

This Proposal Form is for all proposed changes to capital budgets, including new proposals and funding of budget increases/overspends, and when financed by external resources as well as Council resources. It is also for use for capital savings proposals and asset disposals (generating capital receipts).

The form is for use at both stages of the Budget process for 2020+.

At Stage 1, please complete sections 1-10.

At Stage 2, please provide more detail in sections 1-10 and also complete sections 11-15.

After Stage 1 you will receive initial feedback from Capital Board / EMT which will help you refine the proposal at Stage 2.

Please see the guidance attached.

Proposal Title: Kings Norton Cemetery - Phases 3,4 and 5 development

Directorate: Neighbourhoods

Completed by:
Service officer Paul Lankester

Reference: NE (BS12)

(two alpha characters for the Directorate, then a sequential number reference)

Reviewed by:
Corporate Director: Robert James

Finance Bus. Partner Carl Tomlinson

(please increase the size of the below text boxes as necessary)

- 1. Project description**

Development of Phases 3,4 and 5 of Kings Norton Cemetery. This project will ensure burial capacity in the South of the City for the next 18 years. It will reduce pressures on current cemeteries in the South of the City. It will provide options for families with faith needs, including short notice burials for Muslim faith communities
- 2. Contribution to Council Plan Priorities - the case for change**

including the project's objectives, and its contribution to Council Plan and service objectives and outcomes

Burial and cremation services are fundamental to the health and well being of the city as they meet the needs of bereaved families, and provide employment. Bereavement Services manages an extensive land portfolio. Burial options for faith communities meet the diverse needs of communities of Birmingham. During the pandemic the use of Muslim Burial areas in King's Norton and other cemeteries has increased and the capacity is now significantly compromised, particularly at King's Norton. The Delivery Plan identifies the need for a funding plan for cemeteries- this project is part of that Plan.
- 3. Project deliverables**

These are the outputs from the project: eg a new building with xm2 internal space, or ym or new road, etc

The land for additional burial capacity at Kings Norton Cemetery was purchased by the Council in previous years. As a result Phases 1 and 2 development have already been completed and burials are taking place as planned. However, with current use, there is only around 2 years burial capacity still available. Phases 3, 4 and 5 are required to complete the development, utilise the land which is already available to the Council, and provide much needed capacity as well as options for bereaved families
- 4. Project benefits**

These are the social benefits and outcomes: eg additional school places or economic benefits

Additional burial capacity to meet the needs of bereaved families in the South of the City, including in respect of faith requirements. Once completed, the income to offset the investment will be generated through fees and charges and sale of memorials

5.	Links to the Directorate Strategy, revenue budget, and the future delivery model Bereavement Services is a self-financing Service and is not dependent on funding from the Council, making a contribution to the General Fund. The significance of new Burial capacity will require capital funding, which will be recouped over time by the purchase of burial space by bereaved families through the fees and charges structure of the Service. Prudential borrowing costs will be met by the budget surplus.
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6.	Potential options - please outline the main options 1. This Proposal: 2. Do Nothing: 3. Lower Cost: 4. 5.	initial review of option The requirement of additional multi faith burial space for the South of the city will ensure sufficient capacity for a minimum of the next 15 years if implemented Doing nothing will put increasing pressures on existing burial capacity in other cemeteries and will eventually lead to a shortage of burial capacity in the city. In particular within one year the burial space for the Muslim community will have run out leaving no provision in the south of the City. This would be carrying out the phases separately, but this would increase the overall costs when the phases are eventually implemented.
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7.	Risks and issues for successful delivery of the proposal including deliverability risks, financial risks Bereavement Services generates a significant income in respect of its operations through fees and charges and the sale of memorials to bereaved families. Families who live in the city, rarely use outside burial authorities, for their loved ones. Therefore, there is very little risk in respect of the income to be generated for Birmingham and there is very little competition in the market
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8.	Type of Asset and Useful Economic Life (used for calculating Service Prudential Borrowing costs) Type of Asset: Infrastructure - Kerb Useful Economic Life: 20
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9.

What are the financial implications of the proposal?

9.1

Capital Cost	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
Development costs up to OBC approval	1.350	3.150	0.000	0.000	0.000	4.500
etc	0.000	0.000	0.000	0.000	0.000	0.000
etc	0.000	0.000	0.000	0.000	0.000	0.000
etc	0.000	0.000	0.000	0.000	0.000	0.000
etc	0.000	0.000	0.000	0.000	0.000	0.000
Total Capital Cost	1.350	3.150	0.000	0.000	0.000	4.500

9.2

Capital Funding	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
a Prudential Borrowing / other Corporate resources	1.350	3.150	0.000	0.000	0.000	4.500
b Additional Capital Receipts (new proposals)	0.000	0.000	0.000	0.000	0.000	0.000
c Direct Revenue Funding	0.000	0.000	0.000	0.000	0.000	0.000
d Government Grants	0.000	0.000	0.000	0.000	0.000	0.000
e Other (please specify:)	0.000	0.000	0.000	0.000	0.000	0.000
Total Capital Funding	1.350	3.150	0.000	0.000	0.000	4.500
Net Unfunded Capital Cost (should be zero)	0.000	0.000	0.000	0.000	0.000	0.000

9.3

Revenue implications (note: these should be included in your revenue budget submissions)	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
Revenue savings:						
a Expenditure reduction	0.000	0.000	0.000	0.000	0.000	0.000
b Additional income generation	0.000	(0.155)	(0.310)	(0.310)	(0.310)	(1.085)
c Gross revenue saving	0.000	(0.155)	(0.310)	(0.310)	(0.310)	(1.085)
Add revenue costs of proposal:						
d Revenue cost of capital (financing costs - see PBC tab)	0.014	0.129	0.300	0.300	0.300	1.043
e Other revenue implementation costs	0.000	0.000	0.000	0.000	0.000	0.000
f Investment required (for Invest to Save proposals only)	0.000	0.000	0.000	0.000	0.000	0.000
g Net saving	0.014	(0.026)	(0.010)	(0.010)	(0.010)	(0.042)
h Proposed repayment plan (for Invest to Save proposals only)	0.000	0.000	0.000	0.000	0.000	0.000
Net Revenue Cost / (Saving)	0.014	(0.026)	(0.010)	(0.010)	(0.010)	(0.042)

9.5

Have the above revenue implications been included in the Directorate's revenue budget submission - yes/no:

No

9.6

Revenue Proposal Reference:

9.7

What is the basis of the financial estimates? (describe the source and quality of data)

The current Kings Norton Cemtery development and the development of Sutton New Hall Cemetery

9.8

Evaluation of financial implications

Income will be generated in respect of this developmentm,through fees and charges and the sales of memorials

10.

Implementation Plan		
	Action by	indicative date
Tasks to develop proposal to OBC:		
Full Business Case	Head of Service	Sep-19
Cabinet Report	Head of Service	Oct-19
Project Team set up	Registrar South	Feb-20
Commissioning Commences	Head of Service	Mar-20
Outline Business Case review by Capital Board, EMT		
Outline Business Case Executive decision:		
Tasks from OBC to project completion:		
Full Business Case Executive decision:		
Completion of Project (ie when benefits start arising)		

SECTION 11 TO 15 TO COMPLETE AT STAGE 2:

11.

Dependencies on other projects or activities <i>(up to OBC stage)</i>

12.

Products required to produce Outline Business Case
<i>This might include Refinement of objectives;Initial specification; Initial design advice; Initial costings; Options appraisal; draft OBC report</i>

13.

Resources required to produce Outline Business Case
<i>Please outline the staffing and financial resources needed up to OBC approval, eg BCC staff, external appointments, etc.This should include all expenditure required to deliver all the products shown above, total to the development costs shown in 9.1.</i>
existing BCC staffing:
Development costs (total agrees to 9.1 above):
Other:

14.

Funding of costs up to OBC Stage:

15.

Project Management
<i>describe how the project will be managed including the responsible Project Board and its members</i>

Directorates	Identifier
Adults Social Care	AD
Education and Skills	ES
Inclusive Growth	IG
Neighbourhoods	NE
Digital and Customer Services	DC
Human Resources	HR
Finance and Governance	FG
Commonwealth Games	CG
Partnerships , Insight and Prevention	PP

Prudential Borrowing Costs Calculator
you must complete Stage 1 tab Section 8 for this calculation to complete

Useful Economic Life of Asset (years)	Annuity Factors				
	2019/20	2020/21	2021/22	2022/23	Later Years
5	0.2134	0.2137	0.2143	0.2143	0.2143
7	0.1590	0.1593	0.1593	0.1593	0.1593
10	0.1157	0.1160	0.1160	0.1160	0.1160
15	0.0829	0.0835	0.0838	0.0838	0.0838
20	0.0663	0.0669	0.0672	0.0672	0.0672
40	0.0412	0.0415	0.0419	0.0419	0.0419

Interest Rate Only	0.0200	0.0250	0.0280	0.0280	0.0280
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Service Prudential Borrowing	1.350	3.150	0.000	0.000	0.000
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Calculation

Half-year interest in year of cap exp	0.014	0.039	0.000	0.000	0.000
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Annuity in later years

2019/20 spend	0.000	0.089	0.089	0.089	0.089
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2020/21 spend	0.000	0.000	0.211	0.211	0.211
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2021/22 spend	0.000	0.000	0.000	0.000	0.000
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2022/23 spend	0.000	0.000	0.000	0.000	0.000
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Later Years spend	0.000	0.000	0.000	0.000	0.000
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Total Prudential Borrowing Costs	0.014	0.129	0.300	0.300	0.300
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For large projects where MRP (and therefore the full annuity cost) is deferred until after completion, you may need to prepare a tailored borrowing cost analysis.

These details can be pasted into the Directorate summary form C1

Directorate	Reference
Neighbourhoods	NE (BS12)

Capital Cost					
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
1.35	3.15	0	0	0	4.5

Other resources (Grants, DRF, Other)					
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
0	0	0	0	0	0

Capital f		
2019/20 £m	2020/21 £m	2021/22 £m
0	0	0

Receipts		
2022/23 £m	Later Years £m	Total £m
0	0	0

BCC corporate Resources Required (borr or other)					
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
1.35	3.15	0	0	0	4.5

Net Revenue Implications					
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
0.0135	-0.02614	-0.00976	-0.00976	-0.00976	-0.04192

Prudential Borrowing (r		
2019/20 £m	2020/21 £m	2021/22 £m
0.0135	0.128862	0.300239

Net of external funding)		
2022/23 £m	Later Years £m	Total £m
0.300239	0.300239	1.043081

Net Revenue cost / (saving) - Other					
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total £m
0	-0.155	-0.31	-0.31	-0.31	-1.085