BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	**CABINET**
Report of: **Date of Decision:**	**Acting Chief Financial Officer** **14th November 2017**
SUBJECT:	**CAPITAL AND TREASURY MANAGEMENT MONITORING QUARTER 2 (JULY TO SEPTEMBER 2017)**
Key Decision: Yes	**Relevant Forward Plan Ref: 003704/2017**
If not in the Forward Plan: **(please "tick" box)**	**Chief Executive approved** ☐ **O&S Chair approved** ☐
Type of decision:	**Executive**
Relevant Cabinet Member:	**Councillor Ian Ward**
Relevant O&S Chair:	**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 2017.

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 £2,854.199m.

2.2 Cabinet is requested to note that:

(i) Forecast capital expenditure in 2017/18 is £474.177m.

(ii) Actual capital expenditure as at 30th September 2017 was £120.214m, representing 25.4% of the forecast outturn for 2017/18.

(iii) The prudential indicator monitoring is presented at Appendix 11.

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3. Consultation

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

3.1 Internal

Relevant Members and officers have been consulted in the preparation of this report.

3.2 External

There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.

4. Compliance Issues:

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

The capital expenditure programme and the treasury management policy and strategy are part of the Financial Plan 2017+, and resource allocation is directed towards Council priorities.

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

The corporate capital budget monitoring documents attached give details of service delivery within available resources.

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.

4.3 Legal Implications

Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (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.

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 2017/18 was approved by the City Council on 28th February 2017.

5.2 A Capital Programme of £1,658,559m was approved by the City Council on 28th February 2017.

5.3 During Quarter 1 programme increased by a further £1,175.532m to £2,834.092m.

5.4 **Format of Reporting**

During Quarter 2 the content and format of this report has been reviewed and subsequently amended to provide a more strategic and high level review of variations to the capital programme since the previous quarter. Variations are now reported on an exception basis rather than a detailed analysis of each project or programme.
The threshold for reporting variations is 5% of the total project cost (subject to a minimum of £0.200m).

Appendix 1 summarises all the projects and programmes in the capital programme, showing changes to the budgets and forecasts since Quarter 1, both for the current financial year and in total for all years' expenditure.

Appendix 2 now only provides narrative for the major variations (>£0.200m or 5%) which have been numerically referenced in Appendix 1, rather than the inclusion of all variations. However, detailed monitoring is still undertaken within City Finance and reported to Directorate Management Teams.

Each Appendix now includes a paragraph summarising the purpose of each report.

5.5 **Addition / Reduction in Resources**

During Quarter 2 the programme increased by a further £20.107m to £2,854.199m and is summarised in the table below.

	2017/18 £m	**2018/19** £m	**2019/20** £m	**Later Years** £m	**Total** £m
Approved Capital Budget Q1	**490.485**	**355.267**	**230.136**	**1,758.204**	**2,834.092**
Addition or (Reduction) in Resources	15.996	3.538	0.541	0.032	20.107
Revised Capital Budget Quarter 2	**506.481**	**358.805**	**230.677**	**1,758.236**	**2,854.199**

The majority of the additional resources relate to new schemes within the Housing Private Sector for the refurbishment of properties for temporary accommodation (£11.7m), additional funding for East Aston RIS (£3.6m), and additional funding for Schools Condition Allowance (£2.4m) and the Wholesale Market (£1.3m).

Further narrative explaining the major variations is provided in Appendix 2.

5.6 **Forecast Budget Variations**

At Quarter 2 net slippage of £(34.101)m and a net overspend of £1.797m is forecast for the financial year 2017/18. The forecast expenditure for the year therefore decreases to £474.177m. This is summarised in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m	Later Years £m	Total £m
Revised Capital Budget Quarter 2	**506.481**	**358.805**	**230.677**	**1,758.236**	**2,854.199**
Forecast Slippage at Quarter 2	(34.101)	35.501	(3.686)	2.286	0.000
Add overspends (less underspends)	1.797	(0.326)	0.000	0.000	1.471
Forecast Outturn Q2	**474.177**	**393.980**	**226.991**	**1,760.522**	**2,855.670**

The reasons for the major variations regarding forecast slippage and overspends at Quarter 2 are provided in Appendix 2.

5.7 **Expenditure to Date**

Actual expenditure on Voyager for the quarter ending 30th September 2017 is £120.214m. This represents 25.4% of the forecast outturn for 2017/18 and compares with 29.9% in 2016/17 financial year.

Capital expenditure on a scheme by scheme basis is detailed in Appendix 1.

5.8 **10 – Year Capital Programme**

The quarterly Capital & Treasury Management Monitoring report 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, Housing Private Sector schemes, the Transportation & Highways programme, the Enterprise Zone and the Curzon Street Master Plan (Enterprise Zone Phase 2).

5.9 **Treasury Management Monitoring**

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

5.10 **Prudential Indicator Monitoring**

Appendix 11 monitors the forecast position at Quarter 1 against the Council's approved prudential indicators and limits.

No prudential limits have been breached in the quarter or are forecast to be breached.

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 2017.

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:

28th February 2017 Council Report – Financial Plan 2017+
Financial Outturn Report – 16th May 2017.
13th September 2017 – Capital & Treasury Management Monitoring Report Quarter 1 (April to June 2017)

List of Appendices accompanying this Report:

1. Appendix 1 – High level summary of the Capital Programme as at Quarter 2 2017/18
2. Appendix 2 – Review of major capital monitoring variations at Quarter 2 2017/18
3. Appendix3 –Development and Funding of the Capital Programme at Quarter 2 2017/18
4. Appendix 4 – New Prudential Borrowing Capital Schemes in Quarter 2 2017/18
5. Appendix 5 – 10-Year Capital Programme as at Quarter 2 2017/18
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 2017
9. Appendix 9 - Treasury Investments made in July to September 2017
10. Appendix 10 - Accountable Body Investments
11. Appendix 11 - Prudential Indicators

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2 **Appendix 1**

This Appendix summarises all the projects in the capital programme, showing changes in the budgets and forecasts since the previous quarter, both for the current financial year and in total for all years.

*** Ref Appendix 2 - narrative explaining the major variations (>£200k) are reported in Appendix 2 (as numbered).**

		2017/18								All Years			
	Ref App 2*	Quarter 1 Budget £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	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
ADULT SOCIAL CARE & HEALTH DIRECTORATE													
Property Schemes	**1**	**2,052**	0	**2,052**	(1,902)	0	**150**	**0**	**0.0**	**2,352**	**0**	**0**	**2,352**
IT Schemes		**566**	0	**566**	0	0	**566**	**24**	**4.2**	**666**	**0**	**0**	**666**
Adults Carefirst Replacement Scheme	**2**	**944**	0	**944**	(551)	0	**393**	**134**	**34.1**	**1,223**	**0**	**0**	**1,223**
Improvements to Social Care Delivery	**3**	**2,736**	0	**2,736**	(800)	0	**1,936**	**0**	**0.0**	**7,822**	**0**	**0**	**7,822**
Independent Living		**4,604**	0	**4,604**	0	0	**4,604**	**1,781**	**38.7**	**9,204**	**0**	**0**	**9,204**
TOTAL CAPITAL - ADULT SOCIAL CARE & HEALTH DIRECTORATE		**10,902**	**0**	**10,902**	**(3,253)**	**0**	**7,649**	**1,939**	**25.3**	**21,267**	**0**	**0**	**21,267**
CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE													
Aiming Higher for Disabled Children		**183**	0	**183**	0	0	**183**	**183**	**100.0**	**183**	**0**	**0**	**183**
Devolved Capital Allocation to Schools		**2,804**	0	**2,804**	0	0	**2,804**	**1,418**	**50.6**	**4,593**	**0**	**0**	**4,593**
Schools Condition Allowance	**4**	**17,047**	2,400	**19,447**	(2,953)	0	**16,494**	**2,800**	**17.0**	**22,575**	**2,400**	**0**	**24,975**
Additional Primary Places - Basic Needs	**5**	**38,642**	0	**38,642**	(8,000)	0	**30,642**	**9,647**	**31.5**	**101,437**	**0**	**0**	**101,437**
Early Years		**2,773**	0	**2,773**	0	0	**2,773**	**417**	**15.0**	**2,773**	**0**	**0**	**2,773**
Business Transformation		**1,989**	0	**1,989**	0	0	**1,989**	**68**	**3.4**	**4,223**	**0**	**0**	**4,223**
Universal Infant Free School Meals		**0**	0	**0**	0	0	**0**	**1**	**0.0**	**0**	**0**	**0**	**0**
Other Minor Schemes		**52**	0	**52**	0	0	**52**	**20**	**38.5**	**52**	**0**	**0**	**52**
TOTAL CAPITAL - CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE		**63,490**	**2,400**	**65,890**	**(10,953)**	**0**	**54,937**	**14,554**	**26.5**	**135,836**	**2,400**	**0**	**138,236**

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2 | **Appendix 1**

		2017/18								All Years			
	Ref App 2	Quarter 1 Budget £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	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													
Other - General Fund													
Sport & Swimming Pool Facilities		10,052	46	10,098	0	0	10,098	5,290	52.4	16,928	46	0	16,974
Waste Management Services	6	5,320	67	5,387	(2,502)	0	2,885	84	2.9	8,872	67	0	8,939
Parks	7	4,710	338	5,048	(1,450)	0	3,598	724	20.1	5,173	352	0	5,525
Bereavement Services		5,636	0	5,636	0	0	5,636	3,710	65.8	5,636	0	0	5,636
Markets	8	3,917	1,171	5,088	(440)	0	4,648	(39)	(0.8)	3,917	1,321	0	5,238
Community Initiatives		392	0	392	0	0	392	0	0.0	392	0	0	392
Regulation and Enforcement		368	0	368	0	0	368	6	1.6	368	0	0	368
Highways - Land Drainage and Flood Defences	9	1,105	0	1,105	(1,105)	0	0	81	0.0	1,105	0	0	1,105
Adult Education & Youth		207	0	207	0	0	207	1	0.5	207	0	0	207
Strategic Libraries		570	0	570	0	0	570	102	17.9	570	0	0	570
Community Libraries	10	1,372	0	1,372	(366)	0	1,006	183	18.2	1,372	0	0	1,372
Community Development & Play		48	0	48	0	0	48	2	4.2	48	0	0	48
Community Chest		1	0	1	0	0	1	0	0.0	1	0	0	1
Neighbourhood & Community Services Other		6	0	6	0	0	6	0	0.0	6	0	0	6
Total Place Other GF		**33,704**	**1,622**	**35,326**	**(5,863)**	**0**	**29,463**	**10,144**	**34.4**	**44,595**	**1,786**	**0**	**46,381**
Private Sector Housing													
Empty Homes		550	0	550	0	0	550	(207)	(37.6)	1,797	0	0	1,797
Housing Related Loans		36,584	0	36,584	0	0	36,584	5,024	13.7	268,128	0	0	268,128
Housing Options	11	1,213	11,655	12,868	0	0	12,868	1,191	9.3	1,213	11,655	0	12,868
Other Programmes		15	0	15	0	0	15	0	0.0	160	0	0	160
Total Private Sector Housing GF		**38,362**	**11,655**	**50,017**	**0**	**0**	**50,017**	**6,008**	**12.0**	**271,298**	**11,655**	**0**	**282,953**
HRA													
Housing Improvement Programme	12	58,439	0	58,439	203	1,722	60,364	16,557	27.4	587,395	0	1,722	589,117
Redevelopment	13	63,282	0	63,282	(6,689)	(34)	56,559	18,284	32.3	454,700	0	(360)	454,340
Other Programmes		4,880	0	4,880	0	0	4,880	1,069	21.9	48,355	0	0	48,355
Total HRA		**126,601**	**0**	**126,601**	**(6,486)**	**1,688**	**121,803**	**35,910**	**29.5**	**1,090,450**	**0**	**1,362**	**1,091,812**
TOTAL CAPITAL - PLACE DIRECTORATE		**198,667**	**13,277**	**211,944**	**(12,349)**	**1,688**	**201,283**	**52,062**	**25.9**	**1,406,343**	**13,441**	**1,362**	**1,421,146**

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2 — Appendix 1

		2017/18								All Years			
	Ref App 2	Quarter 1 Budget £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	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													
Planning & Regeneration Schemes													
Major Projects:													
Enterprise Zone - Investment Plan		**0**	0	**0**	0	144	**144**	**0**	**0.0**	**0**	**0**	**144**	**144**
Enterprise Zone - Paradise Circus		**18,771**	0	**18,771**	0	0	**18,771**	**5,891**	**31.4**	**27,780**	**0**	**0**	**27,780**
Enterprise Zone - Site Development & Access		**2,500**	0	**2,500**	0	0	**2,500**	**0**	**0.0**	**8,045**	**0**	**0**	**8,045**
Enterprise Zone - Connecting Economic Opportunities		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**9,560**	**0**	**0**	**9,560**
Enterprise Zone - Southern Gateway Site		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**34,530**	**0**	**0**	**34,530**
Enterprise Zone - LEP Investment Fund		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**20,000**	**0**	**0**	**20,000**
Enterprise Zone - HS2 Interchange Site		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**20,000**	**0**	**0**	**20,000**
Enterprise Zone - Snow Hill Public Realm		**218**	0	**218**	0	0	**218**	**114**	**52.3**	**2,838**	**0**	**0**	**2,838**
Enterprise Zone - Southside Links		**86**	0	**86**	0	0	**86**	**4**	**4.7**	**392**	**0**	**0**	**392**
Enterprise Zone - Moor Street Queensway		**200**	(200)	**0**	0	0	**0**	**0**	**0.0**	**200**	**(200)**	**0**	**0**
EZ Phase II - HS2 Station Environment		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**52,000**	**0**	**0**	**52,000**
EZ Phase II - HS2 Site Enabling		**1,000**	0	**1,000**	0	0	**1,000**	**0**	**0.0**	**101,500**	**0**	**0**	**101,500**
EZ Phase II - Local Transport Improvements		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**109,800**	**0**	**0**	**109,800**
EZ Phase II - Connecting Economic Opportunities		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**89,100**	**0**	**0**	**89,100**
EZ Phase II - Connecting Economic Opportunities 2		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**52,900**	**0**	**0**	**52,900**
EZ Phase II - Social Infrastructure		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**109,900**	**0**	**0**	**109,900**
EZ Phase II - Metro Extension to E Bham/Solihull		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**183,300**	**0**	**0**	**183,300**
Jewellery Quarter Cemetery	**14**	**1,334**	0	**1,334**	(1,034)	0	**300**	**0**	**0.0**	**1,544**	**0**	**0**	**1,544**
BCN Bridges - Aston		**33**	0	**33**	0	0	**33**	**33**	**100.0**	**33**	**0**	**0**	**33**
Unlocking Housing Sites		**3,000**	0	**3,000**	(93)	0	**2,907**	**646**	**22.2**	**9,000**	**0**	**0**	**9,000**
East Aston RIS	**15**	**2,000**	0	**2,000**	(688)	0	**1,312**	**518**	**39.5**	**2,480**	**3,622**	**0**	**6,102**
Life Sciences		**1,438**	0	**1,438**	0	0	**1,438**	**7**	**0.5**	**1,438**	**0**	**0**	**1,438**
Other		**0**	0	**0**	0	0	**0**	**8**	**0.0**				
Public Realm:													
Metro Centenary Square		**6,774**	0	**6,774**	0	0	**6,774**	**1,771**	**26.1**	**10,043**	**0**	**0**	**10,043**
Making the Connection		**284**	0	**284**	0	0	**284**	**105**	**37.0**	**514**	**0**	**0**	**514**
Longbridge		**3,276**	0	**3,276**	0	0	**3,276**	**83**	**2.5**	**3,163**	**0**	**0**	**3,163**
Other		**486**	0	**486**	(326)	0	**160**	**129**	**80.6**	**599**	**0**	**0**	**599**
Infrastructure:													
One Station		**251**	0	**251**	0	0	**251**	**1**	**0.0**	**251**	**0**	**0**	**251**
A34 Corridor Perry Barr		**200**	0	**200**	0	0	**200**	**0**	**0.0**	**435**	**0**	**0**	**435**
Other		**4**	0	**4**	0	0	**4**	**12**	**300.0**	**4**	**0**	**0**	**4**
Grants / Loans:													
Grand Hotel Development		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**1,000**	**0**	**0**	**1,000**
Other		**0**	0	**0**	0	0	**0**	**0**	**0.0**	**0**	**0**	**0**	**0**
Minor Projects		**57**	108	**165**	0	0	**165**	**108**	**0.0**	**57**	**108**	**0**	**165**
Total Other Planning & Regeneration Projects		**41,912**	**(92)**	**41,820**	**(2,141)**	**144**	**39,823**	**9,430**	**23.7**	**852,406**	**3,530**	**144**	**856,080**
Total Planning & Regeneration		**41,912**	**(92)**	**41,820**	**(2,141)**	**144**	**39,823**	**9,430**	**23.7**	**852,406**	**3,530**	**144**	**856,080**
Employment & Skills													
National College for HS2		**8,521**	0	**8,521**	0	0	**8,521**	**4,604**	**54.0**	**8,521**	**0**	**0**	**8,521**
ERDF Business Growth & Property Investment		**5,153**	0	**5,153**	0	0	**5,153**	**1,629**	**0.0**	**9,964**	**0**	**0**	**9,964**
Total Employment & Skills		**13,674**	**0**	**13,674**	**0**	**0**	**13,674**	**6,233**	**45.6**	**18,485**	**0**	**0**	**18,485**

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2		2017/18								All Years			Appendix 1
	Ref App 2	Quarter 1 Budget £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	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
Highways													
Safer Routes to Schools		**532**	0	**532**	0	0	**532**	**168**	**31.6**	**2,032**	**0**	**0**	**2,032**
Section 106 & 278		**12**	(22)	**(10)**	0	0	**(10)**	**16**	**(160.0)**	**12**	**(22)**	**0**	**(10)**
Minworth A38 Improvements		**2,851**	0	**2,851**	0	0	**2,851**	**0**	**0.0**	**2,851**	**0**	**0**	**2,851**
Network Integrity		**1,450**	(169)	**1,281**	0	0	**1,281**	**635**	**49.6**	**4,450**	**0**	**0**	**4,450**
Road Safety		**697**	0	**697**	0	0	**697**	**224**	**32.1**	**3,322**	**0**	**0**	**3,322**
Other Minor Schemes		**312**	0	**312**	0	0	**312**	**84**	**26.9**	**312**	**0**	**0**	**312**
Total Highways GF		**5,854**	**(191)**	**5,663**	**0**	**0**	**5,663**	**1,127**	**19.9**	**12,979**	**(22)**	**0**	**12,957**
Transportation													
Major Schemes:													
Ashted Circus		**2,030**	0	**2,030**	0	0	**2,030**	**592**	**29.2**	**7,531**	**0**	**0**	**7,531**
Metro Extension		**6,493**	0	**6,493**	0	0	**6,493**	**3,116**	**48.0**	**6,730**	**0**	**0**	**6,730**
Iron Lane		**2,050**	0	**2,050**	0	0	**2,050**	**42**	**2.0**	**12,200**	**0**	**0**	**12,200**
Minworth Unlocking		**666**	0	**666**	0	96	**762**	**841**	**110.4**	**666**	**0**	**96**	**762**
Battery Way Extension		**656**	0	**656**	0	0	**656**	**104**	**15.9**	**5,952**	**0**	**0**	**5,952**
Longbridge Connectivity		**2,856**	0	**2,856**	0	0	**2,856**	**271**	**9.5**	**6,486**	**0**	**0**	**6,486**
A457 Dudley Road		**300**	0	**300**	0	0	**300**	**29**	**9.7**	**29,555**	**0**	**0**	**29,555**
Peddimore		**330**	0	**330**	0	0	**330**	**86**	**26.1**	**330**	**0**	**0**	**330**
Journey Reliability		**1,191**	158	**1,349**	0	0	**1,349**	**9**	**0.7**	**1,791**	**(834)**	**0**	**957**
Tame Valley Phase 2 & 3		**614**	0	**614**	0	0	**614**	**43**	**7.0**	**86,532**	**164**	**0**	**86,696**
Selly Oak New Road Phase 1B		**340**	0	**340**	0	0	**340**	**0**	**0.0**	**9,413**	**0**	**0**	**9,413**
Wharfdale Bridge		**100**	0	**100**	0	0	**100**	**4**	**4.0**	**2,600**	**0**	**0**	**2,600**
Other	**16**	**372**	89	**461**	0	541	**1,002**	**362**	**36.1**	**715**	**(75)**	**541**	**1,181**
Inclusive & Sustainable Growth:													
Holloway Circus		**1,824**	(65)	**1,759**	0	0	**1,759**	**145**	**8.2**	**1,824**	**0**	**0**	**1,824**
Bromford Gyratory		**675**	(84)	**591**	0	0	**591**	**33**	**5.6**	**675**	**(84)**		**591**
Southside / Hurst Street		**952**	0	**952**	0	0	**952**	**55**	**5.8**	**952**	**0**	**0**	**952**
Other		**2,869**	(476)	**2,393**	0	(144)	**2,249**	**410**	**18.2**	**3,262**	**396**	**(144)**	**3,514**
Walking & Cycling		**20,359**	0	**20,359**	0	0	**20,359**	**2,247**	**11.0**	**32,731**	**0**	**0**	**32,731**
Local Measures		**9**	0	**9**	0	0	**9**	**12**	**133.3**	**9**	**0**	**0**	**9**
Infrastrucure Development		**565**	0	**565**	0	0	**565**	**286**	**50.6**	**3,290**	**0**	**0**	**3,290**
Section 106 / 278		**548**	13	**561**	0	0	**561**	**333**	**59.4**	**548**	**13**	**0**	**561**
Funding to be allocated	**17**	**800**	(442)	**358**	0	0	**358**	**0**	**0.0**	**7,720**	**(326)**	**0**	**7,394**
Total Transportation		**46,599**	**(807)**	**45,792**	**0**	**493**	**46,285**	**9,020**	**19.5**	**221,512**	**(746)**	**493**	**221,259**
Birmingham Property Services:													
Access to Buildings		**231**	0	**231**	0	0	**231**	**0**	**0.0**	**459**	**0**	**0**	**459**
Business Transformation - Working for the Future		**0**	0	**0**	0	0	**0**	**(608)**	**0.0**	**0**	**0**	**0**	**0**
Attwood Green Projects		**395**	0	**395**	0	0	**395**	**146**	**0.0**	**395**	**0**	**0**	**395**
Red Rose Shopping Centre	**18**	**543**	0	**543**	0	(543)	**0**	**0**	**0.0**	**543**	**0**	**(543)**	**0**
Arena Central		**1,364**	0	**1,364**	0	0	**1,364**	**115**	**8.4**	**1,364**	**0**	**0**	**1,364**
Council House Complex Development Costs		**370**	0	**370**	0	0	**370**	**(58)**	**(15.7)**	**370**	**0**	**0**	**370**
NEC Hotels WOC		**29,800**	0	**29,800**	0	0	**29,800**	**0**	**0.0**	**29,800**	**0**	**0**	**29,800**
Lee Bank Business Centre		**0**	135	**135**	0	0	**135**	**0**	**0.0**	**0**	**135**	**0**	**135**
Other		**0**	10	**10**	0	0	**10**	**154**	**0.0**	**0**	**10**	**0**	**10**
Total Birmingham Property Services Projects		**32,703**	**145**	**32,848**	**0**	**(543)**	**32,305**	**(251)**	**(0.8)**	**32,931**	**145**	**(543)**	**32,533**
TOTAL CAPITAL - ECONOMY DIRECTORATE		**140,742**	**(945)**	**139,797**	**(2,141)**	**94**	**137,750**	**25,559**	**18.6**	**1,138,313**	**2,907**	**94**	**1,141,314**

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2													Appendix 1
		2017/18								All Years			
	Ref App 2	Quarter 1 Budget £'000's	Qtr 2 New Schemes £'000's	Revised Quarter 2 Budget £'000's	Forecast Slippage / Acceleration Qtr 2	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
FINANCE & GOVERNANCE DIRECTORATE													
Revenue Reform Projects		**38,240**	0	**38,240**	0	0	**38,240**	**3,148**	**0.0**	**51,240**	**0**	**0**	**51,240**
Gateway / Grand Central Residual Costs		**1,000**	0	**1,000**	0	0	**1,000**	**228**	**0.0**	**4,929**	**0**	**0**	**4,929**
Corporate Resources		**104**	0	**104**	0	0	**104**	**32**	**0.0**	**104**	**0**	**0**	**104**
IT Projects		**184**	0	**184**	50	18	**252**	**145**	**57.5**	**488**	**96**	**18**	**602**
Digital Birmingham		**258**	0	**258**	0	0	**258**	**151**	**58.5**	**398**	**0**	**0**	**398**
Capital Loans & Equity Funds	**19**	**23,202**	1,263	**24,465**	0	0	**24,465**	**21,774**	**89.0**	**28,923**	**1,263**	**0**	**30,186**
SAP New Developments	**20**	**1,120**	0	**1,120**	(455)	0	**665**	**135**	**0.0**	**5,709**	**0**	**0**	**5,709**
TOTAL CAPITAL - FINANCE & GOVERNANCE DIRECTORATE		**64,108**	**1,263**	**65,371**	**(405)**	**18**	**64,984**	**25,613**	**39.4**	**91,791**	**1,359**	**18**	**93,168**
STRATEGIC SERVICES DIRECTORATE													
Corporate ICT Investment	**21**	**12,577**	0	**12,577**	(5,000)	(3)	**7,574**	**487**	**6.4**	**40,541**	**0**	**(3)**	**40,538**
TOTAL CAPITAL - STRATEGIC SERVICES DIRECTORATE		**12,577**	**0**	**12,577**	**(5,000)**	**(3)**	**7,574**	**487**	**6.4**	**40,541**	**0**	**(3)**	**40,538**
TOTAL CAPITAL PROGRAMME		**490,485**	**15,996**	**506,481**	**(34,101)**	**1,797**	**474,177**	**120,214**	**25.35**	**2,834,092**	**20,107**	**1,471**	**2,855,670**

Appendix 2

The purpose of this appendix is to provide narrative on the major variatons to the capital programme in the last quarter (July to September 2017). The threshold for major variations is 5% of the total project cost (subject to a minimum of £0.200m).

REF	ADULTS SOCIAL CARE & HEALTH DIRECTORATE		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
1	**Property Schemes**	Original Budget	2,052	2,352	Programme of Refurbishments of Older Adults Services and Learning Disability Services. All schemes are grant funded.
		Additional / (Reduced) Resources	0	0	
		(Under) / Overspend	0	0	
		(Slippage)/Acceleration	(1,902)	0	(£0.812m) slippage on Learning Disability Day Centres - following a 12+ month pause in the project agreed by the Director and Cabinet Member. Work has been completed on 3 day centres and work on the 3 remaining centres recommenced in August 2017. A new project plan is being developed and will be reviewed later in 2017 to identify if any expenditure will be incurred in 2017/18. (£0.850m) slippage on Kenrick Centre Lease due to delays in the disposing charitable Trust instructing external solicitors to act on their behalf. (£0.240m) slippage on Programme of Minor Works because expenditure has slowed whilst the Directorate reviews the future operating model; it is anticipated that new schemes will be developed once the future lifespan of premises are confirmed. One heating replacement/asbestos removals scheme of £0.150m is due to start later in 2017/18.
		Total Revised Forecast	**150**	**2,352**	
		On Target?			Yes
2	**Adults - Social Care IT Replacement System**	Original Budget	944	1,223	Replacement Social Care IT System (Childrens' and Adults)
		Additional / (Reduced) Resources	0	0	
		(Under) / Overspend	0	0	
		(Slippage)/Acceleration	(551)	0	The budget for the Adults element of the Social Care IT Replacement system (Carefirst) has been reprofiled to reflect the report to Cabinet on 25/07/2017. This is all funded by capital grants.
		Total Revised Forecast	**393**	**1,223**	
		On Target?			Yes
3	**Improvements to Social Care Delivery**	Original Budget	2,736	7,822	Schemes for the provision of improved health and social care services for elderly and vulnerable adults. These are funded by the Better Care Fund.
		Additional / (Reduced) Resources	0	0	
		(Under) / Overspend	0	0	
		(Slippage)/Acceleration	(800)	0	As in 2016/17 elements of the assistive equipment programme will be funded through this scheme. The Directorate is working with health partners to develop further initiatives as part of the Better Care Fund but expenditure will not be incurred until next year.
		Total Revised Forecast	**1,936**	**7,822**	
		On Target?			Yes

REF	PEOPLE DIRECTORATE - CHILDREN, YOUNG PEOPLE AND FAMILIES		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
4	**School Condition Allowance**	Original Budget	17,047	22,575	School Condition Allowance programme covering programmed capital works, dual funded schemes, improvements to access and kitchen works funded mainly by grants from the Education Funding Agency.
		Additional / (Reduced) Resources	2,400	2,400	Additional capital receipts resources included in the capital programme following Cabinet approval of the International School Conversion report on 18th April 2017. The budget will fund the capitalisation of schools costs that fall within eligible criteria.
		(Slippage)/Acceleration	(2,953)	0	Slippage due to delays in schools identifying schemes for dual funded capital works (due to changing priorities and identification of match funding). The budget is grant funded and there will be no loss of resources.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**16,494**	**24,975**	
		On Target?			No as above
5	**Basic Need/Additional Primary Places**	Original Budget	38,642	101,437	Building programme aimed at expanding school provision in order to meet pupil place requirements funded mainly by grants from the Education Funding Agency.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(8,000)	0	Delays in a number of additional place schemes have resulted in net slippage of £8m. These include: Harborne (£2.7m slippage) was delayed as planning constraints of the originaly identified site meant that the proposed location was not viable after several options were explored. However, a new site has now been identified. Further slippage has occurred in developing the proposals for the new site. Osborne – (£1.0m slippage) Full expenditure for the scheme had originally been profiled in 2017/18, but as the scheme does not complete until summer 2018, £1m spend has been slipped for works to be carried out during this period (2018 Q.1). Beaufort – (£0.5m slippage) Full expenditure for the scheme had originally been profiled in 2017/18, but as the scheme does not complete until May 2018, a further £0.5m spend has been slipped for works carried out during this period (2018 Q.1). Pines – (£0.8m slippage) £0.8m had been allocated for additional external works to the new Pines School, but this is no longer required.This money is being used to prepare the third floor of the Pines building in 2018/19 for additional pupils. Bridge School – (£0.5m slippage) scheme has been delayed, as the original scheme was found not to be viable after several options were explored. We are now pursuing a better alternative option and a new site is now in the process of being procured at Stour Street to replace the original scheme. Contingency – (£2.5m slippage) unallocated contingency that is unlikely to be required and so will be utilised for other schemes.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**30,642**	**101,437**	
		On Target?			No as above

REF	PLACE DIRECTORATE - OTHER GENERAL FUND		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
6	**Waste Management Services**	Opening Budget	5,320	8,872	Waste Depot Modernisation Programme and Mobile IT project. Phase 1 of the Depot Modernisation Programme will deliver improvements to Perry Barr and Lifford Depots and the Mobile IT Project.
		Additional / (Reduced) Resources	67	67	
		(Slippage)/Acceleration	(2,502)	0	(£0.248m) of further slippage on Lifford Lane due to delays in planning referrals. The expenditure profile for the Waste Management depot redevelopment has slipped by a further (£0.750m) to allow further time to consider options in the context of the development of the Waste Strategy. Perry Barr depot further slippage of (£0.492m) as a result of a value engineering exercise and possible part redesign required as quotes for work packages are higher than budgeted. Slippage of (£1.012m) on the Mobile Technology budget in order to re-assess requirements and to minimise revenue impact.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**2,885**	**8,939**	
		On Target?			No as above
7	**Parks**	Opening Budget	4,710	5,173	Various schemes including - Cofton Nurseries replacement glasshouses; Cofton Park Pavilion; Reservoirs & Pools; Perry Park Skate Park; Highgate Park Improvements; Minworth Sports Facilities; Kings Heath Park Hub; Oakland Recreational Ground; Blackroot Pool and other schemes <£100k.
		Additional / (Reduced) Resources	338	352	£0.167m S106 resources added for works at Woodington Rd/Lindridge Rd, £0.117m other minor scheme additions.
		(Slippage)/Acceleration	(1,450)	0	(£1.150m) slippage on Cofton Nurseries due to changes in the proposed development to bring costs within the allocated budget. Detailed discussions with the Parks & Nature Conservation are due to take place imminently. (£0.300m) slippage on the Minworth Sports Facilities to review the feasibility and costs of the scheme it is expected that works will commence in late 2017/18 or early 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**3,598**	**5,525**	
		On Target?			Slippage on Cofton Nurseries and S106 schemes.
8	**Markets**	Budget	3,917	3,917	Relocation of Birmingham Wholesale Markets to Witton including purchase of land and construction of a building at a new site.
		Additional / (Reduced) Resources	1,171	1,321	Prudential borrowing resources approved by Cabinet on 13th September 2017 for additional works requested by the Market Traders and fitting of a sprinkler system (as reported in quarter 1 as a forecast overspend).
		(Slippage)/Acceleration	(440)	0	Delays in the procurement and installation of the sprinkler system and protracted negotiations with market traders over the arrangements and terms of their relocation to the new market have both impacted on the timing of the final fit out programme. Demolition of the existing market which had been planned to take place in 2017/18 is now scheduled to start in February 2018 and complete in the first part of 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**4,648**	**5,238**	
		On Target?			No as above

9	**Land Drainage & Flood Defences**	Budget	1,105	1,105	River Tame Flood Defence Scheme.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,105)	0	Following a significant redesign after engineering difficulties the scheme is going through the planning application process. Completion is now expected to be in 2018/19.
		(Under) / Overspend	0	0	
		Total Revised Forecast	0	1,105	
		On Target?			Spend is within budget but the completion of the project is slipping as above.
10	**Community Libraries**	Opening Budget	1,372	1,372	West Heath Library rebuild £0.456m; Self Service Community Libraries £0.828m; other minor schemes < £0.50m total £0.088m
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(366)	0	Self Service Community Libraries slippage of £0.366m. The project to install self service kiosks in priority locations in libraries is progressing smoothly. The project is complex and requires internal site reconfiguration, consultation and periods of closure. These complexities mean that some of the works will fall into 2018/19. West Heath Library - consideration is being given to the reallocation of the £0.456m budget to support the community library strategy. A report will be submitted to the Interim Chief Financial Officer in November 2017.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**1,006**	**1,372**	
		On Target?			No as above
REF	**PLACE DIRECTORATE -HOUSING PRIVATE SECTOR GENERAL FUND**		**2017/18 £'000**	**All Years £'000**	**PROJECT OFFICER NARRATIVES**
11	**Housing Options**	Opening Budget	1,213	1,213	Programme of refurbishment of temporary accommodation to improve services for the homeless.
		Additional / (Reduced) Resources	11,655	11,655	New scheme for the refurbishment of Barry Jackson Tower and Magnolia House to bring properties back into use as temporary accommodation, funded largely from prudential borrowing. The Full Business Case Report was approved by Cabinet on 15th August 2017.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	**12,868**	**12,868**	
		On Target?			Currently on target

REF	PLACE DIRECTORATE -HOUSING REVENUE ACCOUNT		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
12	**Housing Improvement Programme**	Opening Budget	58,439	587,395	Capital Investment Programme - various projects to carry out improvements to stock including major structural works.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	203	0	Acceleration of programmes, such as the replacement boiler programme due to ageing stock (£5.6m), communal decorations programme (£3.2m) due to investment need following Grenfell and windows programme on tower blocks (£2.0m). This acceleration is offset by slippage on other programmes, largely the Structural Investment programme as a result of delays in negotiations on the tower blocks in Duddestion and delays in design of low rise flats due to updates in specification (£10.6m).
		(Under) / Overspend	1,722	1,722	Overspend due to an increased amount of Fire Protection works (£2.0) following Grenfell, a higher percentage of remedial electric works being identified (£1.3) and increased costs of Legionella works due to asbestos (£0.3m). This overspend is partially offset by an underspend on kitchens and bathrooms due to a lower level of void properties (£1.9m). The overspend is funded from additional HRA income.
		Total Revised Forecast	**60,364**	**589,117**	
		On Target?			Currently on target
13	**Redevelopment**	Opening Budget	63,282	454,700	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) Resources	0	0	
		(Slippage)/Acceleration	(6,689)	0	BMHT - slippage at Kings Norton (£2.7m) due to ongoing difficulty with sale of land and highways issues; slippage at Abbeyfields (£3.3m) due to identification of Japanese knotweed, delays in reaching agreement on party-wall issues with Network Rail, and drainage issues with Severn Trent; slippage at Bromford (£0.3m) due to delays in agreement with Environment Agency regards Flood Defence works. Clearance - slippage on various schemes due to delays in negotiating the purchase of owner occupied properties (£0.6m) and delays in achieving vacant possession at Warstone Tower (£0.2m). This is offset by acceleration on the demolition at Osborne Tower (£0.3m) and acquisitions at the Fordrough (£0.1m).
		(Under) / Overspend	(34)	(360)	Minor underspend in 2017/18. Underspend in future years due to anticipated additional works on various sites not required.
		Total Revised Forecast	**56,559**	**454,340**	
		On Target?			**No, as slippage above**
REF	**ECONOMY DIRECTORATE - REGENERATION**		**2017/18 £'000**	**All Years £'000**	**PROJECT OFFICER NARRATIVES**
14	**Jewellery Quarter Cemeteries**	Opening Budget	1,334	1,544	Improvements to Warstone Lane Cemetery including repairs, conservation and new building works, reinstatement of historical boundary railings, stones piers and entrance gates and the restoration of catacombs.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(1,034)	0	An exercise is required to value engineer the project after tenders came in prohibitively more expensive which has led to the slippage of £1.034m. A revised report will be forthcoming shortly.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**300**	**1,544**	
		On Target?			No as above.

15	**Major Projects - East Aston RIS**	Opening Budget	2,000	2,480	East Aston Regional Investment Site - Advanced Manufacturing Hub (AMH). Programme of land acquisition, demolitions, remediation and site assembly to enable developers to relocate to a strategically important manufacturing site.
		Additional / (Reduced) Resources	0	3,622	£3.5m additional Homes & Communities Agency Resources added in as part of the Public Asset Accelerator Delivery Programme to bring forward Phase 2 of the overall programme. £0.122m approved transfer from Transportation unspent grant on East Aston RIS Highway project back to Regeneration to support the project. Both movements were approved under the Delegated Authority of the Corporate Director Economy on 21/06/2017.
		(Slippage)/Acceleration	(688)	0	A number of commercial property compensation payments remain outstanding subject to independent appraisal and potential Land Tribunal assessment. Although demolition and remediation works are continuing land acquisition payments are yet to be finalised. The budget has been slipped to reflect the anticpated expenditure profile.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**1,312**	**6,102**	
		On Target?			No, as above
REF	**ECONOMY DIRECTORATE - TRANSPORTATION**		**2017/18 £'000**	**All Years £'000**	**PROJECT OFFICER NARRATIVES**
16	**Major Projects - Other Schemes**	Opening Budget	372	715	Schemes with a value of < £0.200m
		Additional / (Reduced) Resources	89	(75)	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	541	541	Chester Road - overspend £0.223m currently funded by Integrated Transport Block Grant. This forecast is based on the rectification of completed defects, the requirement to carry out a detailed review of the project and submission to the Department for Transport to ensure funding criteria have been met and the potential cost of having to settle 39 Land Compensation Claims. The claims are being considered by BPS and once the cost of these is known a report for additional funding and the overall financial position will be submitted to the Cabinet Member. A45 Coventry Road - potential overspend £0.318m currently funded by Integrated Transport Block Grant. The scheme is now complete and the forecast is based on work being carried out to settle the remaining defects and arrange for the highway and land to be formally handed over to Solihull MBC which should be resolved by the end of October. A further update will be reported at Quarter 3.
		Total Revised Forecast	**1,002**	**1,181**	
		On Target?			No as above
17	**Funding to be Allocated**	Budget	800	7,720	ITB Funding received by BCC and uploaded onto Voyager as per the Transportation & Highways Capital Programme Reports. This also includes all prior, current and future years ITB grant which are yet to be allocated to specific projects.
		Additional / (Reduced) Resources	(442)	(326)	£0.318m ITB funding to support overspends on A45 Coventry Road (as above) and £0.021m on Minworth Unblocking as approved through the Transportation Capital & Resourcing Group.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	358	7,394	
		On Target?			Not applicable as this is where the Intergrated Transport Block contingency for the current year and all future years provisional grant allocations which are yet to be allocated to specific projects.

REF	BIRMINGHAM PROPERTY SERVICES		2017/18 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
18	**Red Rose Shopping Centre**	Opening Budget	543	543	Residual budget for purchase of Red Rose Shopping Centre, Sutton Coldfield.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	(543)	(543)	Underspend due to savings achieved on the purchase price of the Red Rose Shopping Centre. The remaining budget, funded from service prudential borrowing, will be removed from the capital programme at Quarter 3.
		Total Revised Forecast	**0**	**0**	
		On Target?			Scheme complete
REF	**FINANCE & GOVERNANCE DIRECTORATE**		**2017/18 £'000**	**All Years £'000**	**PROJECT OFFICER NARRATIVES**
19	**Capital Loans & Equity**	Opening Budget	23,202	28,923	Capital Equity Investments £8.322m; Loans granted on behalf of West Midlands Combined Authority £3.399m; £17.202m PETPS (Birmingham) Ltd - a wholly owned company for the management of the NEC Pension Fund.
		Additional / (Reduced) Resources	1,263	1,263	£1.262m of Prudential Borrowing Resources added for Collective Investment Fund Loans paid on behalf of the West Midlands Combined Authority as approved by Cabinet on 22/03/2017.
		(Slippage)/Acceleration	0	0	
		(Under) / Overspend	0	0	
		Total Revised Forecast	24,465	30,186	
		On Target?			Currently on target.
20	**SAP New Developments**	Opening Budget	1,120	5,709	New Developments to SAP software.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(455)	0	Slippage £0.455m SAP Investment Plan - The approval of the Corporate ICT & D Strategy has led to consideration of the suitability of the SAP application across the business and how best to develop SAP going forward. Discussions with the Business, SAP and Service Birmingham about delivering a "Cloud" based solution for SAP Services have been pro-longed and only recently was it decided to defer the decision in order not to jeopardise the delivery of a SAP solution for the Children's Trust. Only essential maintenance, support packs and minor developments are being implemented and this has resulted in additional slippage into later years.
		(Under) / Overspend	0	0	
		Total Revised Forecast	**665**	**5,709**	
		On Target?			No as above
REF	**STRATEGIC SERVICES DIRECTORATE**		**2017/18 £'000**	**All Years £'000**	**PROJECT OFFICER NARRATIVES**
21	**ICT Infrastructure**	Opening Budget	12,577	40,541	A ten year programme for enhancements to the Core ICT across Birmingham City Council made up of various projects including replacement servers, infrastructure and enhancements to software.
		Additional / (Reduced) Resources	0	0	
		(Slippage)/Acceleration	(5,000)	0	Cabinet approved the Corporate Investment Plan (Strategic ICT&D Investment Programme) on the 18th October 2016, since this date there have been significant negotiations with Service Birmingham with regards the savings challenge for this year of £10.020m. This has resulted in some of the Capital projects been put on hold whilst the negotiations have taken place. These negotiations are now in the final stages and it is expected that the Capital projects will commence with a spend of £7.574m in 2017/18.
		(Under) / Overspend	(3)	(3)	
		Total Revised Forecast	7,574	40,538	
		On Target?			No as above

Capital Monitoring as at 30th September 2017					**Appendix 3**
The purpose of this Appendix is to show how the total capital programme has changed and how the programme is funded.					
	2017/18	**2018/19**	**2019/20**	**Later Years**	**Total Plan**
Expenditure	**£'000's**	**£'000's**	**£'000's**	**£'000's**	**£'000's**
Quarter 1 Budget 2017/18	490,485	355,267	230,136	1,758,204	**2,834,092**
New Resources Quarter 2	15,996	3,538	541	32	**20,107**
Revised Budget Quarter 2	**506,481**	**358,805**	**230,677**	**1,758,236**	**2,854,199**
Forecast Slippage - Quarter 2	(34,101)	35,501	(3,686)	2,286	**0**
Forecast Overspend (Underspend)	1,797	(326)	0	0	**1,471**
Forecast Outturn at Quarter 2	**474,177**	**393,980**	**226,991**	**1,760,522**	**2,855,670**
Resources					
Use of Specific Resources:					
Grants & Contributions	140,759	160,497	63,680	86,388	**451,324**
Earmarked Capital Receipts - RTB & Revenue Reform	50,470	50,326	29,332	206,774	**336,902**
Revenue Contributions - Departmental	2,808	8,150	3,532	32	**14,522**
Revenue Contributions - HRA	71,622	72,231	66,048	512,172	**722,073**
	265,659	**291,204**	**162,592**	**805,366**	**1,524,821**
Use of Corporate or General Resources:					
Corporate Resources	0	1,184	100	20,616	**21,900**
Unsupported Prudential Borrowing - General*	35,768	0	0	0	**35,768**
Unsupported Prudential Borrowing - Corporate	18,567	0	0	0	**18,567**
Unsupported Prudential Borrowing - Directorate	154,183	101,592	64,299	934,540	**1,254,614**
Forecast Use of Resources	**474,177**	**393,980**	**226,991**	**1,760,522**	**2,855,670**

* General Prudential Borrowing to replace the use of receipts, revenue contributions and corporate resources to fund Equal Pay.

Appendix 4

Prudential Borrowing - Additions or Reductions Quarter 2 (July to September) 2017

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

	#	2017/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000	Total £'000
BORROWING NEEDING BUDGET SUPPORT						
TOTAL BORROWING NEEDING BUDGET SUPPORT		**0**	**0**	**0**	**0**	**0**
SELF-SUPPORTED						
Children & Young People:						
Schools Capital Maintenance	A	(953)	953	0	0	**0**
Economy:						
Enterprise Zone - Phases 1 & 2	A	(56)	364	(200)	(164)	**(56)**
Battery Way Extension	N	0	2,000	0	0	**2,000**
Longbridge Connectivity	N	0	500	0	0	**500**
Selly Oak New Road	N	0	0	1,000	0	**1,000**
Wharfdale Road Bridge	N	0	0	2,500	0	**2,500**
Haden Circus	A	(144)	0	0	0	**(144)**
Red Rose Shopping Centre	A	(543)	0	0	0	**(543)**
Place:						
Sport & Physical Activity	N	46	0	0	0	**46**
Waste Management Depots	A & N	(1,424)	1,491	0	0	**67**
Cofton Nursery Redevelopment	A	(1,150)	1,150	0	0	**0**
Cannon Hill Park Car Park	N	450	0	0	0	**450**
Community Libraries	A	(366)	366	0	0	**0**
Housing Private Sector - Housing Options	N	11,363	0	0	0	**11,363**
New Wholesale Market	A	(639)	590	0	0	**(49)**
Strategic Services:						
ICT Infrastructure	A	(5,003)	5,000	0	0	**(3)**
Finance & Governance:						
Corporate IT Projects	A	78	(50)	0	0	**28**
Capital Loans & Equity	N	1,263	0	0	0	**1,263**
SAP Investments	A	(455)	280	175	0	**0**
TOTAL SELF-SUPPORTED BORROWING		**2,467**	**12,644**	**3,475**	**(164)**	**18,422**
TOTAL ADDITIONS / REDUCTION IN PRUDENTIAL BORROWING		**2,467**	**12,644**	**3,475**	**(164)**	**18,422**

\# A - Amendment to existing project spend or resources.
N - New projects or programmes added in the quarter.

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2017/18 QUARTER 2 **APPENDIX 5**

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.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & 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
ADULT SOCIAL CARE & HEALTH DIRECTORATE	**7,648**	**13,410**	**209**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**21,267**
CHILDREN, YOUNG PEOPLE & FAMILIES DIRECTORATE	**54,936**	**80,026**	**1,849**	**1,424**	**0**	**0**	**0**	**0**	**0**	**0**	**138,235**
PLACE DIRECTORATE											
Private Sector Housing	**38,362**	**36,948**	**37,641**	**22,747**	**22,600**	**22,600**	**22,600**	**22,600**	**22,600**	**22,600**	**271,298**
Other - General Fund	**41,119**	**16,884**	**34**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**58,037**
HRA											
Housing Improvement Programme	60,364	60,035	53,388	56,323	59,595	59,579	60,291	60,989	61,699	61,588	593,851
Redevelopment	56,559	64,203	45,018	60,494	36,164	24,911	23,861	24,913	25,513	37,780	399,416
Other Programmes	4,880	4,932	5,010	5,089	14,182	14,465	14,755	15,050	15,351	4,831	98,545
Total HRA	**121,803**	**129,170**	**103,416**	**121,906**	**109,941**	**98,955**	**98,907**	**100,952**	**102,563**	**104,199**	**1,091,812**
TOTAL CAPITAL - PLACE DIRECTORATE	**201,284**	**183,002**	**141,091**	**144,653**	**132,541**	**121,555**	**121,507**	**123,552**	**125,163**	**126,799**	**1,421,147**
ECONOMY DIRECTORATE											
Regeneration											
Paradise Circus Redevelopment	18,771	8,521	488	0	0	0	0	0	0	0	27,780
Site Development & Access	2,500	0	0	0	0	0	0	0	0	5,545	8,045
Connecting Economic Opportunities	0	0	0	0	0	0	0	0	0	9,560	9,560
Southern Gateway Site	0	1,000	6,142	11,345	1,338	14,705	0	0	0	0	34,530
LEP Investment Fund	0	0	0	0	0	0	0	0	0	20,000	20,000
HS2 - Curzon Street	0	0	0	0	0	0	0	0	0	0	0
HS2 - Interchange Site	0	0	0	0	0	0	0	0	0	20,000	20,000
Snow Hill Public Realm	218	500	1,900	220	0	0	0	0	0	0	2,838
Southside Links	86	306	0	0	0	0	0	0	0	0	392
Moor Street Queensway	0	0	0	0	0	0	0	0	0	0	0
One Station	251	0	0	0	0	0	0	0	0	0	251
Centenery Square	6,774	3,269	0	0	0	0	0	0	0	0	10,043
EZ Phase - Curzon Extention	1,000	3,314	3,000	12,386	29,550	75,550	59,100	73,900	71,200	369,300	698,300
Other Regeneration Schemes	10,224	11,501	2,615	0	0	0	0	0	0	0	24,340
Total Planning & Regeneration	**39,824**	**28,411**	**14,145**	**23,951**	**30,888**	**90,255**	**59,100**	**73,900**	**71,200**	**424,405**	**856,079**

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & Later Years	Total
	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's	Quarter 2 Forecast £'000's
Total Employment & Skills	13,674	4,343	468	0	0	0	0	0	0	0	18,485
Total Transportation	46,285	36,884	55,159	44,316	31,346	7,270	0	0	0	0	221,260
Total Highways	5,664	1,659	1,659	1,575	1,575	825	0	0	0	0	12,957
Total Property Services	32,306	228	0	0	0	0	0	0	0	0	32,534
TOTAL CAPITAL - ECONOMY DIRECTORATE	137,753	71,525	71,431	69,842	63,809	98,350	59,100	73,900	71,200	424,405	1,141,315
FINANCE & GOVERNANCE DIRECTORATE	64,983	22,475	2,987	2,723	0	0	0	0	0	0	93,168
STRATEGIC SERVICES DIRECTORATE	7,574	23,540	9,424	0	0	0	0	0	0	0	40,538
											0
TOTAL CAPITAL PROGRAMME	474,178	393,978	226,991	218,642	196,350	219,905	180,607	197,452	196,363	551,204	2,855,670
<u>Resources</u>											
<u>Use of Specific Resources</u>											
Grants & Contributions	140,758	160,495	63,680	62,963	15,330	8,095	0	0	0	0	451,321
Use of earmarked Capital Receipts	50,470	50,326	29,332	23,159	32,774	30,156	32,307	29,194	29,457	29,728	336,903
Revenue Contributions - Departmental	2,808	8,150	3,532	32	0	0	0	0	0	0	14,522
- HRA	71,622	72,231	66,048	80,271	77,167	68,799	66,600	71,758	73,106	74,471	722,073
- Income Generation	0	0	0	0	0	0	0	0	0	0	0
Total Specific Resources	265,658	291,202	162,592	166,425	125,271	107,050	98,907	100,952	102,563	104,199	1,524,819
<u>Use of Corporate or General Resources</u>											
Corporate Resources	0	1,184	100	20,616	0	0	0	0	0	0	21,900
Unsupported Prudential Borrowing - General	35,768	0	0	0	0	0	0	0	0	0	35,768
Unsupported Prudential Borrowing - Corporate	18,567	0	0	0	0	0	0	0	0	0	18,567
Unsupported Prudential Borrowing - Directorate	154,185	101,592	64,299	31,601	71,079	112,855	81,700	96,500	93,800	447,005	1,254,616
Total Corporate Resources	208,520	102,776	64,399	52,217	71,079	112,855	81,700	96,500	93,800	447,005	1,330,851
Forecast Use of Resources	474,178	393,978	226,991	218,642	196,350	219,905	180,607	197,452	196,363	551,204	2,855,670

This appendix shows how the Council's actual loan debt changed over the last year, across the main types of loan debt

Appendix 6

Treasury Portfolio Summary

	16/17 Q2 **30-Sep-16**		16/17 Q3 **31-Dec-16**		16/17 Q4 **31-Mar-17**		17/18 Q1 **30-Jun-17**		17/18 Q2 **30-Sep-17**	
PWLB	2,255,922,000	75.5%	2,255,922,000	76.0%	2,240,922,000	73.1%	2,240,922,000	67.0%	2,220,922,000	67.2%
Bonds	287,971,000	9.6%	327,971,000	11.0%	327,971,000	10.7%	372,971,000	11.2%	372,971,000	11.3%
LOBO's (note 1)	206,350,000	6.9%	166,350,000	5.6%	166,350,000	5.4%	166,350,000	5.0%	166,350,000	5.0%
Long Term Other		0.0%		0.0%		0.0%	37,200,000	1.1%	58,754,755	1.8%
Quasi Loan (Salix loans)	239,459	0.0%	239,459	0.0%	215,423	0.0%	215,423	0.0%	191,388	0.0%
Short Term	292,783,655	9.8%	277,286,049	9.3%	358,713,549	11.7%	605,965,556	18.1%	558,618,726	16.9%
Gross Loan Debt	**3,043,266,114**	101.8%	**3,027,768,508**	102.0%	**3,094,171,972**	101.0%	**3,423,623,979**	102.4%	**3,377,807,869**	102.3%
Less Treasury Investments	(54,310,206)	-1.8%	(58,672,617)	-2.0%	(29,400,679)	-1.0%	(78,649,147)	-2.4%	(74,876,226)	-2.3%
Net Loan Debt	**2,988,955,908**	**100.0%**	**2,969,095,891**	**100.0%**	[2] **3,064,771,294**	**100.0%**	[2] **3,344,974,833**	**100.0%**	**3,302,931,644**	**100.0%**
Year-End Budgeted Net Debt	**3,450,000,000**	**86.6%**	**3,450,000,000**	**86.1%**	**3,450,000,000**	**88.8%**	**3,787,000,000**	**88.3%**	**3,787,000,000**	**87.2%**
Prudential Borrowing Limit	**3,780,000,000**		**3,780,000,000**		**3,780,000,000**		**4,200,000,000**		**4,200,000,000**	

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.

2. The increase in short term debt reflects on advance payment of cashflows to the pension fund, at a discounted rate.

This appendix shows all long term transactions in the quarter (i.e. transactions of over 1 year)

Appendix 7

1st July 2017 - 30th September 2017

New Long Term Loans

Date of loan	Loan	Counter Party	Interest Rate	Maturity Date
28 July 2017	£10,000,000	Derbyshire County Council	0.75%	29 July 2019
15 August 2017	£5,000,000	Stevenage Borough Council	0.72%	15 August 2019
25 August 2017	£10,000,000	North Yorkshire County Council	0.70%	27 August 2019

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.

This appendix provides more details of the Council's short term loan debt and investments outstanding at the end of the quarter

Appendix 8

Short term loan debt outstanding at 30 September 2017

Institution	Average Rate %	Amount £
local authorities	0.57%	557,419,138
other lenders	0.23%	1,199,589
total short term loan debt outstanding	**0.57%**	**558,618,726**

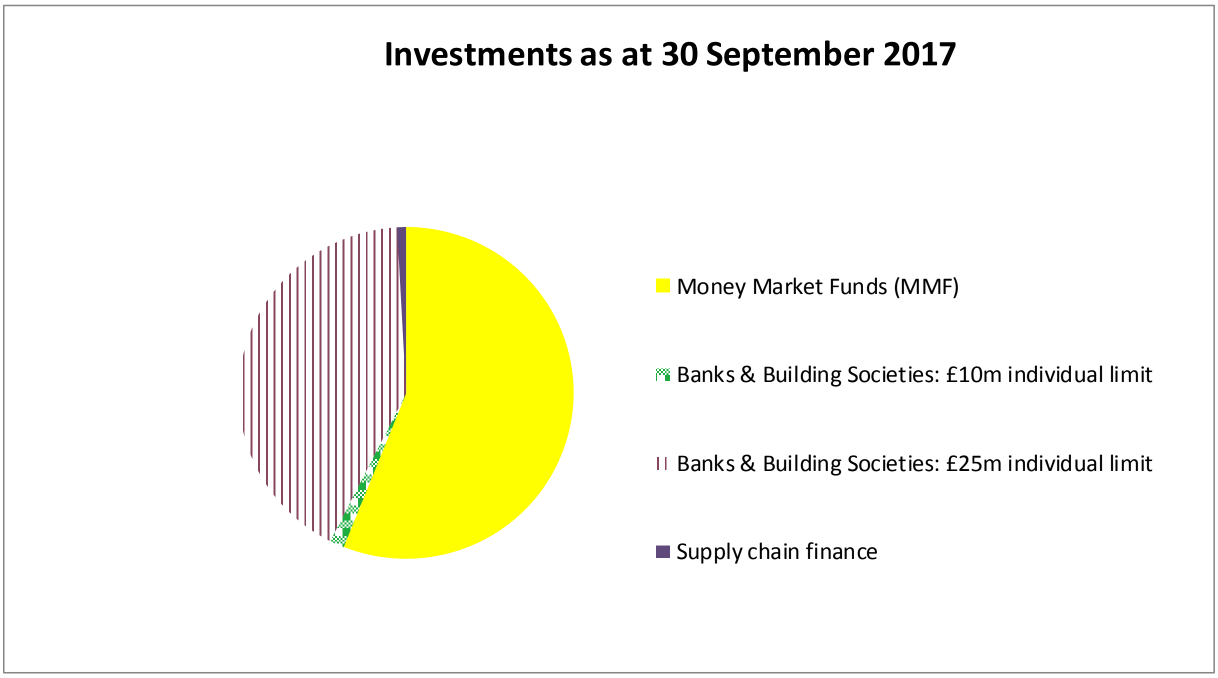
Short term loans are borrowed for a period of less than 12 months. The interest rate is likely to be close to bank base and will change broadly in line with base rate changes.

Treasury Investments Outstanding at 30 September 2017

Investments by Institution:	Fitch Rating Short Term / Long Term	End Date	Rate %	Amount £
Amundi MMF	AAAmmf	01/10/17	0.32%	40,000,000
Federated Prime Rate MMF	AAAmmf	01/10/17	0.21%	825,000
Standard Life (Ignis) MMF	AAAmmf	01/10/17	0.20%	1,200,000
Svenska Handelsbanken	F1+/AA	01/10/17	0.20%	10,000,000
HSBC	F1+/AA-	01/10/17	0.30%	21,174,510
Barclays Bank	F1/A	01/10/17	0.05%	1,035,000
Supply chain finance	-	-	1.50%	641,716
Total				**74,876,226**

Investments by type:

	Current Quarter £	%
Money Market Funds (MMF)	42,025,000	56.1
Banks & Building Societies: £10m individual limit	1,035,000	1.4
Banks & Building Societies: £25m individual limit	31,174,510	41.6
Supply chain finance	641,716	0.9
Total	**74,876,226**	**100.0**



This appendix summarises all treasury investments taken during the quarter as required by the CIPFA Treasury Management Code

Appendix 9

Treasury Management Investment Details
1st July 2017 to 30th September 2017

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

	No of Transactions		Average	Average
	Investments	Withdrawals	Balance £	Rate Earned
Barclays Bank PLC FIBCA A/C	17	18	1,253,533	0.05%
Svenska Handelsbanken	4	5	975,000	0.20%
HSBC	11	10	5,773,537	0.30%

New Investments Money Market Funds

	No of Transactions		Average	Average
	Investments	Withdrawals	Balance £	Rate Earned
Amundi Money Market Fund	2	2	39,684,783	0.25%
Deutsche Managed Sterling Fund	1	1	76,087	0.20%
Federated Money Market Fund	14	23	12,488,043	0.21%
LGIM	3	2	4,066,304	0.22%
Standard Life (Ignis) Sterling Liquidity	10	8	36,025,543	0.22%

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

Appendix 10

Accountable Body Investments - 30th September 2017

	Growing Places Fund	Advanced Manufacturing Supply Chain Initiative	Regional Growth Fund	**Total**
	£000	£000	£000	£000
Goldman Sachs Money Market Fund	4,984	6,872	0	**11,857**
Black Rock Government Money Market Fund	0	0	8,644	**8,644**
Total Money Market Funds	4,984	6,872	8,644	**20,501**
Debt Management Office	0	0	0	**0**
Treasury Bills	7,999	19,998	0	**27,997**
Total Accountable Body investments	**12,984**	**26,871**	**8,644**	**48,499**

DEBT AND PRUDENTIAL INDICATORS

	WHOLE COUNCIL	**17/18 Indicators £m**	**17/18 Forecast £m**	**18/19 Indicators £m**	**18/19 Forecast £m**	**19/20 Indicators £m**	**19/20 Forecast £m**
	Capital Finance						
1	Capital Expenditure - Capital Programme	464.2	474.2	277.0	394.0	177.6	227.0
2	Capital Expenditure - other long term liabilities	27.9	27.9	30.4	30.3	36.0	35.9
3	Capital expenditure	492.1	502.0	307.4	424.3	213.6	262.9
4	Capital Financing Requirement (CFR)	4,621.7	4,642.8	4,590.8	4,610.7	4,568.5	4,547.9
	Planned Debt						
5	Peak loan debt in year	3,845.9	3,740.0	3,766.2	3,661.8	3,623.6	3,548.8
6	+ Other long term liabilities (peak in year)	471.0	471.6	448.8	449.1	432.0	432.2
7	= Peak debt in year	4,316.9	4,211.6	4,215.0	4,110.9	4,055.6	3,981.0
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no
	Prudential limit for debt						
9	Gross loan debt	4,200.0	3,740.0	4,120.0	3,661.8	4,040.0	3,548.8
10	+ other long term liabilities	500.0	471.6	480.0	449.1	460.0	432.2
11	= Total debt	4,700.0	4,211.6	4,600.0	4,110.9	4,500.0	3,981.0

Notes

1 Forecast capital expenditure has increased since the indicator was set due to additions to the capital programme, as reported in the quarterly capital monitoring reports.

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	**17/18 Indicators £m**	**17/18 Forecast £m**	**18/19 Indicators £m**	**18/19 Forecast £m**	**19/20 Indicators £m**	**19/20 Forecast £m**
	Capital Finance						
1	Capital expenditure	137.8	121.8	115.5	129.2	105.7	103.4
	HRA Debt						
2	Capital Financing Requirement (CFR)	1,098.2	1,097.4	1,086.9	1,086.2	1,084.2	1,083.5
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	96.5	96.5	96.4	96.4	97.2	96.8
5	HRA revenues	283.8	283.8	279.9	279.9	275.7	275.7
6	HRA financing costs as % of revenues	34.0%	34.0%	34.4%	34.4%	35.3%	35.1%
7	HRA debt : revenues	3.9	3.9	3.9	3.9	3.9	3.9
8	Forecast Housing debt per dwelling	£17,722	£17,710	£17,678	£17,665	£17,786	£17,774
9	Estimate of the incremental impact of new capital investment decisions on housing rents. (expressed in terms of ave. weekly housing rent)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

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	**17/18 Indicators £m**	**17/18 Forecast £m**	**18/19 Indicators £m**	**18/19 Forecast £m**	**19/20 Indicators £m**	**19/20 Forecast £m**
	Capital Finance						
1	Capital expenditure (including other long term liabili	354.3	380.2	191.8	295.1	107.9	159.5
2	Capital Financing Requirement (CFR)	3,523.5	3,545.4	3,503.9	3,524.6	3,484.2	3,464.5
	General Fund debt						
3	Peak loan debt in year	2,747.7	2,642.6	2,679.3	2,575.6	2,539.4	2,465.3
4	+ Other long term liabilities (peak in year)	471.0	471.6	448.8	449.1	432.0	432.2
5	= Peak General Fund debt in year	3,218.7	3,114.2	3,128.1	3,024.7	2,971.4	2,897.5
	General Fund Affordability						
6	Total General Fund financing costs	265.6	259.8	273.2	272.1	266.9	267.5
7	General Fund net revenues	821.8	821.8	815.2	815.2	804.5	804.5
8	General Fund financing costs (% of net revenues)	32.3%	31.6%	33.5%	33.4%	33.2%	33.3%
9	Estimate of the incremental impact of new capital investment decisions on Council Tax.	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Expressed in terms of Council Tax (Band D equiv)
(impact already included in Council Tax increases assumed in LTFP)

<u>**Note**</u>

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 succesive 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	17/18 Indicators	17/18 Forecast	18/19 Indicators	18/19 Forecast	19/20 Indicators	19/20 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%	90%	130%	81%	130%	87%
3	upper limit on variable rate exposures	30%	29%	30%	27%	30%	18%
	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%	20%	0% to 30%	21%	0% to 30%	15%
5	12 months to within 24 months	0% to 30%	7%	0% to 30%	1%	0% to 30%	1%
6	24 months to within 5 years	0% to 30%	3%	0% to 30%	4%	0% to 30%	4%
7	5 years to within 10 years	0% to 30%	9%	0% to 30%	11%	0% to 30%	11%
8	10 years to within 20 years	5% to 40%	22%	5% to 40%	23%	5% to 40%	24%
9	20 years to within 40 years	10% to 60%	33%	10% to 60%	35%	10% to 60%	39%
10	40 years and above	0% to 40%	6%	0% to 40%	5%	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	0	200	0	200	0
12	2-3 years	100	0	100	0	100	0
13	3-5 years	100	0	100	0	100	0
14	later	0	0	0	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.