSLEP area, for the period from January 2017 to the end of December 2019.
2.2	Subject to confirmation of funding from the Department for Work and Pensions. approves the City Council acting as the Accountable Body for the SEP and accepts the offer of ESF grant of £2m from the Department of Works and Pensions, which is being matched against an equivalent amount of public and private sector expenditure.
2.3	Subject to confirmation of funding from the Department for Work and Pensions, delegates the award of specific training support of between £1k to £18k per SME, up to the total of £1.820m, to Head of Business Enterprise and Innovation, as per the governance process shown in Appendix 2.
2.4	Authorises the Acting City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.
Lead Contact Officer(s):	Mohammed Zahir - Head of Business Enterprise and Innovation
Telephone No:	0121 303 2956
E-mail address:	Mohammed.zahir@birmingham.gov.uk

3. Consultation

3.1 Internal

Briefings have been provided to the Cabinet Member for Jobs and Skills and Strategic Director of Economy, who are both supportive of this report proceeding to an executive decision. City Finance and Legal and Democratic Services have been involved in preparation of this Cabinet report. Briefings have also been given to GBSLEP partners and staff within Economy Directorate, on the proposed programme structure and the role of Accountable Body.

3.2 External

The SEP research, design and development has been carried out in consultation with: GBSLEP LEP partners, major companies and SMEs, Universities and trade organisations, which has demonstrated the need for an evidence based, demand led and pragmatic level 3 and 4+ skill levels package compatible within the workplace. SEP has been subject to approval of outline and full application by DWP.

4. Compliance Issues:

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

4.1.1 The objectives of the programme are consistent with the long-term outcomes of the Council Business Plan and Budget 2016+, which confirms the City Council's support for the GBSLEP. This programme has emerged from research evidence and intelligence from consultation with major companies, SMEs, LEP partners and Universities. It reflects the Department of Works and Pension priorities of supporting LEPs across the West Midlands. The SEP will contribute towards the City Council's priority Outcome One: A Strong Economy, by helping SMEs within the eligible area to grow skills levels. The proposal will also support strategic initiatives, such as the Enterprise Zone and Economic Zones, by attracting investment and supporting the development and growth of businesses in the region.

4.1.2 The programme is aligned to the European Structural and Investment Fund (ESIF) and consultation with major companies and SMEs has demonstrated the need for an evidence based, demand-led and pragmatic skills package, compatible with the workplace, e.g. GBSLEP Strategic Economic Plan; GBSLEP Growth Strategy. Growth Strategy of GBSLEP areas; by growing level 3 and 4+ skill levels.

4.1.3 The number of individuals benefiting from skills training will be monitored and reported to the Cabinet Member for Jobs and Skills on a regular basis. The improvement in skills levels within SMEs will be reviewed in the context of the City Council's Birmingham Skills Investment Plan.

4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?)

4.2.1 The total SEP project expenditure is anticipated to be £4m, comprising £2m ESF revenue grant and an equivalent amount of public and private sector match-funding. The ESF grant will support payments to SMEs towards training costs estimated to be £1.82m and programme delivery costs (City Council), which are estimated at £0.180m.

4.2.2 The precise mix of projects (and private sector match-funding) expected to be delivered by the SEP will depend upon the scale of individual training projects, but the following table shows the allocation of spend (in line with the SEP application), with required private sector contributions and confirmed public match-funding:

Category of Programme costs:	ESF Grant	Private Sector Contribution	Public Sector Match	Total Public and Private Sector Funding
Revenue Funding	£'m	£'m	£'m	£'m
Packages of Training Support	1.82	1.82	0.00	3.64
City Council Delivery Costs/Salary match	0.18	0.00	0.18	0.36
Total SEP Expenditure	2.00	1.82	0.18	4.00

4.2.3 It is proposed that the City Council will be the Accountable Body for the ESF grant, which needs to be defrayed by 31st December 2019. In order to minimise the risk of grant claw back, all grant conditions will be enforced through Skills Funding Agreements with SMEs to enable the City Council to recover funds, in the event of a breach of these terms. Applications will be closely scrutinised and projects will be closely managed as part of risk management, which is addressed in the FBC attached at Appendix 1.

4.2.4 The City Council will claim ESF grant from the DWP quarterly in arrears, based upon actual grant payments to SMEs. Given the time limit of the ESF grant, the conditions of grant will specify that applicant projects need to be completed by 31st December 2019 or no grant will be paid. There will be no ongoing revenue implications for the City Council as a consequence of this project.

4.3 Legal Implications

SEP is being delivered under the Council's general power of competence under section 1 Localism Act 2011, to help businesses to grow skill levels within existing SME supply chain companies, across priority growth sectors, significantly transforming business expertise, capability and capacity embedding tools to improve workforce performance and business competitiveness. Skills funding will be provided in compliance with State Aid De-minimis Regulations of up to a maximum of 50% of eligible expenditure.

4.4 Public Sector Equality Duty (see separate guidance note)

The programme is open to all SMEs within the GBSLEP area. An initial Equalities Analysis has been carried-out, in line with statutory protocol, which is attached at Appendix 3 (Reference EA000077). This has not identified any issues of concern in relation to the Equality Act 2010. The proposed activity will not have any adverse impact upon people with protected characteristics.

5. Relevant background/chronology of key events:

- 5.1 The SEP outline application in response to the DWP call was submitted at short notice on 25th June 2016 and following a detailed assessment the application was approved on 23rd September 2016. Due to the short timescales, it was not possible to submit a Project Definition Document for approval by Cabinet. Therefore a bid was made by the Strategic Director of Economy with the support of the Cabinet Member for Jobs and Skills. The City Council was invited to submit a full application by 14th October 2016.
- 5.2 The SEP will grow skill levels within existing SME supply chain companies across priority growth sectors, significantly transforming business expertise, capability and capacity embedding tools to improve workforce performance and business competitiveness. It will offer 50% grant assistance towards level 3 and 4+ training packages costing £3k to £36k consisting of Core modules:
- Leadership and Management Development
 - Innovation
 - Supply Chain Development
 - Product Development
 - Market Development
- In addition, there will be bespoke modules targeted at industry specific priority growth sectors such as Aerospace and Defence, HS2, Automotive, Advanced Manufacturing and Engineering, Manufacturing, Transport, Construction, Logistics, Low Carbon and Environmental Technologies, Food Manufacturing and Drink.
- The training will be provided by accredited, experienced and industry approved providers selected by the SMEs. Guidance will be provided to the SME's as part of the application process to ensure that they procure an appropriate training provider in accordance with European procurement requirements. It will be delivered over 3-8 months and aimed at upskilling, increasing staff retention, enabling future workforce progression and grow the skills of up to 1,200 individual beneficiaries.
- 5.4 The SEP will be managed by the Business Development and Innovation team, part of Employment and Skills within the Economy Directorate, who have a successful track record for the development, securing external funding and delivery of significant business development programmes both in Birmingham and on a wider regional and national basis.
- 5.5 The GBSLEP Skills Hub and Growth Hub will handle initial enquiries, undertake screening of skills need, sign post and refer appropriate SMEs to the SEP. Furthermore, Original Equipment Manufacturers (OEMs) have agreed to generate awareness amongst their supply chains and make referrals onto the programme. The GBSLEP Local Authority Partners within the GBSLEP area (Cannock, East Staffordshire, Tamworth, Lichfield, North Worcestershire and Solihull) will also act as point of contact; generate awareness, engage with businesses; organise events, workshops and one to one sessions to maximise take-up of programme.
- 5.6 The City Council will manage the SEP, monitor delivery and capture beneficiary results to ensure programme achieves the targeted impact. Assistance will only be provided to those that meet the SEP programme criteria set out in the FBC at Appendix 1.
- 5.7 On the basis of the timescales set-out below, the SEP will commence in January 2017. Each application will be subject to an evaluation process, which will be on a first come first served basis. The SEP Skills Funding Panel comprising members of the GBSLEP, will recommend grant awards based upon this evaluation, which will be subject to approval by the Head of Business Innovation and Enterprise, who will act as the Accountable Body Officer.

Milestone	Start Date	Completion Date
Outline Application	April 2016	June 2016
Full Application	September 2016	October 2016
DWP Approval	October 16	November 2016
Develop marketing plan and monitoring systems	January 2017	March 2017
Launch of Programme	April 2017	April 2017
Panel approval of applications	May 2017	June 2019
Achieve outputs	October 2017	December 2019

6. Evaluation of alternative option(s):

- 6.1 To do nothing – Would lose the opportunity to secure the offered ESF grant to support the SEP programme designed to raise level 3 and 4+ skill levels within SMEs, across the GBSLEP area. Known skills gap will continue. Moreover, to decline the offer would damage the City Council's reputation, as the lead partner and Accountable Body for the LEP and undermine trust and relationships with key regional partners.

7. Reasons for Decision(s):

- 7.1 To accept the ESF funding and approve the FBC which will enable the City Council to start the programme as quickly as possible and raise level 3 and 4+ skill levels within SMEs across the GBSLEP area.

Signatures

Date

Cabinet Member for Jobs and Skills
Cllr Brett O'Reilly

.....

Strategic Director of Economy
Waheed Nazir

.....

List of Background Documents used to compile this Report:

Birmingham Skills Investment Plan – Cabinet report dated 16th February 2016
ERDF Business Growth Programme – Full Business Case: Cabinet report dated 17th May 2016
ERDF – Property Investment Programme – Full Business Case dated 18th October 2016

List of Appendices accompanying this Report (if any):

1. Full Business Case.
2. SEP Governance structure.
3. Equality analysis initial assessment

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

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

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation

Appendix 1

Full Business Case (FBC)			
1. General Information			
Directorate	Economy Directorate	Portfolio/Committee	Jobs and Skills
Project Title	ESF Supplier Excellence Programme (SEP)	Project Code	Revenue TA-01831-01
Project Description	<p>Supplier Excellence Programme (SEP) is a £4m programme funded by ESF grant of £2m supplemented by an equal match of private/public sector match funding) operating across GBSLEP areas.</p> <p>SEP is new training programme designed will to grow skill levels within existing SME supply chain companies across priority growth sectors, significantly transforming business expertise, capability and capacity embedding tools to improve workforce performance and business competitiveness.</p> <p>It will offer 50% contribution towards level 3 and 4+ training packages of £3k to £36k consisting of:</p> <ul style="list-style-type: none"> • Core modules : <ul style="list-style-type: none"> • Leadership and management Development • Innovation • Supply Chain Development • Product Development • Market Development • Bespoke modules: <ul style="list-style-type: none"> • Targeted at industry specific priority growth sectors as outlined below <p>The training will be provided by accredited, experienced and industry approved providers selected by the SME's. The SME's will be given guidance on the European procurement requirements, which specify:</p> <p>Contracts less than £2.5k – appoint based upon a quotation Between £2.5k and £24,999 – obtain three quotations Above £24,999 – to undertake a tender type process</p> <p>Training is expected to be delivered over 3-8 months and aimed at upskilling, increasing staff retention, enabling future workforce progression and grow the skills of up to 1,200 individual beneficiaries.</p> <p>The programme is aligned to the European Structural and Investment Fund (ESIF) and consultation with major companies and SMEs has demonstrated the need for an evidence base, demand led and pragmatic skills package compatible with the workplace e.g. GBSLEP Strategic Economic Plan; GBSLEP Growth Strategy. Growth Strategy of GBSLEP areas; by growing level 3 and 4+ skill levels.</p>		

	<p>SEP will be available to eligible SMEs across the GBSLEP area within priority growth sectors including Aerospace and Defence, HS2, Automotive, Advanced Manufacturing and Engineering, Manufacturing, Transport, Construction, Logistics, Low Carbon and Environmental Technologies, Food Manufacturing and Drink.</p> <p>The total public and private sector match funding investment in the proposed programme is anticipated to be in the region of £2m. The programme will be funded via an ESF grant of £2m, which will be payable to the City Council in quarterly instalments against profile and monitoring claims. The City Council is contributing existing staff resources totalling £0.18m over 3 years as ESF match-funding.</p> <p>As the Accountable Body for the SEP, all expenditure will be incurred by the City Council; this will be in accordance with the conditions of the ESF grant. It is estimated that £1.820m of funding will be utilised in relation to support to SMEs (the “beneficiaries”) and the balance of £0.180m will cover expenditure in relation programme delivery costs (staffing). The delivery of the SEP will need to be completed by 31st December 2019.</p> <p>Public sector revenue match-funding totalling £0.180m is being provided by the City Council. The private sector match-funding of £1.820m will be 50% of the cost of the training programme.</p> <p>As the Accountable Body for the ESF grant and to minimise the risk of claw back, the City Council will ensure all grant conditions will be enforced through Skills Funding Agreements with SME’s to enable the City Council to recover funds in the event of a breach of these terms. Applications will be closely scrutinised and projects will be closely managed as part of risk management, which is addressed in the FBC attached at Appendix 1.</p> <p>Given the time dated nature of funding for this programme, this will be managed so as to ensure that there are no ongoing revenue implications for the City Council. Further details as to how such risks will be managed are provided in the attached Risk Register (Annex 1).</p>
<p>Links to Corporate and Service Outcomes</p>	<p>The objectives of the programme are consistent with the long term outcomes of the Council Business Plan and Budget 2016+, which confirms the City Council’s support for GBSLEP. This programme has emerged from research evidence and intelligence from consultation with major companies, SME’s, LEP partners and Universities and reflects the Department of Works and Pension priorities of supporting LEP’s across the West Midlands.</p> <p>The SEP will contribute towards the City Council’s priority outcome one: A Strong Economy by helping SME’s within the eligible area to grow skills levels. The proposal will also</p>

	<p>support strategic initiatives such as Enterprise Zone and Economic Zones by attracting investment and supporting the development and growth of businesses in the region.</p> <p>The programme is aligned to the European Structural and Investment Fund (ESIF) and consultation with major companies and SMEs has demonstrated the need for an evidence based, demand led and pragmatic skills package compatible with the workplace e.g. GBSLEP Strategic Economic Plan; GBSLEP Growth Strategy. Growth Strategy of GBSLEP areas; by growing level 3 and 4+ skill levels.</p>		
Project Definition Document Approved by	Outline Application	Date of Approval	25 th June 2016

Benefits Quantification- Impact on Outcome	Measure	Impact
	To assist up to 1,200 new and existing employee beneficiaries within existing SME's to increase their skill levels across the GBSLEP area by December 2019.	Will lead to up to an estimated £4m of public and private sector investment to help raise skill levels and improve business performance. The SME's will benefit from a more trained workforce, which will lead to an increase in staff retention, workforce progression and opportunities for newly qualified apprentices/graduates to be employed. The programme will contribute towards addressing the skills deficit issue within the local economy and improved productivity.
Project Deliverables	Programme Outcomes: Increase level 3 and 4+ skills of 1,200 employees	
Scope	Programme scope <p>The SEP will operate across GBSLEP. The City Council will deliver the programme through a network of partners across the GBSLEP area.</p> <p>Marketing and promotion work can start in January 2017 for an April 2017 start.</p> <p>GBSLEP Skills Hub and Growth Hub will handle initial enquiries, undertake screening of skills need, sign post and refer appropriate SME's onto SEP. Furthermore, OEM's have agreed to generate awareness amongst their supply chains and make referrals onto the programme.</p>	

GBSLEP Local Authority Partners within the GBSLEP area (Cannock, East Staffordshire, Tamworth, Lichfield, North Worcestershire and Solihull) will also act as point of contact; generate awareness, engage with businesses; organise events, workshops and one to one sessions to maximise take up of programme.

Organisation Involvement – the City Council will be the Accountable Body and the lead organisation for this programme. It will also undertake the engagement with all participating GBSLEP partners and ensure they are provided with all the necessary information in order to recruit suitable businesses from their area. This will include the provision of appropriate marketing materials and activities.

A programme management team from the Business Development and Innovation (BDI) Team part of Employment and Skills within the Economy Directorate has been established for this purpose. The City Council and the LEP partners will put full management and control procedures in place.

Marketing and Engagement - of businesses and referrals will be carried out by the City Council, GBSLEP Skills Hub, Growth Hub and participating LEP Partners drawing upon local knowledge and experience. The City Council will oversee the development of the necessary marketing materials and literature to reflect the programme content and geographical coverage. GBSLEP Skills and Growth Hubs and LEP LA partners will be responsible for market awareness and promotion, enquiry handling, initial screening of business suitability and ensuring local businesses understand the project criteria and application process in their respective areas. This is an SME based grant programme and excludes all other businesses, which fall outside this definition.

Skills funding of between £1k- and £18k will be awarded to support training of 1,200 employees matched by private sector funding.

Eligible costs include full/part/units of level 3 and 4+ training costs.

To be eligible, businesses have to:

- Be an existing SME
- Based within one of the GBSLEP areas
- Complete application form and provide related information
- Have a 12 months skills investment plan
- Demonstrate the business justification for the skills proposal, value for money, their ability to deliver the project and the impact on growing skills within the business.

BCC will review all applications prior to submission to SEP Skills Funding Panel.

Skills funding of £1k - £18k will be operated in accordance

	<p>with State Aid De minimis Regulations. In order to benefit from the programme, each SME must have received less than €200,000 of state aid assistance over a 3 year period (the current and previous 2 financial years).</p> <p>SEP expenditure will target existing SME supply chain companies across priority growth sectors, significantly transforming business expertise, capability and capacity embedding tools to improve workforce performance and business competitiveness.</p> <p>A SEP Skills Funding Panel will be established to consider all applications and approve/defer/decline support. The panel will consist of representatives from BCC, Local Authority Partners within the GBSLEP and the Skills Hub.</p> <p>The support to SME's will be paid retrospectively on satisfactory completion of the skills project and evidence of defrayal as set out in the funding agreement.</p> <p>The City Council will manage the SEP and monitor outputs created as a result, to ensure businesses deliver their skills investment plans. Assistance will only be provided to those that meet the SEP criteria.</p> <p>Written confirmation is required to DWP from the City Council that ESF funding will not be drawn down until both the End Beneficiary SME and the City Council have both defrayed the eligible expenditure. In addition, the City Council to confirm in writing DWP that funding will not be provided to ineligible businesses or business sectors as detailed in the ESF National Eligibility Rules.</p> <p>As the Accountable Body, the City Council will ensure that funding paid to individual businesses will be in accordance with the City Council's Standing Orders, ESF conditions and financial regulations specifically completion of a Conditions of Grant Aid (COGA).</p> <p>Support will be subject a Skills Funding Agreement.</p> <p>The project will be managed by the Business Development and Innovation team (BDI) part of Employment and Skills within the Economy Directorate and the delivery structure set out in Appendix 4 as well as governance and financial management arrangements will be established prior to programme start January 2017.</p>
Scope exclusions	<p>The City Council is not providing any cash match-funding towards this project.</p> <p>SEP will only support SME's across GBSLEP area.</p> <p>Excludes all businesses transacting directly with the public.</p> <p>Low value grants less than £1k.</p>
Dependencies on other projects or activities	<p>Staffing requirements will be fully met from within existing BDI Team resources supplemented by other appropriate financial, legal and technical support to deliver the programme.</p>

	<p>The Economy Directorate has a proven track record of managing time limited programmes and appropriate management controls will be put into place to ensure that there will be no ongoing capital or revenue implications for the City Council beyond the financial completion date of the Programme.</p> <p>The achievement of spend and output profiles is dependent on the predicted levels of uptake and in uncertain market conditions is a risk.</p> <p>Risks relating to lack of awareness, take up and number of applications, scheme flexibility, compliance with the grant offer letter, resource management and programme overrun are set out in the attached Risk Register (see Annex 1) together with an action plan mitigating these risks.</p>
Achievability	<p>The allocation of adequate and necessary staff resource and structured work plans will be essential to ensure the project proceeds according to the project management plan prepared.</p> <p>Full Engagement of the GBSLEP partners will be important to ensure satisfactory cover across GBSLEP area. GBSLEP Partners are fully committed to participate and to see the programme operating across the LEP area.</p> <p>The City Council has a successful track record for the development, securing external funding and delivery of significant business development programmes both in Birmingham and on a wider regional and national basis (£75m RGF and ERDF funded Green Bridge Supply Chain Programme, £33m ERDF funded Business Growth Programme, £9m Business Innovation Programme, £10m Business Support for Creative Industries Programme and £8m Business Development Programme).</p> <p>Marketing and promotion of activities through the use of GBSLEP Skills and Growth Hubs, GBSLEP LA partners websites, launch event, websites, supply chain network events, PR, programme literature will commence in January 2017.</p>
Project Manager	Suresh Patel 0121 303 3091 suresh.patel@birmingham.gov.uk
Budget Holder	Mohammed Zahir 0121 303 2956 mohammed.zahir@birmingham.gov.uk

Sponsor	Shilpi Akbar 0121 303 3015 shilpi.akbar@birmingham.gov.uk		
Project Accountant	Rob Pace 0121 303 3817 rob.pace@birmingham.gov.uk		
Project Board Members	N/A		
Head of City Finance (HoCF)	Alison Jarrett (Assistant Director, Finance)	Date of HoCF Approval:	2 nd November 2016

2. Budget Summary (Detailed workings should also be supplied)					
	<i>Voyager Code</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>Totals</i>
Revenue Expenditure:					
Skills funding packages *		200,000	1,000,000	2,440,000	3,640,000
Programme Delivery: Salaries including overheads		62,805	62,810	234,385	360,000
Totals		262,805	1,062,810	2,674,385	4,000,000
Funding					
ESF revenue funding		131,400	531,405	1,337,195	2,000,000
City Council Match Funding		31,405	31,405	117,190	180,000
SME Match funding *		100,000	500,000	1,220,000	1,820,000
Revenue Totals		262,805	1,062,810	2,674,385	4,000,000
Grand Totals		262,805	1,062,810	2,674,389	4,000,000
Planned Start date for delivery of the project	1st January 2017		Planned Date of Technical completion	31st December 2019	

* The SME match set out in this table is part of the ERDF approval, but it is not BCC resource or expenditure.

3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
<ul style="list-style-type: none"> Detailed workings in support of the above Budget Summary (as necessary) 	Mandatory	Contained within Application
<ul style="list-style-type: none"> Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document 	Mandatory	Refer to Cabinet report
<ul style="list-style-type: none"> Whole Lifecycle Costing analysis (as necessary) 	Mandatory	N/A
<ul style="list-style-type: none"> Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet) 	Mandatory	Refer to Cabinet report
Project Development products		
<ul style="list-style-type: none"> Populated Issues and Risks register 	Mandatory	Annex 1
<ul style="list-style-type: none"> Stakeholder Analysis 	Mandatory	Annex 2
Other Attachments (list as appropriate)		
Equalities Analysis	Mandatory	Appendix 3
Governance flow chart	Non-mandatory	Appendix 4

Appendix 1 Annex 1

SUPPLIER EXCELLENCE PROGRAMME ESF: Risk Register

No	Description	Likelihood	Impact	Grade	Action	Managed by:
1	Failure of GBSLEP Skills Hub, Growth Hub and LEP partners to raise awareness of the programme in their area and to identify suitable businesses for skills support	Medium	High	Material	Ensure comprehensive programme briefings to partners and adequate understanding before commencement. Put in place agreed detailed marketing arrangements, literature design and individual marketing strategies for each area together with good levels of support from City Council project team to implement local actions for awareness raising and programme promotion to suitable businesses.	Head of Business Enterprise & Innovation and programme lead officers
2	Unwillingness of sufficient number of eligible businesses coming forward to the application process for skills support and able to meet scheme criteria including match funding.	Low	High	Material	The programme of assistance compliments existing ERDF BGP Programme to meet the skills needs of SME's. LEP partners welcome the type of support the programme offers for local SME's. The good induction of partners, strong programme marketing and targeting the right type of businesses, clear and straight forward application form and process for approval with good programme management and monitoring should attract sufficient businesses. Evidence of match funding will be required at the application stage measured and monitored on a quarterly basis as per funding agreement	Programme lead officers and LEP partner authorities
3	Programme is too rigid and inflexible in meeting the skills needs of the businesses.	Low	Medium	Material	Monitoring and reviewing the programme to ensure it is flexible and responsive to the needs of skills need of businesses.	Programme lead officers
4	Poor quality of applications for skills support from businesses and or businesses failing to complete project expenditure in order to fully access assistance from the programme funds resulting in potential under spend.	Low	Medium	Material	Robust application procedure being established together with clear guidance and application process to assist businesses with the completion of applications that meet the standard required. With the correct development work and submission of sound applications the likelihood of none completion and under spend is less likely. Ability to award further assistance until the funding has been fully utilised over the life of the programme should ensure any under spend is kept to a minimum.	Programme lead officers
5	ESF regulations are not complied with leading to exclusion of eligible costs from claims.	Low	High	Material	The costs have been analysed and only eligible costs have been identified and included in the application. The offer of skills assistance to SMEs will include ESF terms to be passed on to SMEs (including a period of claw back), to help ensure understanding and compliance, and enable the City Council to recover funds in the event of a default against the terms or a claw back relating to a particular SME. Expenditure will only be paid in arrears on provision of evidence and when the works have been completed.	Business Enterprise Manager and programme lead officers
6	Compliance with ESF grant conditions so as to avoid clawback	Low	Medium	Material	Robust governance, operational management and programme delivery processes, systems and procedures will be embedded, implemented, monitored and evaluated. Any specific issues arising from compliance will be mitigated against checks and balances contained within the programme. The risk to the City Council is therefore minimised as long as it seeks recovery from businesses who default on grant conditions.	Head of Business Enterprise & Innovation and programme lead officers

No	Description	Likelihood	Impact	Grade	Action	Managed by:
7	Operational management of Programme difficulties such as delays in processing necessary documentation	Low	Medium	Material	Use Project Management Team to monitor, review and tackle any issues	Head of Business Enterprise & Innovation and programme lead officers
8	Delivery of costs so as to avoid overrun beyond 2019	Low	Medium	Material	Budget targets are negotiated with DWP and monitored on a regular basis to ensure no expenditure beyond 2019. A regular pipeline of applications generating through marketing activities will ensure delivery remains on track.	Programme lead officers
9	Failure of businesses to complete skills investment plan and achieve outputs leading to a lack of drawdown of funding approved.	Medium	Low	Material	Maximum delivery period for project spend will be 3-8 months. Effective monitoring and client management to maximise spend to meet budgetary forecasts.	Programme lead officers
10	Applicant in breach of terms and conditions of funding offer letter	Medium	Low	Material	BCC will review the breach of terms, conditions and suggest a course of action. If considered to be material breach, the funding offer will be withdrawn or seek claw back. Reallocate funding to other applicants.	Programme lead officers
11	SME fraudulent activity throughout the application and claims process	Low	Medium	Material	Develop robust intelligence and monitoring systems with support from Legal Services and Audit to eliminate potential fraudulent activity. If fraud is detected then engage City Council Legal Services and Birmingham Audit to investigate and if required issue legal proceedings.	Programme lead officers
12	Attempted bribery of BCC officers for financial or non-financial gain	Low	High	Material	Awareness of BCC's bribery and corruption policy. Be vigilant against attempted bribery. Refer to senior management and seek advice from Legal Services and Audit.	Programme lead officers
13	Lack of take up or lack of quality projects means contracted ESF outputs and spend targets are not being achieved leading to underperformance and potentially leading to clawback	Medium	High	Material	Contracted output and spend targets are annualised on a calendar year basis. The quarterly claim cycle includes output reporting which enables continual monitoring. As well as the project performance being overseen by the SEP Programme Management Team, annual reviews will be set out to ensure that the programmes are on track and to review all projects progress. Should forecast progress against annualised spend or output targets be cause for concern (more than 10% variance forecast), actions will be set, and if needed, DWP will be asked to reappraised the project based on the re-forecast measures, and a new agreement will be sought.	Programme lead officers
14	Uncertainty of funding as a result of BREXIT	Medium	Severe	Severe	Control/ Treat - regular communication with DCLG. HM Treasury has written to Rt. Hon. David Davies confirming their commitment to all EU funded projects providing they are in contract before the Autumn Budget Statement.	Regeneration Manager / Programme Delivery Team

SEP– STAKEHOLDER ANALYSIS

APPENDIX 1 ANNEX 2

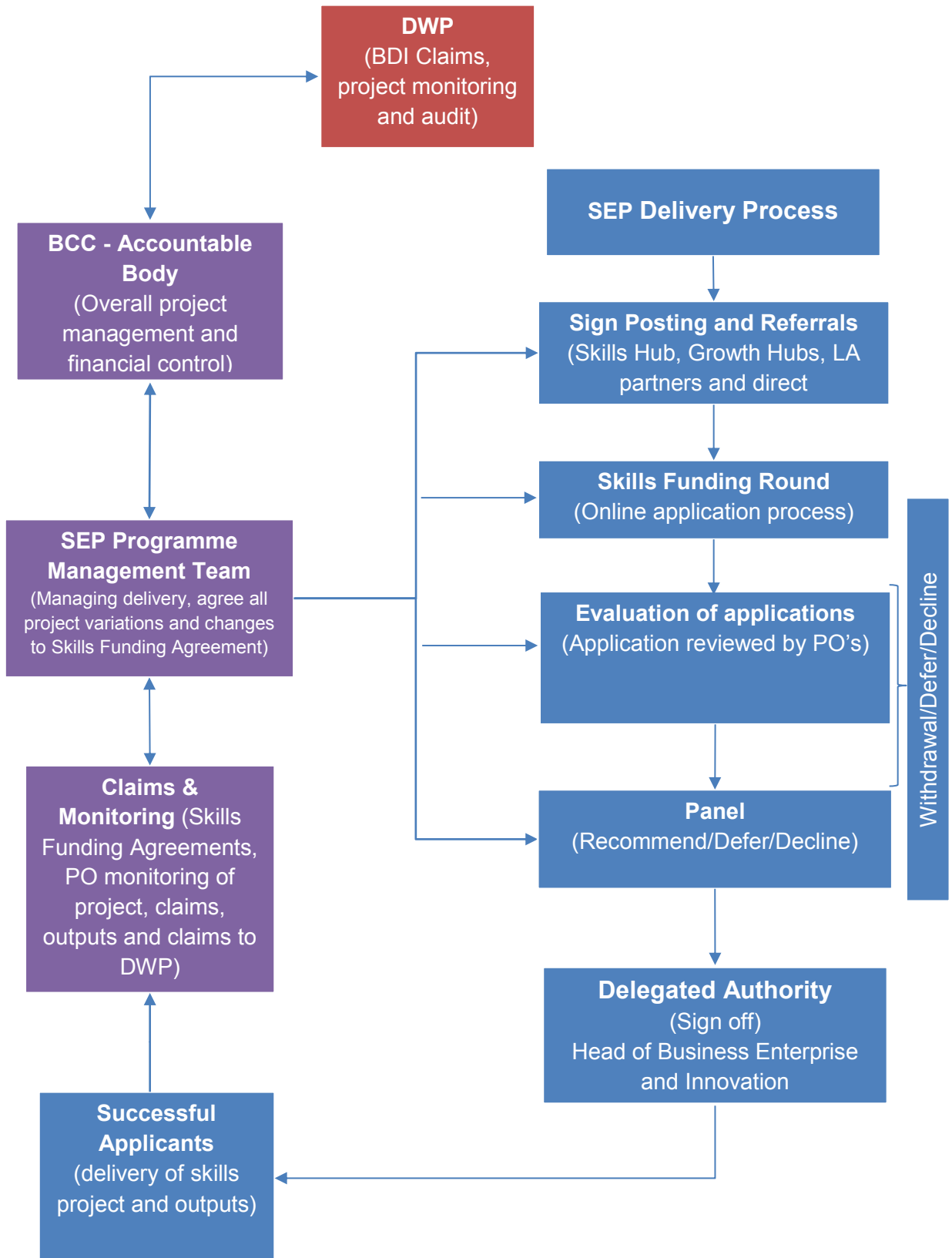
Stakeholder	Stakeholder's Interest	Influence Impact	What does the project board expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Leader	Endorses ESF Funding and proposal.	High	Political support	Supportive	Consult during development and provide progress reports during delivery as required	Head of Business Development and Innovation and Business Enterprise Manager
Deputy Leader	Endorses ESF Funding and proposal.	High	Political support	Supportive	Consult during development and provide progress reports during delivery as required	Head of Business Development and Innovation and Business Enterprise Manager
Cabinet Members for Jobs and Skills	Endorses ESF Funding and proposal.	High	Political support	Supportive	Consult during development and provide progress reports during delivery as required	Head of Business Development and Innovation and Business Enterprise Manager
GBSLEP Partners and other partners: GSBSLEP Skills and Growth Hubs, Birmingham Chamber Group, and trade Organisations.	Provision of support to Businesses across the GBSLEP area	High	General support, Endorsement of the Programme and access point to programme.	Supportive	Full consultation and engagement, regular progress updates, meetings and Project Board and Investment Board involvement.	Head of Business Development and Innovation and Business Enterprise Manager

SEP– STAKEHOLDER ANALYSIS**APPENDIX 1 ANNEX 2**

DWP	Approves ESF funding, due diligence process, agrees offer letter, process claims and monitoring of programme.	High	Due Diligence, agreement of Offer letter and performance monitoring of project, payment of claims.	Supportive	Monthly claims, regular monitoring reports and contact as appropriate	Head of Business Development and Innovation, Business Enterprise Manager and lead project officers
Local SME businesses across the GBSLEP areas	Potential recipients of grant support.	Low	Applications for programme support element	Supportive based on past experience and research	Programme launch, development of an effective marketing strategy and materials to raise awareness and promote programme support	Project lead officers and LEP partners
Businesses agencies / networks in the Programme area	Identification and referral source of suitable business applications	Low as long as not sole route to market	Referrals of suitable businesses into the programme	Supportive	Formal launch of programme and development of marketing strategy to ensure agencies and networks are engaged effectively in each LEP area and fully understand programme offer / opportunities. Follow-up workshops as necessary.	Project lead officers and LEP partner authorities



Appendix 2 ESF SEP- Governance



‘EQUALITY ANALYSIS’ TEMPLATE (Analysing the Effects on Equality)

RELEVANCE TESTING - STAGE 1 (Steps 1 & 2) (Formerly Initial Screening)

STEP 1: WHAT SHOULD BE ANALYSED / RESPONSIBLE OFFICER		
Name of ‘policy’ (See Glossary section)	Adverse Impact	
Assessment Date	18th October 2016	
Analysis Reference No	EA000077	
Is this a new or existing Policy/Procedure:	New	Existing
	X	
Council strategic theme Policy linked to and how will it support its delivery?	Economic prosperity	
Is the responsibility for the proposed ‘policy’ shared with another department or organisation? If so who and how are responsibilities split or shared? Partners should be involved in the process.	Responsibility for delivery work under the programme will be shared with the partners of the greater Birmingham & Solihull Local Enterprise Partnership, The City Council will be the sole accountable body for the ESF grant that is awarded. The partners have been fully consulted in the development of this programme and have a shared commitment to deliver on equality and diversity.	
Responsible Officer:	Role:	Directorate:
Waheed Nazir	Strategic Director	Economy

As a public authority we need to ensure that our ‘policies’ current and proposed give ‘due regard’ to the requirements of the Public Sector Equality Duty.

STEP 2: ESTABLISHING THE RELEVANCE OF YOUR POLICY TO EQUALITY
How do questions 1 – 5 meet your Policy Aims, Objectives and Projected Outcomes? Please provide a brief analysis of your findings to include:
<ol style="list-style-type: none"> 1. Purpose of the ‘policy’? Who is it intended to benefit and the intended outcomes? 2. Will the ‘policy’ have an impact on service users, employees or the wider community? 3. Data collection methods employed as part of the review to determine any likely impact 4. Policy options considered, including any alternative proposals 5. Does the ‘policy’ relate to services which previous engagement has identified as being relevant to a protected characteristic or where there are known inequalities
Provide a clear analysis of what the relevant data tells you about the likely impact of your decision
<ol style="list-style-type: none"> 1. SME’s based within Birmingham & Solihull Local Enterprise Partnership area will benefit from this programme. They will need to demonstrate the business justification for the skills proposal, value for money, their ability to deliver the project and the impact on growing skills within the business. The programme will be open to all businesses meeting the eligible criteria. It will seek to engage with all sections of the community opening up the opportunity to access the support available. The benefits will extend to businesses owned and managed by under represented sub groups, women, youth and those from BME communities. A key outcome of the project is to raise level 3 and 4+ of skill levels of 1,200 employees. 2. The policy is likely to have a positive impact on service users and the wider community

because it will provide tangible skills support to local SME businesses and many of these are owned and run by BME groups, women and young people. These are part of the business support target groups and they will be actively engaged and encouraged to access support services. The programme will be promoted to as wide an audience as possible across the GBSLEP area in order to maximise the potential impact.

3. No new data is available at this time to ascertain the full potential impact of the programme. The partners through the business support sub-group have been fully consulted on the development of this proposal, have agreed to be partners and fully endorse the application. The programme will engage with as many local providers as possible. Partners will attend events targeting these groups to promote the project to a wider audience and make the link between opportunities, economic need and economic growth. During mobilisation and implementation monitoring procedures will be put in place to capture and record engagement data. The programme will be subject to evaluation and all participants will have the opportunity to provide feedback on the recruitment, delivery and impact of their programme participation.
4. A full options appraisal has been carried out as part of the process of applying for ESF funding. This appraisal included the 'do nothing' option leaving businesses to find their own training support in the market place, and one that did not engage fully with all partners thereby removing full access to local knowledge and experience for business engagement across all communities and sectors.
5. The policy relates to services that will have an impact on stakeholders, partners, service users, SME businesses and the wider community. It has been developed from the experience of delivering previous successful project activity in Birmingham funded through RGF, ERDF and ESF and the evaluation and output results generated from this activity.

SEP will lead to up to an estimated £4m of public and private sector investment to help raise skill levels and improve business performance. The SME's will benefit from a more trained workforce, which will lead to an increase in staff retention, workforce progression and opportunities for newly qualified apprentices/graduates to be employed. The programme will contribute towards addressing the skills deficit issue within the local economy.

Analysis of 'policy' in relation to its current potential effects on equality

Chair Person/Lead Officer

Name:	Job Title & Directorate:	Signature	Sign-off Date:
Waheed Nazir	Strategic Director, Economy (interim)		November 2016

Chair's comment on analysis:

The SEP research, design and development has been carried out in consultation with: GBSLEP LEP partners, Major companies and SME's, Universities and trade organisations, which has demonstrated the need for an evidence base, demand led and pragmatic level 3 and 4+ skill levels package compatible within the workplace.

The programme is aligned to the European Structural and Investment Fund (ESIF) and Consultation with major companies and SMEs has demonstrated the need for an evidence base, demand led and pragmatic skills package compatible with the workplace e.g. GBSLEP Strategic Economic Plan; GBSLEP Growth Strategy. Growth Strategy of GBSLEP areas; by growing level 3 and 4+ skill levels.

The programme will raise level 3 and 4+ skill levels of 1,2000 new and existing employees within SME based in GBSLEP area.

--

Quality check and review by the Directorate Representative (s):				
Name:	Job Title & Directorate:	Signature	Sign-off Date:	
Relevance Test			Yes	No
The has been checked using the agreed audit arrangements in the Directorate				
Relevance review comments:				

FULL EQUALITY ANALYSIS - STAGE 2 (Steps 3 to 4)

STEP 3: ASSESSING SPECIFIC IMPACT	
Utilising your data sources information (Step 2). What are your findings in respect of the individual protected characteristics in relation to the three aims of the General Duty - Eliminate unlawful discrimination , harassment and victimisation, Advance equality of opportunity , Foster good relations . Please provide a brief analysis of your findings to include:	
<ul style="list-style-type: none">• Does the policy involve or focus on a particular equalities group, i.e. because they have particular needs?• Details on potential for differential impact (negative or positive) / possibility of discriminating unlawfully, directly or indirectly, against people from any protected characteristics• Is there any potential effect on relations between certain groups?	
Please describe how you justify your answer	
Age	
Disability	
Gender reassignment	
Pregnancy and maternity	
Race	
Religion or belief	
Sex	
Sexual orientation	
Marriage and civil partnership (aims 1 & 2 not applicable)	

DATA GAPS - Have you identified any specific equality issues and data gaps that may need to be addressed through consultation and/or further research
Please provide details

INVOLVING AND CONSULTING STAKEHOLDERS
<ol style="list-style-type: none">1. Who has been approached to explore these issues e.g. staff groups, trade unions, student voluntary groups etc (Please give dates and details of contact)2. How have you gained the views of these experts/groups (e.g. letter, meetings, interviews, forums, workshops, questionnaires or any other method)?
Please provide details:

OVERALL SUMMARY OF YOUR ANALYSIS**Please provide a summary of your analysis to include:**

- How you intend to utilise the findings as part of your decision-making;
- How your policy will meet the city councils responsibilities in relation to equality;
- How you will engage service users, employees in implementation, monitoring and review;
- How you will include commissioning and procurement considerations (if applicable);
- What opportunities might have been missed for making changes to the policy which would have a positive impact on certain groups;
- What changes/modifications will now be made to the policy in the light of this Analysis;
- How will these changes/modifications be communicated to interested parties (i.e. the groups which were adversely affected) and those consulted?

Quality check and review by the Directorate Representative (s):

Name:	Job Title & Directorate:	Signature	Sign-off Date:

Full Equality Analysis has been checked using the agreed audit arrangements in the Directorate

Summary of strengths pertaining to the equality analysis. If further work needs to be done on the Analysis, you will need to state this

STEPS 4: MONITORING AND REVIEW Any actions identified as an outcome of going through Step 3, should be mapped against the headings within the Action Plan.

	Actions	Ref No	Target Date	Outcomes	Responsible post holder/ directorate
Scoping your Equality Analysis and Analysing the information					
How you will measure the effects of the policy					
How will you ensure your Actions are included within your Business Plans					

STEP 5: DECISION MAKING, SIGN OFF PROCESS AND PUBLICATION - At this stage we recommend that a senior manager/board member signs off the analysis

The signature at each sign off stage below is based on the understanding that:

- A Full Analysis gives “due regard” to the 3 aims of the General Duty
- Consultation and Engagement has been undertaken and has informed decision making
- Consideration has been given to take account of disabled persons’ disabilities, even where

that involves treating disabled persons more favourably than other persons
<ul style="list-style-type: none">• Relevant information (key findings of the analysis) have been documented• Where an adverse impact is identified, consideration must be given on how to mitigate• Considerations have been given to alternate options• Adequate records detailing decisions made at relevant stages, have been documented• Action plan completed

Service Director or Senior Officer (sign-off)			
Name:	Job Title & Directorate:	Signature	Sign-off Date:
What decisions do you want the members to consider and what are the implications?			
Relevant Cabinet Member:			
Portfolio:			

Report to:	CABINET
Report of:	Strategic Director for People
Date of Decision:	15th November 2016
SUBJECT:	SCHOOLS PRIVATE FINANCE INITIATIVE & BUILDING SCHOOLS FOR THE FUTURE SAVINGS REVIEW
Key Decision: Yes	Relevant Forward Plan Ref: 002655/2016
Relevant Cabinet Member(s) or Relevant Executive Member	Councillor Brigid Jones – Cabinet Member for Children, Families and Schools Councillor Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Cllr Susan Barnett, Schools , Children & Families Cllr Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:
<p>1.1 To advise members on the outcomes of recent Soft Services benchmarking exercises concluded on 3 of the Council's 4 Private Finance Initiative (PFI) and Building Schools for the Future (BSF) Facility Management (FM) contracts and the impact the results will have on the annual Unitary and FM Charges payable by the Council with effect from each contract review date. Soft Services cover caretaking, cleaning, grounds maintenance and security provision at the schools/academies included in the above contractual arrangements.</p> <p>1.2 To seek authority to vary aspects of the contractual and commercial documentation in place with Birmingham Lend Lease Partnership (BLLP) formally known as the Local Education Partnership (LEP), Transform Schools and Birmingham Schools Partnership Limited (BSPL) in order to continue to realise savings from PFI and BSF contracts.</p>

2. Decision(s) recommended:
<p>That Cabinet:-</p> <p>2.1 Notes the outcomes of Soft Services benchmarking exercises undertaken on the Council's second school's PFI contract (PPP2) with Transform Schools and the entire BSF programme, which reached financial close between 2009 and 2012. The latter contracts having been negotiated agreed and concluded with BLLP.</p> <p>2.2 Authorises the Strategic Director - Finance and Legal to accept the outcomes of the respective benchmarking exercises and instruct the necessary financial adjustments to bring into effect all associated savings.</p> <p>2.3 Authorises the Strategic Director - Finance and Legal, in consultation with the Strategic Director for People, to progress and agree further initiatives which give rise to net savings to the Council, thereby further reducing the current affordability gap.</p> <p>2.4 Authorises the Acting City Solicitor to execute and complete all necessary documents to give effect to the above arrangements.</p>

Lead Contact Officer(s):	Emma Leaman Assistant Director (Education & Skills Infrastructure) Mike Jones Head of Contracts Management (Education and Infrastructure)
Telephone No:	0121-303-8847
E-mail address:	mike.jones@birmingham.gov.uk

3. Consultation

3.1 Internal

The Leader has been consulted and is in agreement that the proposals go forward for an executive decision. Corporate Procurement Services, the Strategic Director - Finance and Legal have also been consulted and any outcomes have been noted in the report. Officers from City Finance and Legal Services have been involved in the preparation of this report.

3.2 External

PFI and BSF schools and academies (Appendix 1), BLLP, Amber Investments (on behalf of BSFi¹ LLP), Lend Lease and ENGIE Buildings Limited have all been consulted on all relevant matters and are supportive of the proposals.

4. Compliance Issues:

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

The proposals contribute towards the City Council's Business Plan and Budget 2016+ which sets out the annual budget and long term financial strategy of the City Council and plans for assets, capital investment and other resource issues to deliver the Council's priorities.

4.2 Financial Implications

The outcomes of the benchmarking exercises have mitigated a potential increase of £1m per annum on the BSF programme and secured annual cost reductions to the PPP2 unitary charge of £545k, which will contribute to achieving the savings target of £700k which is included in the City Council's Business Plan and Budget 2016+. The savings generated will be in place for the next 5 years at least, up until the next benchmarking interval in 2020/21. Total savings from the exercise are therefore £2.725m over a 5 year period.

Key to achieving a beneficial position for the Council was the ability of officers and its external technical support to challenge the rationale of early iterations of reports submitted by FM providers. This was done by firstly defining the scope of information to be provided and then, by undertaking a separate in-house analysis of costs by obtaining comparable data from the wider market.

4.3 Legal Implications

Sections 13, 14 & 16 of the Education Act 1996 which provides the powers under which PFI and the BSF Programme were established. The proposals will assist the Council to meet its statutory obligation to make arrangements and secure continuous improvement in the delivery of its functions (Best Value) under S.3 Local Government Act 1999.

4.4 Public Sector Equality Duty

An Initial Equality Analysis was undertaken in June 2014 (EA000233) and the outcome indicated that a Full Equality Analysis was not required.

¹ BSFi is the financial arm of the former Partnerships for Schools; the body set up to support the delivery of BSF on behalf of Central Government.

5. Relevant background/chronology of key events:

- 5.1 The City Council has 4 PFI/BSF packages servicing 36 schools/academies at an annual revenue cost of circa £36.7m. The PFI and BSF arrangements have supported £456.8m of capital investment in Birmingham schools and the long-term contracts in place which extend up to 30 years are envisaged to cost the Council in the region of £959m revenue in total over the respective contract terms. For a protracted period of time the City Council has faced a considerable revenue “affordability gap” on its 4 PFI and BSF FM Contracts.
- 5.2 The total annual revenue charge levied on the Council is made up of the PFI unitary charge (UC) and the FM service charge (BSF). The Government calculated PFI special grant allocation in support of the projects (derived from a PFI credit calculation), together with the schools’ share contribution provides some of the available funds to contribute towards payment of the UC and FM service charge.
- 5.3 The UC relating to all 4 PFI contracts repays the contractors original bank debt and meets the cost of all operational services to the respective buildings i.e. lifecycle, planned preventative maintenance, caretaking, cleaning and grounds maintenance etc. Where schools/academies are part of an FM contract (non-PFI) they receive similar services to PFI but only Broadway Academy benefits from a full lifecycle arrangement. The latter arrangement however is to end and was subject to a report to Cabinet in September 2016.
- 5.4 All amounts payable to the company managing the contract (Special Purpose Vehicle) (SPV) and the FM Provider are part indexed annually and elements of the contract, notably Soft Services i.e. caretaking, cleaning, grounds maintenance and security are subject to bench-marking / market testing arrangements every 5 years throughout the contract term. The benchmarking exercise offers up an opportunity to test the comparative costs of the current service provision against the wider market to ensure continued value for money. Whilst benchmarking guidance suggests that the process could include a re-scoping of services there have not been any changes to the services being delivered at schools and academies as part of this process. Re-scoping however does remain an option and cannot be ruled out into the future as increasing costs continue to place additional pressures on the Council’s revenue budget.
- 5.5 In light of the nationally recognised financial pressures associated with PFI arrangements, in January 2015 the Council agreed to support a “pilot study” being undertaken by Local Partnerships. The study sought to explore the potential for savings from PFI contracts and had the buy-in of HM Treasury, DfE, EFA and the Local Government Association.
- 5.6 Following the conclusion of the study a report was produced in April 2015. Council officers have continued to work to implement the identified initiatives and further provide a far more robust challenge to PFI Providers. That challenge has extended to overseeing, critically reviewing and validating benchmarking exercises on 3 of the 4 Council contracts, the outcomes of which will influence charges being applied from April and September 2016.

5.7 The benchmarking exercises were conducted by specialist benchmarking advisers appointed by the current FM Provider and as such it was absolutely essential that the information being provided was both transparent and robust. In order to both aid the exercise and ensure consistency with the wider PFI Sector, Council officers influenced the level of detail being provided and by undertaking a separate in-house exercise have subsequently negotiated a final position that compares favourably with other market comparators for the provision of caretaking, cleaning, grounds maintenance and security services. If Best Value is to be maintained it will become increasingly essential to invest the same oversight at future benchmarking intervals.

6. Evaluation of alternative option(s):

6.1 The benchmarking of Soft Services is a contractual provision. Once complete the exercise impacts on the ongoing UC and FM service charges payable by the Council to the PFI and FM Companies. Non acceptance of the benchmarking offer achieved after negotiation could lead to a market test scenario, however given that rates are in accordance with the wider market this option has not been pursued. A market test could have resulted in a higher cost to the Council and acceptance of the benchmarked offer represents a favourable commercial position for the Council and avoids any potential risk of UC uplift.

7. Reasons for Decision(s):

7.1 To secure a reduction in the current contractual charges which will contribute to achieving the savings target of £700k included in the Council's Business Plan and Budget 2016+.

Signatures

Date

Cabinet Member for Children,
Families & Schools
Councillor Brigid Jones

.....

Cabinet Member, Value for
Money & Efficiency
Councillor Majid Mahmood

.....

Strategic Director for People
Directorate
Peter Hay

.....

List of Background Documents used to compile this Report:

Report to Cabinet 07/11/11 - BSF and Academies Programme Update 2011 / 2012 and Local Education Partnership (BLLP) Delivery Arrangements.

Report to Cabinet 20/09/16 - Broadway Academy Building Schools for the Future Savings Review

List of Appendices accompanying this Report (if any):

1. Birmingham PFI and BSF Schools and Academies

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BIRMINGHAM PFI AND BSF SCHOOLS AND ACADEMIES APPENDIX 1

PPP1 Schools	PPP2 Schools	BSF Schools
Birches Green Infants	Allens Croft Childrens Centre	<i>Holte Mayfield Lozells – PFI (Holte and Lozells CONVERSION ON HOLD)</i>
Calshot Primary	Allens Croft Primary	Broadway – D&B (NOW ACADEMY)
Clifton Primary	Arden Primary	Stockland Green – PFI (NOW ACADEMY)
Cockshut Hill (NOW ACADEMY)	Arthur Terry (NOW ACADEMY)	George Dixon – D&B (NOW ACADEMY)
Marsh Hill Primary	Blakesley Hall Primary	George Dixon Primary School (FM Contract)
Perry Beeches Nursery	Chilcote Primary	<i>International – D&B (FM & ICT Contract)</i> <i>(In the process of converting)</i>
Perry Beeches Infant	Hobmoor Primary (NOW ACADEMY)	Moseley – D&B (FM & ICT Contract)
Perry Beeches Junior	Kingsland Primary	Park View – D&B (NOW ACADEMY)
Perry Beeches Sec (NOW ACADEMY)	St James CE Primary	Waverley – PFI (NOW ACADEMY)
Priestley Smith	Wheelers Lane Primary	Four Dwellings – D&B (NOW ACADEMY)
Yardleys (NOW ACADEMY)	Wheelers Lane Tech	Saltley – D&B (NOW ACADEMY)
	Yarnfield Primary (NOW ACADEMY)	

PFI = Private Finance Initiative
D&B = Design & Build
FM = Facilities Management
ICT = Information & Communications Technology

BIRMINGHAM CITY COUNCIL

Public Report

Report to:	CABINET
Report of:	Strategic Director for People
Date of Decision:	15 November 2016
SUBJECT:	EARLY YEARS CAPITAL FUND – APPROVAL TO BID
Key Decision: No	Relevant Forward Plan Ref: N/A
If not in the Forward Plan: (please "tick" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor Brigid Jones - Children, Families and Schools
Relevant O&S Chairman:	Councillor Susan Barnett – Schools, Children and Families
Wards affected:	Various

1. Purpose of report:
<p>1.1 To inform Cabinet of the opportunity to bid for Early Years Capital Funding to support the development of 30-hour provision for 3 and 4 year olds to meet local sufficiency requirements and the new duty for Local Authorities to secure 30-hours of free childcare from September 2017 as defined in the Childcare Act 2016.</p> <p>1.2 The EFA will announce the outcome of bids in December 2016 and any successful projects will be subject to further reports in line with the Council's Gateway process.</p> <p>1.3 The report on the private agenda contains confidential information in relation to the proposals.</p>

2. Decision(s) recommended:
That Cabinet :
<p>2.1 Notes that the Local Authority will be expected to have an overview of the expenditure of any successful bids providing such assurances as necessary to the EFA irrespective of whether such projects are Local Authority or PVI procured. Confirmation of details of the assurances required will be outlined by the EFA when the grant terms and conditions are issued.</p> <p>2.2 Notes that there are no financial obligations to the Local Authority associated with the submission of bids.</p>

Lead Contact Officer(s):	Jaswinder Didially, Head of Education Infrastructure
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E-mail address:	Jaswinder.Didially@birmingham.gov.uk
Lead Contact Officer(s):	Lindsey Trivett, Head of Early Years, Childcare and Children's Centres
Telephone No:	07825 117334
E-mail address	Lindsey.Trivett@birmingham.gov.uk

3. Consultation

3.1 Internal

The Cabinet Member for Children, Families & Schools has been consulted and supports the proposal to bid for Early Years Capital Funding proceeding to an Executive decision. Officers from City Finance Legal and Democratic Services have been involved in the preparation of this report.

3.2 External

All registered Early Years providers have been made aware of the opportunity to bid for capital funding with invitations to submit potential projects in line with the criteria.

4. Compliance Issues:

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

The additional capacity will enable the Local Authority to meet its statutory duty in connection with the provision of 30 hours free childcare places for eligible 3 and 4 year olds (i.e. those from single parent families where the parent works or from families where both parents work). Any additional funding will contribute to the Council Business Plan and Budget 2016+, by promoting safety and opportunity for all children. In addition it would address working with partners, putting people and neighbourhoods at the heart of our decision-making and using our strategic assets to leverage economic growth and investment across the City.

4.2 Financial Implications

The Council has submitted 6 bids in collaboration with City Council Early Years providers, an Academy and two PVI organisations (see Appendix 2). The total capital value of all bids amounts to £1,502,271. The EFA's bid guidance states that a minimum of 25% of the total project cost will need to be funded from alternative sources. Further details are shown at 4.2 and Appendix 1 of the private report. Schemes included in the bid are already at an advance stage of development due to the short timescales involved.

4.2.1 There are no financial obligations to the Council associated with the submission of bids. The obligation to commit funds will arise if and when the LA bids are successful. There is no commitment to accept funding if the EFA grant conditions are unacceptable to the Council.

4.2.2 The Local Authority will be expected to have an overview of the expenditure of any successful bids providing such assurances as necessary to the EFA irrespective of whether projects are LA or PVI procured. Confirmation of details of the assurances required will be outlined by the EFA when the grant terms and conditions are issued. A Funding Agreement, or similar, will be executed between the Council and any PVI or Academy in order to enforce the EFA grant conditions and protect the Council's interests.

4.2.3 Each 30 hour place provided under the new statutory duty will be revenue funded through the existing headcount process attached to the Early Education Entitlement (EEE) and will be funded through the Dedicated Schools Grant (DSG). A new national formula is currently subject to a DfE consultation that ends in September 2016. It is expected that any places created through this programme will be sustainable in the long-

term through a combination of EEE funding and contribution for additional hours over and above the 30 hour free entitlement from parents paying fees.

- 4.2.4 Consequential revenue costs including additional staffing and any ongoing day to day repair and maintenance of the facilities created using this capital will be the responsibility of the provider and funded from their own budget.

4.3 Legal Implications

The local authority has powers under section 8 of the Childcare Act 2006 to assist providers of childcare, and pursuant to section 17 of the Education Act 1996 the authority has powers to assist nursery schools, and schools at which there are nursery classes, including those nursery schools not established by the authority. Regulations to be made under the Childcare Act 2016 will place a duty on the Council from September 2017 to secure childcare that is available free of charge for 3 and 4 year old children of working parents for 30 hours per week term time or the equivalent of 30 hours stretched across 51 weeks of the year.

4.4 Public Sector Equality Duty

A Full Equality Analysis (EA0001202) was carried out in May 2016 for Education and Skills Infrastructure's Education Development Plan and Schools' Capital Programme 2016–2017. The outcomes from consultation demonstrate that proposed capital developments support positive outcomes for children, young people, their families and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances, and supports a positive approach to Safeguarding in Birmingham: actively reducing the number of children and young people out of school helps to mitigate risk to their safety and wellbeing.

5. Relevant background/chronology of key events:

- 5.1 In April 2016 the DfE invited expressions of interest from local authorities who wished to work with local childcare providers to bid for capital funding to expand childcare provision in their area (including schools that currently offer, or plan to offer, provision for 3 and 4 year olds). Only local authorities that submitted a completed expression of interest form via the EFA Enquiry form by 29th April were eligible to take part in the full bidding process.
- 5.2 In July 2016 Birmingham was informed by the EFA that the LA had been successful in the initial expression of interest and received a Project Limit ranking of 'High' which allowed the LA to submit a bid for a maximum of 6 projects. The Project Limit is based on the number of 3 and 4 year old children eligible for 30-hours free childcare in the local authority. Applications had to be submitted by 31st August 2016 and successful bidders will be notified by December 2016.
- 5.3 The total funding available for this round is £40m. High levels of demand are anticipated and only applications which align closely with the fund priorities will be successful. Local authorities were advised to develop high quality applications which provide succinct and relevant evidence that meet the criteria outlined in the Education Funding Agency Information for Applicants dated June 2016 (Appendix 1). Funding will be allocated to projects in areas that are most in need of capital funding to deliver the additional 30 hour places required to meet local sufficiency.
- 5.4 The EFA guidance states that the total cost of each project should be below £1m and a

minimum of 25% of the total project cost should be funded from alternative sources.

- 5.5 The providers eligible for capital funding are PVI nurseries, primary schools or all-through schools with nursery provision, maintained nursery schools and child minders (only if they are involved in partnership bids with group-based providers). All providers must be registered with OfSTED or the Independent Schools Inspectorate.
- 5.6 The EFA accepted applications for new-build nurseries or extensions, refurbishments for conversions of existing buildings but not bids which included the purchase of land or property. The cost of ICT infrastructure, hardware and software, fitted and loose furniture and equipment can be included in the bid provided it is an integral part of a larger refurbishment or new build project. All projects must have a completion date before the end of August 2017.
- 5.7 Subject to approval of bids, the appropriate Planning Permission will be sought where required.
- 5.8 All bids received will be subject to a two stage bid assessment process. Stage 1 will assess individual projects against a set of qualifying tests based on track record with Ofsted, completion date of project; total cost of project (under £1m) and a minimum of 25% of the total project cost being funded from alternative sources. Stage 2 will assess individual projects based on evidence of localised sufficiency need, project outcomes and value for money.
- 5.9 If any of the bids submitted are successful the outcome will be reported to Cabinet once an announcement has been made by the EFA and all successful projects will be the subject of future Full Business Case submissions in accordance with the Council's Gateway process.

6. Evaluation of alternative option(s):

- 6.1 The Council could decide not to progress the bid. This option would mean that the LA is not maximising opportunities to secure the funding that is required to provide sufficient 30 hour places. This would represent a failure on behalf of the LA in meeting its statutory obligations.

7. Reasons for Decision(s):

- 7.1 To approve the submission of a retrospective bid for Early Years Capital funding in order to secure capital investment required to provide sufficient provision for 30 hour places needed to meet local requirements. The new duty comes into effect from September 2017 as defined within the Childcare Act 2016.
- 7.2 To support fulfilment of the LA's obligation under the Childcare Act 2016 to secure free childcare for qualifying children.

Signatures:

Cabinet Member, Children, Families and Schools,
Cllr Brigid Jones

..... Dated:

Strategic Director, People,
Peter Hay

..... Dated:

List of Background Documents used to compile this Report:

Education Funding Agency Early Years Capital Fund – Information for Applications, June 2016

List of Appendices accompanying this Report (if any):

Appendix 1: Education Funding Agency Early Years Capital Fund – Information for Applicants, June 2016

Appendix 2: Early Years Capital Fund - List of Bids.

Report Version: V1

Dated: 28.10.16



Education
Funding
Agency

Early Years Capital Fund

Information for applicants

June 2016

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Introduction

On 3 April 2016 the Department for Education called for expressions of interest (EOI) from local authorities who want to work with local childcare providers to bid for capital funding to expand childcare provision in their area (including schools that currently offer, or plan to offer, provision for 3- and 4-year-olds).

The EOI notice can be found [here](#). Capital funding is being made available through a local authority bidding process to support the delivery of the government commitment to provide 30 hours free childcare for working parents of 3- and 4-year-olds from September 2017. Only local authorities that submitted a completed EOI form via the [EFA Enquiry Form](#) by 29 April 2016 are eligible to take part in the full bidding process.

Local authorities must make applications setting out specific provider-level projects in their area by 31 August 2016. Successful bids will receive grants awards within financial year 2016-17. Successful bidders will be notified by December 2016.

Key dates and deadlines

Milestones	Dates
Call for expressions of interest	3 April 2016
Local authorities submit expressions of interest	By 29 April 2016
Publication of guidance on full bidding process	21 June 2016
Local authorities submit applications	By 31 August 2016
Decisions on bids announced	By December 2016

Fund Priorities

The funding available for this bid round is £40 million. We expect that there will be very high levels of demand for this funding and that the fund will be heavily oversubscribed. Only applications which align closely with the fund priorities will be successful. We estimate that between 100 to 200 projects will be approved in total, depending on the amounts requested by successful projects. Local authorities are strongly advised to develop high quality applications which provide succinct and relevant evidence that they meet the priorities outlined in this guidance. In deciding which projects to submit, local authorities should pay close attention to the pass/fail criteria outlined on p.8 of this guidance.

We want to ensure that this fund is allocated to projects in areas that are most in need of capital funding to deliver the additional 30 hour places needed to meet local sufficiency need. We reserve the right to withhold part of the fund, upon reviewing geographical coverage of the successful projects, if we do not believe we have allocated funds to

projects in areas in most need of capital funding to deliver the additional 30 hour places, based on local sufficiency need.

Eligibility

Provider eligibility

The following types of provider are eligible for capital funding:

- Private nurseries
- Voluntary nurseries
- Independent school nurseries
- Primary schools or all-through schools with nursery provision
- Maintained nursery schools
- Childminders: Childminders generally operate out of their own domestic premises but may operate from non-domestic premises such as schools and nurseries for up to half of their time¹. Childminders may be involved in partnership bids with group-based providers (see p.15 for further details). However, childminders are not eligible to be the sole or lead provider of a project and projects involving extension or refurbishment of a childminder's domestic premises will not be considered.

All providers must have a track record with Ofsted or the Independent Schools Inspectorate or be part of a chain that has a track record. By proven track record we mean a provider that is registered with Ofsted and has an Ofsted rating (i.e. has had at least one recorded inspection by Ofsted) or is a school with a rating from Ofsted or the Independent Schools Inspectorate. If the initial inspection result is pending, the local authority must provide a statement assuring that this provision is of quality. Please see *Application Form Part B* for more instructions.

Existing schools who currently do not offer provision for 3- and 4- year-olds are eligible to submit a proposal for doing so.

New providers, who do not have an Ofsted track record, will **not** be eligible to apply for this funding.

¹ Childminders who wish to operate from non-domestic premises for up to half their time should be aware that they must complete an Ofsted approval form available [here](#). We do not necessarily expect this approval to be granted at project bid stage but projects should be aware that this is a requirement by Ofsted.

EU State aid compliance

A successful grant applicant that is not a state school (including academies and free schools) will be asked to confirm, as part of its grant application documentation, that: (i) neither it, nor any corporate group of which it is part, is involved in supplying any goods or services other than childcare (save for supplies – such as nursery meals – which are ancillary to its supplies of childcare); and (ii) it is competing to supply childcare services to parents living or working in a particular locality within the United Kingdom, and its supplies would not be of interest to people based in other EU Member States. If a grant applicant is not able to provide this confirmation, then the applicant may be restricted to receiving a grant at a level which falls below the relevant EU State aid *de minimis* threshold. All grant applicants are in any event responsible for satisfying themselves, prior to their receipt of a grant, as to the compatibility of that grant with the State aid rules.

Types of project

Local authorities should consider the following when considering which projects to include:

- local authorities may submit applications for new-build nurseries (including modular/temporary buildings) or extensions, refurbishments or conversions of existing buildings including creating kitchen facilities
- projects that involve the purchase of land will not be funded
- information and communication technology (ICT) hardware or software, fitted and loose furniture and equipment (F&E), ICT infrastructure (cabling, wireless and switching) are eligible insofar as it is an integral part of a larger refurbishment or new build project
- ad hoc and trivial purchases that are follow-on from the initial project scope should be met out of existing budgets or from funding from alternative sources
- purchase of motor vehicles will be considered in exceptional circumstances and where there is a clear link between the purchase and the delivery of project objectives
- costs incurred for child transportation to/from providers and administration costs will not be funded

Further details of project build types are set out in **Annex A**.

Assessment

Limit of applications submitted

We expect this fund to be heavily oversubscribed and it is highly likely that the total amount of capital bid for in this round will exceed the available £40 million. Local authorities will have received a 'Project Limit' ranking of either 'High' or 'Medium' by email. This ranking determines the number of projects that a local authority can submit as part of their application (see table below). The Project Limit is based on the number of 3- and 4-year-old children that are eligible for 30 hours in the local authority. Further information on how this is calculated can be found in: *Process Infographic for estimating LA eligibility for 30 hours*. We strongly encourage local authorities to consider their highest quality bids using the Stage 1 and Stage 2 criteria to help inform their decision about which projects to submit. All applications submitted beneath the project limits will be assessed.

Project Limit	
High – 6 projects max.	Medium – 4 projects max.

Assessment process

All bids received within the application deadline will be subject to a two stage bid assessment process.

Stage 1 will assess individual projects against a set of pass or fail qualifying tests based on: track record with Ofsted or the Independent Schools Inspectorate²; completion date by the end of August 2017; total cost of the project is below £1 million; and a minimum of 25% of the total project cost is funded from alternative sources.

Stage 2 will assess individual projects that were successful at the initial stage based on the following criteria: evidence of localised sufficiency need, project outcomes, and value for money.

Local authorities must submit completed applications by **31 August 2016**. Further details about how to submit applications are included in the **Preparing Your Application** section of this guidance.

² By track record we mean a provider that is registered with Ofsted and has an Ofsted rating or is a school with a rating from Ofsted or the Independent Schools Inspectorate. We are not at this stage requiring a particular inspection rating. The provider does not currently have to offer 3- and 4-year-old provision but must be eligible to expand their current provision to offer 3- and 4-year-old childcare.

The highest scoring unsuccessful applications from this bidding round will be placed on a reserve list should additional capital funding become available.

Local authorities will be responsible for managing the capital programme and monitoring individual projects in accordance with grant terms and conditions that will be set out by the Education Funding Agency.

Definition of a 30 hour place

The priority of this capital bid round is to support the delivery of 30 hours free childcare for working parents of 3- and 4-year-olds, building on the existing 15 hour universal entitlement. For the purposes of this bid round, a place is defined as a 30 hour funded place offered over at least 38 weeks per year. The place may either build on an existing 15 hour place to create a 30 hour place or be an entirely new 30 hour place.

The number of 30 hour places created will be assessed under the Outcomes criteria. Providers are required to set out the number of 30 hour places they will create at Q16, 17 and 18 of *Application Form Part A*. Where projects involve more than one provider (a partnership bid - see p.15) then the total number of 30 hour places created across all providers involved in the bid, as a direct result of the funding, should be aggregated.

Please note that the calculated number of 30 hour places created **must only include places created directly as a result of the proposed project**. Places created using existing capacity which does not require capital funding (e.g. switching from paid to funded hours or making use of existing suitable space) must **not** be included in these calculations. Please see **Annex B** for examples.

Local authorities will be expected to check provider's calculations and confirm (Q19) that the number of places included in each project is correct and that any new places for 3- and 4-year-olds do not have a detrimental effect (if applicable) on the setting's capacity to offer 2-year-old funded places or 15 hour funded places.

Assessment Criteria

Stage 1: Pass/Fail Qualifying Tests

Bids will be initially assessed against four pass/fail criteria. These are:

- track record with Ofsted/ Independent Schools Inspectorate
- clear evidence that the project will be completed by the end of August 2017
- total cost of project is below £1 million (including alternative sources of funding)
- a minimum of 25% of the total project cost is obtained through alternative sources of funding

Stage 2: Assessment criteria

If the project passes the pass/fail qualifying tests the project will proceed to Stage 2 of the assessment process. Projects will be assessed against the following criteria:

Localised Sufficiency (40%)

Bids will be assessed on the degree to which they meet the fund priority to ensure capital funding is allocated to those areas within the local authority with the highest localised sufficiency need in relation to 30 hour places. The local authority-level eligibility estimates provided to local authorities by the department as part of this process can be used as a starting point for calculating localised sufficiency. Local authorities should provide localised sufficiency data at ward or children's centre catchment area level. Data presented at a different level of geography to ward or children's centre catchment area will only be considered in exceptional circumstances. Local authorities should clearly reference which data sources they have used to evidence localised sufficiency need.

Projects will achieve the highest scores if they demonstrate a ward level / children centres catchment area sufficiency need by:

- providing clear evidence that there is a high estimated percentage and/or number of eligible children in the ward or children's centre catchment area
- providing clear evidence that there will be take-up amongst eligible parents within the ward or children's centre catchment area of the newly created places. Projects should aim to consider both the number of working parents in the localised area as well as, if available, data relating to how many of these parents currently pay for additional childcare hours and patterns of use
- providing clear evidence that the provider is currently close to full capacity and would be no/little availability to provide the extended entitlement without capital funding. Projects should consider occupancy/vacancy rates as well as a clear assessment of whether these vacant places could be utilised to create 30 hour places. Projects should also demonstrate that they are fully utilising all available floor space or if there is any additional capacity to be explored
- providing clear evidence that other providers in the ward or children's centre catchment area have no/little capacity to provide the extended entitlement

Outcomes (30%)

Bids will be assessed on the degree to which they are able to deliver high quality 30 hour places which will seek to directly address the localised sufficiency need, evidenced in the previous section. Projects will achieve the highest scores if they:

- provide clear evidence that the project outputs will deliver a high number of additional full-time equivalent 30 hour places which address localised place

shortfalls, with no detriment to existing 2-year-old funded places or 15 hour funded places (if applicable)

- provide a costed options appraisal with quantified benefits that clearly supports the capital solution as the preferred option. This will be assessed taking the project size/complexity into account
- are quality-providers that are Ofsted/ Independent Schools Inspectorate rated 'Outstanding'/'Good' or 'Excellent'/'Good' respectively , or are part of a chain where the majority of settings have been assessed as 'Outstanding'/'Good' or 'Excellent'/'Good'
- provide readiness milestones (see *Application Form Part B* for further information) that can be completed by December 2016 and an appropriate project delivery timescale
- provide a realistic and timely delivery plan for the project size, supported with strong evidence, and good consideration/mitigation of risk

Value for Money (30%)

Bids will be assessed on the degree to which they provide value for money. Value for money is the demonstration of an appropriately costed project to respond to the project need. Projects will achieve the highest scores by providing:

- a clear scope of works and delivery methodology. All cost elements should appear reasonable and where there are 'abnormals' or high costs they are clearly justified. Projects should deliver accommodation that meets, but does not significantly exceed, mandatory standards as detailed in the **Early Years Capital Area Guidelines** below
- thorough and well evidenced tenders/quotes relative to the size of the project
- tenders/quotes that are sufficiently developed and evidenced to allow works to commence immediately on project approval
- a significant funding contribution (25% or over) from other sources – if a project receives a higher percentage of funding from alternative sources, it will be awarded a higher score. Please indicate where the additional funding has been obtained

Bid assessors will take into consideration potentially higher costs of projects that involve the expansion of provision for children with special educational needs and disabilities and local authorities will need to ensure that provision is equally accessible for all children.

Any cost overruns will be at the expense of the local authority, although an appropriate level of project contingency funding is permitted. Where there are local features which

may lead to costs being outside of industry benchmarks then this should be clearly explained and evidenced.

Cost Range

The total cost per project must be below £1 million (including funding from alternative sources) for the project to be considered. We are not setting a minimum threshold but will expect local authorities to have considered alternative sources to fund extremely small scale projects before submitting them for this bid round. Partial funding is not available. Projects will be fully funded or rejected.

Early Years Capital Area Guidelines

All projects must meet the standards set out in the '[Statutory framework for the early years foundation stage](#)' Sep 2014.

Early Years area provision is covered within the '[Area guidelines for mainstream schools \(BB103\)](#)' Jun 2014; except special schools or alternative provision, which are covered in '[Area guidelines for SEND and alternative provision \(BB104\)](#)' Dec 2015. Projects that exceed the mandatory area standards require clear justification.

If projects involve maintained schools, local authorities must follow the statutory guidance about making alterations to maintained schools found here:

<https://www.gov.uk/government/publications/school-organisation-maintained-schools>

If an academy trust deems that the proposed project is also a significant change, it would need to seek the Secretary of State's approval by following the significant change guidance found here:

<https://www.gov.uk/government/publications/making-significant-changes-to-an-existing-academy>

Any projects that involve using school land must also comply with relevant guidance on disposal of change of use of school playing field and school land:

<https://www.gov.uk/government/publications/protection-of-school-playing-fields-and-public-land-advice>

Preparing your application

Application Forms

The application comprised of three forms:

- **Part A** is to provide an overview of the projects that are being bid for, as well as contact details for the relevant local authority bid coordinator and project lead involved. This is to be submitted once by the local authority
- **Part B** is for individual project level bids. Please note that clearly evidencing sufficiency need within the local authority is the priority criteria for this part of the application assessment process. One is to be submitted per project by the local authority up to the 'project limit' permitted (see p.7)
- **Appendix A** is for individual project level bids and supports the assessment of the Value for Money criteria. One is to be submitted per project by the local authority

Joint bids

We acknowledge that sufficiency need often spans local authority boundaries. Therefore, we welcome joint project bids from local authorities as part of their application. To facilitate such bids, we ask that a single local authority be nominated as the lead authority on such a project and include the project as part of their bid. Non-lead authorities should not include this project as part of their application. We have provided sections on the application forms to fill in regarding joint projects, where other participants in such bids should be named and where lead providers should provide information as to why a joint project is preferred over individual projects.

Partnership bids

Each project must have a lead provider. However, this lead provider may work with other providers to form a 'partnership bid' where this will facilitate the creation and delivery of new 30 hour places e.g. a school may partner with one or more childminders or a with another nursery. As mentioned above, childminders cannot submit bids as a lead provider but are welcome to work with group-based providers to submit a partnership bid. Partner providers will be required to fill in their details as part of the application process and, where appropriate, contribute to the application.

How to apply

Local authorities must submit their applications by 31 August 2016 using the [EFA Enquiry Form](#). Please follow the instructions on the webpage to attach the completed application.

When prompted to input 'What is your query about' please select **LA Funding - Early Years** from the drop down list and enter **Early Years Application – submission X of X** when asked to provide more details about the query. The completed application should consist of one copy of Part A, and a copy of Part B and Appendix A for each individual project. Additional supporting materials are only permitted where the question in Part B specifically allows it.

Please note that the EFA Enquiry Form allows a maximum of four attachments so local authorities are likely to submit more than one enquiry form. **We recommend you submit your application well in advance or you could risk not having sufficient time to submit your EFA Enquiry Forms that could lead to missing the submission deadline.** Compressed/zipped folders are not compatible with the enquiry form. It is important to include the 'submission X of X' e.g. submission 1 of 4, in the details of your query so that we can check that all submissions have been received.

File names

Please ensure you use the following name conventions for your files when submitting your application through the EFA Enquiry Form so we can check that all submissions have been received:

Form A: EY Capital Application Form PartA *[Local authority name]*

Form Bs: EY Capital Application Form PartB *[Local authority name] [Project number X]*

Appendix As: EY Capital Application Form Appendix A *[Local authority name] [Project number X]*

Additional Attachments: EY Capital Application Form *[Local authority name] [Project number X] [Question X]*

Grants and grant assurances

All local authorities with successful projects will be expected to provide us with assurances of spend. We will confirm details of the assurances required when the grant terms and conditions are issued.

Annex A: Project type definitions

New build

New builds are those projects that are new-build replacement of an existing building or creation of completely new and independent building. Projects that involve the purchase of modular or temporary buildings should also be included in this category.

Extension

Extensions are those projects which are new builds which increase the size of an existing building and building's gross internal floor area. This also includes works on outdoor areas to increase capacity that do not require a full new build.

Conversion

Conversion projects are those that require significant modifications to non-educational buildings to accommodate the proposed facility. Projects of this type could include kitchen and toilet modifications, extensive structural modifications to existing or adjoining rooms and alterations and adaptations to rooms and buildings.

Refurbishment

Refurbishment projects are those that involve minor modifications to rooms and buildings as well as large-scale purchases of equipment. Projects of this type could include room separators, dry walls, and substantial IT/furniture purchases.

Other types of build

Projects that do not clearly fall into the categories of new build, extension, conversion or refurbishment should be included in this category.

We anticipate that project types will overlap significantly or involve multiple types of project; for example, new build projects are likely to involve substantial purchases of new equipment. In instances of this type, please include the project under the definition in which the majority of the cost will fall.

Does that mean that if we have a new build and refurbishment we put all of the costs under new build?

Annex B: Examples of calculations for 30 hour funded places

Please note these are illustrative examples only.

Example A:

Provider A is a private nursery currently offering 30 15 hour funded places for 3- and 4-year-olds. They hope to refurbish their setting to make use of an unused office and to reconfigure existing nursery space which will enable them to expand the number of children the setting currently holds. Upon completion of the project, they hope to be able to offer 40 30 funded hour places, across 38 weeks of the year. 20 of these will be created by building on the existing 15 hour places and 20 will be newly created.

30 hour places expected to be created as a result of funding	Number of places	Weeks per year that places will be offered
30 hour places created by building on existing 15 hour place (using additional capacity made available through the funding)	20	38 weeks per year
Newly created 30 hour places	20	
Total number of 30 hour places created	40	

Example B:

Provider B currently runs an oversubscribed private nursery. They plan to extend their current premises to create 25 new 30 hour funded places in addition to those they can create through making use of existing capacity.

30 hour places expected to be created as a result of funding	Number of places	Weeks per year that places will be offered
30 hour places created by building on existing 15 hour place (using additional capacity made available through the funding)	N/A	51 weeks per year
Newly created 30 hour places	25	

30 hour places expected to be created as a result of funding	Number of places	Weeks per year that places will be offered
Total number of 30 hour places created	25	

Example C:

Provider C is a school currently offering 52 15 hour funded places for 3- and 4-year-olds. They hope to work in partnership with Provider D, a voluntary provider, to build a secondary site in the school grounds which will enable them to provide wrap-around and holiday care. The partnership between Provider C and D aims to create 20 new 30 hour places over 51 weeks per year.

30 hour places expected to be created as a result of funding	Number of places	Weeks per year that places will be offered
30 hour places created by building on existing 15 hour place (using additional capacity made available through the funding)	20	51 weeks per year
Newly created 30 hour places	N/A	
Total number of 30 hour places created	20	

Annex C: Application checklist

You should check that your application:

- consists of one copy of Part A, a copy of Part B and Appendix A per project, and attachments per projects only where Part B stipulates
- does not exceed the local authority's allocated 'Project Limit'
- is submitted altogether by the local authority as described under 'How to apply'
- adheres to the file naming conventions described under 'File names'
- does not duplicate information contained in attachments, where attachments are permitted
- does not include embedded files – these cannot be accessed and will be disregarded
- does not include website or other external links – these will not be accessed
- provides documents that are readable – documents submitted are not shrunk so much that when they are expanded they are illegible or are not scanned with sufficient clarity to serve their purpose
- has key data that is consistent between the application form and the supporting information – e.g. milestone and programme dates that are inconsistent increase concern about delivery risk
- has fully considered the guidance to assess whether the project will be in line with stated priorities for funding
- meets the initial pass/fail assessments: a track record with Ofsted or the Independent Schools Inspectorate³; completion date by the end of August 2017; total cost of the project is below £1 million; and a minimum of 25% of the total project cost is funded from alternative sources

³ By track record we mean a provider that is registered with Ofsted and has an Ofsted rating or is a school with a rating from Ofsted or the Independent Schools Inspectorate. We are not at this stage requiring a particular inspection rating. The provider does not currently have to offer 3- and 4-year-old provision but must be eligible to expand their current provision to offer 3- and 4-year-old childcare.



Education
Funding
Agency

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APPENDIX 2: EARLY YEARS CAPITAL FUND - LIST OF BIDS

Project Name	Lead provider name	Scheme details
Jervoise	Weoley Castle Nursery School	Refurbishment of existing building to provide 3 new classrooms and associated space. A new extension to provide 3 additional teaching spaces and associated ancillary facilities.
Colebourne	Colebourne Primary School	Refurbishment of existing special needs nursery block currently allocated to Beaufort. Beaufort nursery will be relocated as part of the Beaufort/Colebourne scheme APP6.
Chinnbrook	Grendon & Billesley Nursery & Family Centre	Refurbishment of existing accommodation to include a partition wall, installation of toilet facilities, new flooring and a new reception area.
Four Dwellings	Weoley Castle Nursery School	Refurbishment of existing building and new build extension to create an additional teaching space plus ancillary facilities.External works to provide play space and reconfiguration of fencing and access arrangements.
Wilson Stuart	Wilson Stuart Academy	New build extension for inclusive nursery provision and refurbishment of existing therapy room for an additional Early Years high needs classroom.
Little Steps	Little Steps Nursery & Contact Centre	Refurbishment to newly acquired property to include teaching area, office space, toilets, recepton area, outside play, quiet room and kitchen.

Report to:	CABINET
Report of:	ASSISTANT DIRECTOR PROCUREMENT
Date of Decision:	15TH NOVEMBER 2016
SUBJECT:	PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2016 – FEBRUARY 2017)
Key Decision: No	Relevant Forward Plan Ref: n/a
If not in the Forward Plan: (please "tick" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood – Value for Money and Efficiency
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:
1.1 This report provides details of the planned procurement activity for the period December 2016 – February 2017. Planned procurement activities reported previously are not repeated in this report.

2. Decision(s) recommended:
That Cabinet
2.1 Notes the planned procurement activities under officer delegations set out in the Constitution for the period December 2016 – February 2017 as detailed in Appendix 1.

Lead Contact Officer (s):	
Telephone No: E-mail address:	Nigel Kletz Corporate Procurement Services Corporate Resources 0121 303 6610 nigel.kletz@birmingham.gov.uk

3. Consultation

3.1 Internal

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

3.2 External

None

4. Compliance Issues:

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

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

4.2 Financial Implications

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

4.3 Legal Implications

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

4.4 Public Sector Equality Duty

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

5. Relevant background/chronology of key events:

- 5.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contractor under TUPE, the contract award decision has to be made by Cabinet.
- 5.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Corporate Resources and Governance Overview & Scrutiny Committee.
- 5.3 This report sets out the planned procurement activity over the next few months where the contract value is between the EU threshold (£164,176) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the delegation threshold.
- 5.4 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Corporate Resources and Governance Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 5.5 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 5.6 A briefing note including financial information is appended to the Private report for each item on the schedule.

6. Evaluation of alternative option(s):

- 6.1 A report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The alternative option is that individual procurements are referred to Cabinet for decision.

7. Reasons for Decision(s):

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

Signatures:**Date:**

.....
Nigel Kletz – Assistant Director (Procurement)

.....

.....
Councillor Majid Mahmood - Value for Money and Efficiency

.....

List of Background Documents used to compile this Report:**List of Appendices accompanying this Report (if any):**

Appendix 1 - Planned Procurement Activity December 2016 – February 2017

Report Version	1	Dated	31/10/2016
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APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2016 – FEBRUARY 2017)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Planned CO Decision Date	Comments - including any request from Cabinet Members for more details	Living Wage apply Y / N
Approval To Tender Strategy	The Renewals of the following Insurances: Main Fire Policy (Including Terrorism), Industrial & Commercial Fire Policy (Including Terrorism), Public Liability and Museum's Exhibits Policy	P0235	The Renewals of the following Insurances: Main Fire Policy (Including Terrorism), Industrial & Commercial Fire Policy (Including Terrorism), Public Liability and Museum's Exhibits Policy.	3 years	Corporate Resources	Deputy Leader	Sukvinder Kalsi	Lisa Haycock	20/12/2016		Y
Strategy / Award	Cash Collection and Cash in Transit Services	P0268	A cash collection and cash in transit service is required by the Council for the secure collection and delivery of cash and cheques to and from either cash processing sites or the Council's nominated bank. The service is used by schools, leisure centres, libraries, car parks and other areas where cash or cheques are received.	4 years	Corporate Resources	Deputy Leader	Tim Follis	Lisa Haycock	16/02/2017		Y
Various Routes	World Indoor Championship Athletics	P0360	Birmingham has been selected to host the International Association of Athletics Federation (IAAF) World Indoor Athletics Championships on 2nd – 4th March 2018 at the Barclaycard Arena. To support the running of the event, tender exercises need to be undertaken for the various goods and services.	Various	Place	Deputy Leader	Paul Quinney	Lisa Haycock	16/12/2016		Y
Approval To Tender Strategy	The Operational Leasing of Cleaning Equipment - Cityserve	P0316	The operational leasing of cleaning equipment for use by Cityserve to deliver the cleaning services to schools. The types of equipment include vacuum cleaners, carpet cleaners, wet pick up machine, rotary machines and scrubber dryers. The lease will include the repair, maintenance and replacement of the equipment including undertaking Portable Appliance Testing (PAT).	4 years	People	Children, Families and Sschools	Shabir Ladak	Mohammed Yahiah	20/12/2016		Y
Strategy / Award	Tame Valley Viaduct Phase 2 – Professional Services	TBC	Engineering professional services for Phase 2 of the A38(M) Tame Valley viaduct refurbishment project including: completion of the structural design and assessment of the viaduct incorporating necessary refinements; structural monitoring; additional structural investigations and testing; preparation of tender documentation for the works; technical advisor for the tender evaluation and drafting contract documentation.	2 years	Economy	Transport and Roads	Simon Ansell	Charlie Short	16/12/2016		Y
Strategy / Award	Tame Valley Viaduct Phase 3 – Professional Services	TBC	Engineering professional services for Phase 3 of the A38(M) Tame Valley viaduct project including: contract Management; site supervision; technical coordination and management.	4 years	Economy	Transport and Roads	Simon Ansell	Charlie Short	16/03/2017		Y

continued >

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Planned CO Decision Date	Comments - including any request from Cabinet Members for more details	Living Wage apply Y / N
Approval To Tender Strategy	Intensive Family Support for Disabled Children and their families	TBC	The Intensive Family Support service is a city wide specialist service for children and young people with disabilities and their families who are referred by Disabled Children's Social Care.	2 years plus 2 years option to extend	People	Children, Families and Schools	Anil Nayyar	John Freeman / Robert Cummins	16/02/2017		Y
Approval To Tender (SCN)	Pavement Advertising Contract	F0253	The provision of pavement advertising across the city on Council Information Panels owned by JC Decaux Ltd and to continue promoting the Council's City Dressing portfolio.	Up to 12 months	Economy	Deputy Leader	Helen Gould	Janine Weetman	16/12/2016		Y

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Acting City Solicitor
Date of Decision:	15 November 2016
SUBJECT:	APPOINTMENTS TO OUTSIDE BODIES
Key Decision: No	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
	O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr John Clancy
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Chairman of Corporate Resources and Governance Overview and Scrutiny Committee
Wards affected:	City Wide

1. Purpose of report:
The report seeks the approval of the Cabinet to the appointment of representatives to serve on outside bodies detailed in the appendix to this report.

2. Decision(s) recommended:
That Cabinet agrees to appoint representatives to serve on the Outside Bodies detailed in the appendix to this report.

Lead Contact Officer(s):	Celia Janney
Telephone No: E-mail address:	Committee Services Tel: 0121 303 7034 e-mail: celia.janney@birmingham.gov.uk

3. Consultation

3.1 Internal

Councillor John Clancy, Leader of the Council.

For appropriate items, the Secretaries to the Political Groups represented on the Council.

3.2 External

4. Compliance Issues:

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

The appointments are consistent with the legal and constitutional requirements of the City Council.

4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)

There are no additional resource implications.

4.3 Legal Implications

See paragraph 4.1.

4.4 Public Sector Equality Duty

The main risk of not making appointments might lead to the City Council not being represented at meetings of the bodies concerned. It is always important in making appointments to have regard to the City Council's equal opportunities policies.

5. Relevant background/chronology of key events:

At the Annual General Meeting on 22 May 2012, the City Council approved changes to the Constitution and Article 11 sets out those appointments that are reserved to the full City Council to determine. All other appointments of Members and officers to outside bodies shall be within the remit of Cabinet to determine and the proportionality rules will not automatically apply.

6. Evaluation of alternative option(s):

Not applicable, as these appointments are a matter for the Cabinet to determine.

7. Reasons for Decision(s):

To approve the appointment of representatives to serve on Outside Bodies.

Signatures**Date**

Cabinet Member

Chief Officer

List of Background Documents used to compile this Report:

1. Report of the Council Business Management Committee to City Council on 24 May 2005 "Annual Review of the City Council's Constitution"; along with relevant e-mails/ file(s)/correspondence on such appointments.

List of Appendices accompanying this Report (if any):

1. Appendix to Report to Cabinet 15 November 2016 – Appointments to Outside Bodies

APPENDIX TO REPORT TO CABINET 15 November 2016
APPOINTMENTS TO OUTSIDE BODIES**1. Summary of Decisions**

With reference to those bodies included in this report where the terms of office of City Council representatives expire, the Cabinet is asked to note that, where appropriate, the representatives have been contacted and in accordance with the practice agreed by Resolution No. 2769, of the former General Purposes Committee unless indicated, are not willing to be re-appointed. Accordingly, unless indicated in this report, such representatives are not willing to be re-appointed.

2. Muntz Trust

Further to the report dated 20 September 2016, Mr Alistair Dow (Lib Dem) period of office expires on the 15 November 2016. Hon.Ald. Mrs T Stewart (Lab) period of office expires 1 December 2016 and Mrs M Bartley (Lab) period of office expires 1 December 2016.

Therefore, it is

RECOMMENDED:-

That Cabinet agrees Mr Alistair Dow (Lib Dem) be re-appointed for the period 15 November 2016 until 1 December 2017 and Hon.Ald. Mrs T Stewart (Lab) be re-appointed for the period 1 December 2016 until 1 December 2017.

3. Birmingham Bodenham Trust

3 Nominated Trustees appointed by the City Council for a 4 year period of office.

Trustees may but need not be a Member of the City Council.

Cllr Diane Donaldson (Lab) has been nominated to stand for the period 15 November 2016 until 14 November 2020 replacing Cllr Barry Bowles (Lab), who has stepped down.

RECOMMENDED:-

That Cabinet agrees Cllr Diane Donaldson (Lab) be appointed for the period 15 November 2016 until 14 November 2020.

4. West Midlands Ambulance Service NHS Foundation Trust - Governing Body

Must be a Member. Appointment is for a 3 year period, but review annually in line with established practice. Cllr Mike Sharpe (Lab) has stepped down. Cllr Carole Griffiths (Lab) be appointed 15 November 2016 until 27 June 2017.

RECOMMENDED:-

That Cabinet agrees Cllr Carole Griffiths (Lab) be appointed for the period 15 November 2016 until 27 June 2017.