

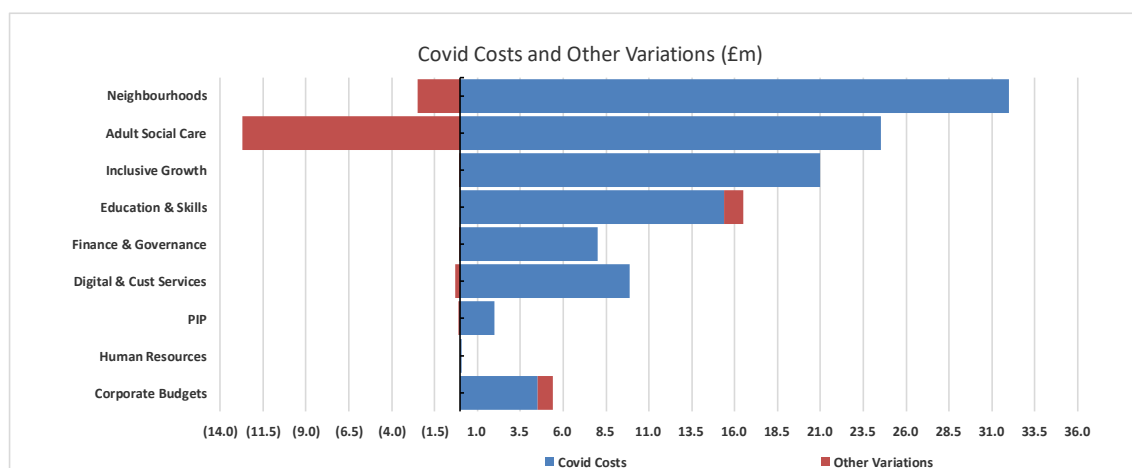
## APPENDIX A

### Quarter 3 Financial Monitoring Report

#### 1. High Level Summary Financial Position

- 1.1. This reports on the major financial issues for the Council at Quarter 3. Elsewhere on the Cabinet agenda the Financial Plan 2021-2025 sets out the future financial position.
- 1.2. At the end of December, the Council's **General Fund** is forecasting a net **underspend** of **£8.9m** (Column E in table1) which represents -1.0% of the £852.9m budget. This underspend is made up of a **£13.7m** underspend on non-Covid issues and a **£4.8m** overspend related to the **Covid-19** emergency.
- 1.3. The net covid-19 overspend of **£4.8m** (Column C in table1) is after applying funding; £84.3m government grant, an estimate of funding for income loss of £21.9m (Column E) which has increased by £2.3m since Quarter 2, and proposed school meal funding £6.4m. The funding gap is being dealt with as a corporate issue.
- 1.4. The non-Covid net underspend of **£13.7m** (Column D in table1) is an improvement of £12.5m since Quarter 2 (Column D) position.
- 1.5. Cabinet are asked to approve in principle the transfer of any non-ring-fenced underspend at year-end into the Delivery Plan Reserve to provide for further resources to support the investment into the delivery of the Delivery Plan.
- 1.6. On 22<sup>nd</sup> October the Council was informed of a further £44.2m of un-ringfenced Covid-19 related grant. It was approved by Cabinet on November 10th in the quarter 2 Report that this is transferred to specific Covid reserve to manage the ongoing pandemic through the higher risk winter months. On 31<sup>st</sup> October the Government announced further national lockdown measures. It has been announced that Birmingham will move into Covid Tier 4. Since that announcement in January 2021 the country has gone into third national lockdown, it was stated the lockdown would last at least six weeks as the UK tackles increasing coronavirus numbers and severe pressure on the NHS. The Council is working through the funding implications.
- 1.7. The Adult Social Care Directorate's current Transformation Programme is now substantially complete. It has achieved the existing planned substantial savings and will achieve further savings this year from the early delivery of additional savings planned for 2021/22 which increases confidence in the saving in the medium term financial plan.
- 1.8. The Government has also announced £100m of national funding to support leisure centres. It has issued the instructions on how to claim for losses for a period from December 2020 to March 2021. The Council and its Leisure providers have submitted a claim of £2.9m, which was submitted as per the 15 January deadline.
- 1.9. Brexit: Two key risks have been identified: European Union citizens are losing access to certain benefits and services on 1<sup>st</sup> January 2020. The Department for Work and Pensions (DWP) have confirmed that EEA nationals granted settled status will have the same access to benefits as comparable British citizens. It is the right of EEA citizens with pre-settled status that is for which there is a need for clarity from Government. There are Business & Service Continuity Assessments being conducted for a number of issues such as economic impact, European Union settlement scheme, new Immigration bill, border plans, and new regulations.

- 1.10. An establishment review with the exception of key frontline services is underway and this will have a part year impact on budget delivery in 2020-21 and the full impact of the changes will be seen in 2021-22. The non-delivery of saving in 2020-21 has been partly offset by one-off mitigation actions including directorates not filling vacant posts. For 2021-22 and beyond the Council will build an establishment baseline based on a business-as-usual position that protects council jobs and services and reflects the Medium Term Financial Plan (MTFP) and future workforce budgets. The Council will then continue to adopt the new workforce management practices, establishment controls and corporate and directorate governance (including workforce boards) to ensure that it keeps to the baselines and maintains transparency over the non Business As Usual (BAU) workforce and budgets. The Council does not envisage any redundancies as a direct result of this work as the outcomes are likely to be deleted vacancies and reduced agency cost. Additional resourcing requirements over and above the BAU baseline, either as part of invest to save programmes or where separately funded (such as Covid) will be managed against the specific budgets set aside for such activities.
- 1.11. Directorates are reporting that £20.0m of the £27.1m savings targets are either delivered or on track. This represents 73.7% of the total savings target and this is an improvement of £5.5m on quarter 2. Directorates continue to work towards ensuring that these savings are brought on track and are delivered.
- 1.12. Since Quarter 2 the net overspend has fallen by **£19.7m** (Column E). The cost of the Covid-19 emergency has decreased by a further **£7.2m** (Column C) in quarter 3, the improvement in cost forecast has partly been due to proposed funding of Covid school meal costs from the Hardship Fund £6.4m. There was also a decrease of **£12.5m** in non covid-19 costs since Quarter 2 (Column D). This is mainly a result of an improvement of £8.9m in Adults which is result of delivering the saving plan and making saving on care packages. The non-Covid-19 position is reported in more detail in section 2 below.



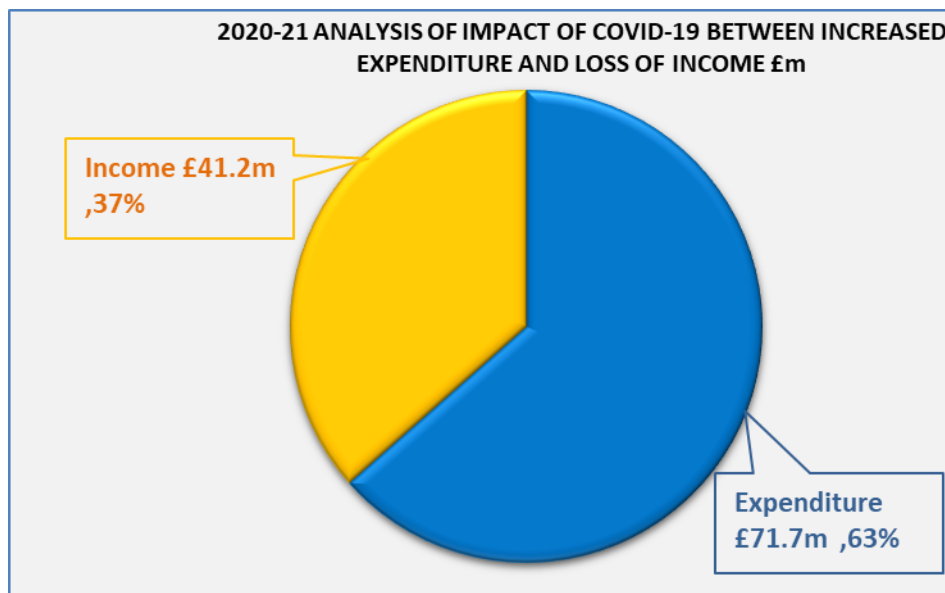


Table 1

Table 1:High Level Summary						
Directorate	Current Budget	Forecast Outturn	Covid 19 Financial Impact Included *	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend **	Movement in Total Over/(Under) Spend From Q2***
	£m	£m	£m	£m	£m	£m
Neighbourhoods	126.574	156.074	32.000	(2.500)	29.500	(4.111)
Inclusive Growth	105.734	126.680	20.992	(0.046)	20.946	1.094
Education & Skills	277.527	294.028	15.384	1.117	16.501	(1.559)
Adult Social Care	329.078	340.925	24.547	(12.700)	11.847	(11.270)
Digital & Cust Services	30.231	39.802	9.854	(0.283)	9.571	4.242
Finance & Governance	15.426	23.400	7.996	(0.023)	7.973	(0.012)
Partnerships, Insight and Prevention	7.396	9.271	1.999	(0.124)	1.875	0.468
Human Resources	6.554	6.648	0.094	0.000	0.094	0.193
<b>Directorate Sub Total</b>	<b>898.519</b>	<b>996.827</b>	<b>112.867</b>	<b>(14.559)</b>	<b>98.308</b>	<b>(10.955)</b>
Corporate Budgets	(45.586)	(40.181)	4.500	0.905	5.405	(0.026)
Proposed School Meals Funding	0.000	(6.400)	(6.400)	0.000	(6.400)	(6.400)
Covid Funding	0.000	(84.278)	(84.278)	0.000	(84.278)	0.000
Income Loss Scheme Funding	0.000	(21.938)	(21.938)	0.000	(21.938)	(2.338)
<b>Corporate Subtotal</b>	<b>(45.586)</b>	<b>(152.797)</b>	<b>(108.116)</b>	<b>0.905</b>	<b>(107.211)</b>	<b>(8.764)</b>
<b>City Council General Fund</b>	<b>852.933</b>	<b>844.030</b>	<b>4.751</b>	<b>(13.653)</b>	<b>(8.903)</b>	<b>(19.719)</b>
Financial Position as at Q2	852.933	863.749	11.920	(1.104)	10.816	
<b>Movement from previous Q2</b>	0.000	(19.719)	(7.170)	(12.549)	(19.719)	
<b>Movement from previous Q2 %</b>	0.00%	(2.28)%	(60.15)%	1137.02%	(182.31)%	

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

\*\*This excludes Covid-19 risk, see paragraph 3.55 below

\*\*\* This shows the movement from previous quarter.

Table 2: High Level Summary	A	B	C	D	E	F	G	H	I	J	K
Directorate	Current Budget	Forecast Outturn	Covid 19 Financial Impact Included *	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend **	Covid 19 Financial Impact Included Q2	Over/(Under) spend Non Covid costs Q2	Total Over/(Under) Spend Q2	Movement Covid 19 cost from Q2	Movement in Non Covid cost From Q2	Movement in Total Over/(Under) Spend From Q2***
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Neighbourhoods	126.574	156.074	32.000	(2.500)	29.500	34.411	(0.800)	33.611	(2.411)	(1.700)	(4.111)
Inclusive Growth	105.734	126.680	20.992	(0.046)	20.946	20.381	(0.528)	19.852	0.611	0.482	1.094
Education & Skills	277.527	294.028	15.384	1.117	16.501	15.077	2.983	18.060	0.307	(1.866)	(1.559)
Adult Social Care	329.078	340.925	24.547	(12.700)	11.847	26.947	(3.830)	23.117	(2.400)	(8.870)	(11.270)
Digital & Cust Services	30.231	39.802	9.854	(0.283)	9.571	5.029	0.300	5.329	4.825	(0.583)	4.242
Finance & Governance	15.426	23.400	7.996	(0.023)	7.973	7.985	0.000	7.985	0.011	(0.023)	(0.012)
Partnerships, Insight and Prevention	7.396	9.271	1.999	(0.124)	1.875	1.407	0.000	1.407	0.592	(0.124)	0.468
Human Resources	6.554	6.648	0.094	0.000	0.094	0.035	(0.134)	(0.099)	0.059	0.134	0.193
<b>Directorate Sub Total</b>	<b>898.519</b>	<b>996.827</b>	<b>112.867</b>	<b>(14.559)</b>	<b>98.308</b>	<b>111.272</b>	<b>(2.009)</b>	<b>109.263</b>	<b>1.594</b>	<b>(12.549)</b>	<b>(10.955)</b>
Corporate Budgets	(45.586)	(40.181)	4.500	0.905	5.405	4.526	0.905	5.431	(0.026)	0.000	(0.026)
Proposed School Meals Funding	0.000	(6.400)	(6.400)	0.000	(6.400)	0.000	0.000	0.000	(6.400)	0.000	(6.400)
Covid Funding	0.000	(84.278)	(84.278)	0.000	(84.278)	(84.278)	0.000	(84.278)	0.000	0.000	0.000
Income Loss Scheme Funding	0.000	(21.938)	(21.938)	0.000	(21.938)	(19.600)	0.000	(19.600)	(2.338)	0.000	(2.338)
<b>Corporate Subtotal</b>	<b>(45.586)</b>	<b>(152.797)</b>	<b>(108.116)</b>	<b>0.905</b>	<b>(107.211)</b>	<b>(99.352)</b>	<b>0.905</b>	<b>(98.447)</b>	<b>(8.764)</b>	<b>0.000</b>	<b>(8.764)</b>
<b>City Council General Fund</b>	<b>852.933</b>	<b>844.030</b>	<b>4.751</b>	<b>(13.653)</b>	<b>(8.903)</b>	<b>11.920</b>	<b>(1.104)</b>	<b>10.816</b>	<b>(7.170)</b>	<b>(12.549)</b>	<b>(19.719)</b>
Financial Position as at Q2	852.933	863.749	11.920	(1.104)	10.816						
<b>Movement from previous Q2</b>	<b>0.000</b>	<b>(19.719)</b>	<b>(7.170)</b>	<b>(12.549)</b>	<b>(19.719)</b>						
<b>Movement from previous Q2 %</b>	<b>0.00%</b>	<b>(2.28)%</b>	<b>(60.15)%</b>	<b>1137.02%</b>	<b>(182.31)%</b>						

## Analysis of Non covid pressure faced by Directorate

Directorate	non delivery of savings £m	expenditure variations £m	income variations £m	one-off mitigations £m	Non Covid 19 Financial Impact Included £m
Neighbourhoods	0.6	(0.2)	3.9	(6.8)	(2.5)
Adult Social Care	0.0	(5.2)	(7.4)	0.0	(12.6)
Inclusive Growth	0.9	0.0	1.5	(2.6)	(0.2)
Education & Skills	0.0	1.2	(0.1)	0.0	1.1
Finance & Governance	0.0	(0.7)	1.8	(1.1)	0.0
Digital & Cust Services	0.0	(0.3)	0.0	0.0	(0.3)
Partnerships, Insight and Prevention	0.0	3.7	(3.8)	0.0	(0.1)
Human Resources	0.0	0.5	0.3	(0.8)	0.0
<b>Directorate Sub Total</b>	<b>1.5</b>	<b>(1.0)</b>	<b>(3.8)</b>	<b>(11.3)</b>	<b>(14.6)</b>

*There was no over delivery of saving identified by the directorates.*

**One off mitigation:** actions taken by Directorates to deliver a balance budget for 2020-21, which also includes mitigation for non-delivery of savings target. (over £0.5m).

- 1.12 Neighbourhoods: mitigations of £6.8m have been identified for 2020/21. These include £4.0m related to delayed Prudential Borrowing, £1.6m other mitigations in Street Scene (including the "Love your Street" initiative delay), £0.5m in Housing General Fund through reductions in temporary accommodation costs and £0.5m in Neighbourhoods service area primarily through holding vacant posts pending the implementation of a new operating model
- 1.13 Inclusive Growth: One-off measures are mainly from not filling the vacant positions.
- 1.14 Finance and Governance: One-off mitigations actions have been taken, £1.0m saving due vacancies not been filled.
- 1.15 Human Resources: There are one-off mitigations actions that have been identified but not yet approved includes use of reserves carried forward from previous year.

## 2. Capital spends

### 2.1. Capital Expenditure

*Table 4 Overall Capital Budget position as at the end of Quarter 3*

	Spend to date	Quarter 2 Approved Budget	New Schemes & Resources	Revised Budget Quarter 3	Forecast net slippage	Forecast Outturn
	£m	£m	£m	£m	£m	£m
General Fund	224.3	742.3	11.5	753.8	340.8	413.0
HRA*	70.7	114.9	0.0	114.9	8.6	106.4
<b>TOTAL</b>	<b>295.0</b>	<b>857.2</b>	<b>11.5</b>	<b>868.7</b>	<b>349.4</b>	<b>519.4</b>

NB: HRA = Housing Revenue Account

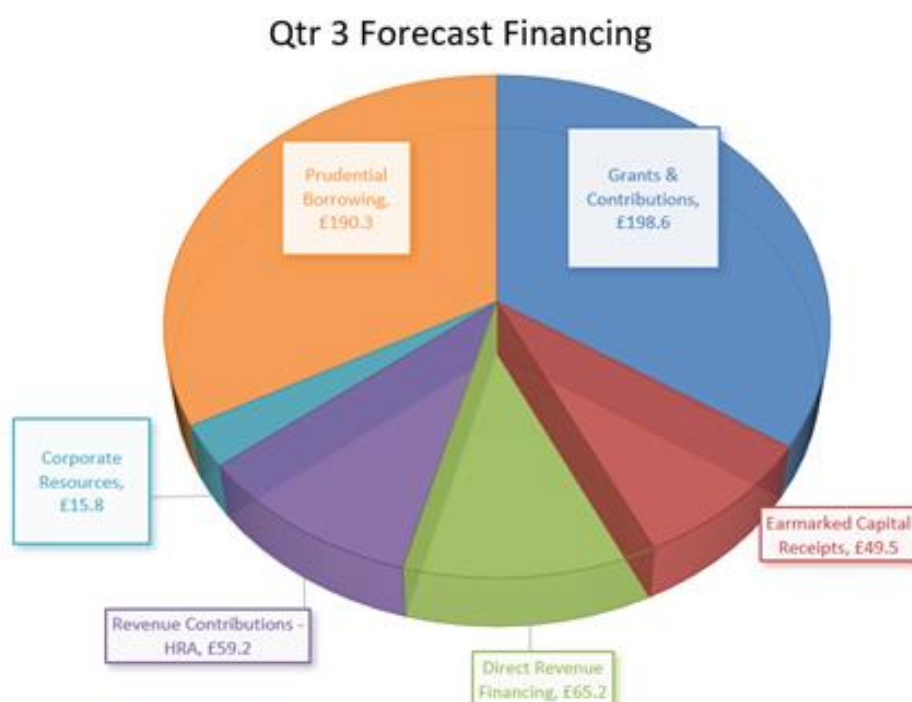
- 2.2. Capital expenditure for the year 2020/21 is forecast at £519.4m against the revised quarter 3 capital budget of £868.7m. This is an increased slippage of £216.3m from the position reported at quarter 2.
- 2.3. The forecast net slippage of £349.3m comprises £342.9m of slippage and £6.4m of forecasted net savings. Of the total £310.5m is Covid related and £38.8m non-Covid related.
- 2.4. Expenditure to date is £295.0m, 34% of the year-end total forecast.
- 2.5. The proposed Quarter 3 budget of £868.7m has increased from the Quarter 2 budget approved by Cabinet (of £857.2m) by £11.5m. The major increases are:

Table 5: Approved increases to the Capital Budget

Directorate	Amount in 21/22 £m	Capital Project	Funding	Approval
Neighbourhoods - Waste Management Services	1.3	Relocation of Montague Street & Redfern Road	Capital receipt from sale of Montague Street	13/10/20
Neighbourhoods – Parks & Nature Conservation	0.3	Ward End Park Lakeside Renewal Project	Community Infrastructure Tariff, Corporate Resources, ERDF, HS2, & BMHT	17/03/20
Neighbourhoods – Illegal Money Lending Team	0.1	Acquisition of vehicles	Direct Revenue Funding	08/09/20
Inclusive Growth – Emergency Active Travel Fund	4.1	To fund emergency interventions to make cycling & walking safer	Tranche 2 of Emergency Active Travel Fund grant from DfT	08/09/20
Inclusive Growth – Walking & Cycling	0.2	A45 Coventry Road Cycle Route	WMCA – Transforming Cities Fund	03/12/20
Inclusive Growth – Network Integrity & Efficiency	0.1	Royal Orthopaedic Hospital Traffic Regulation Order 2020	Funded by the Royal Orthopaedic Hospital Trust	11/11/20
Adult Social Care – Independent Living	1.5	MHCLG notification of increased Disabled Facilities Grant	MHCLG Grant	MHCLG letter 8/12/20
Education & Skills – Birmingham Adult Education	1.3	Aston Learning Centre: Purchase of Freehold interest	Prudential Borrowing	21/7/20
Inclusive Growth – Property Services	0.7	Feasibility study for Council House Major Works of 26m	Policy Contingency Reserve	13/10/20
Inclusive Growth – other projects	1.9	Wholesale Market Enabling works	Prudential borrowing	8/09/20
<b>Total</b>	<b>11.5</b>			

<b>Table 6: Summary of Capital Project Funding for Quarter 3</b>			
	<b>General Fund</b>	<b>Housing Revenue Account (HRA)</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Forecast Capital expenditure</b>	413.0	106.4	519.4
<b>Forecast Funding</b>			
Grants and contributions	(194.4)	(4.3)	(198.6)
Earmarked Receipts	(27.8)	(21.7)	(49.5)
Direct Revenue Financing	0.0	(65.2)	(65.2)
Corporate Resources	(15.8)	0.0	(15.8)
Prudential Borrowing	(175.0)	(15.3)	(190.3)
<b>Total Funding</b>	<b>(413.0)</b>	<b>(106.4)</b>	<b>(519.4)</b>

2.6 The pie chart below shows how the forecast outturn at Quarter 3 of £519.4m is planned to be financed.



Please see Annexe 3 for full capital report and Annex 4 for Capital tables

### 3. Key Issues

#### Non Covid-19 Related Issues

##### Education and Skills

- 3.1. There is a non Covid overspend forecast for the directorate of £1.1m (a reduction of £1.9m from Quarter 2, due mostly to a £1.8m reduction in the Children's Trust forecast overspend). The majority of the current overspend (£1.0 million) originates from the Children's Trust. The latest forecast from the Children's Trust consists of pressures primarily around pay (caseloads and Independent Reviewing Officers) and placement costs. Children in Care numbers are currently 1,999 and at the same time last year the numbers were 1,997, indicating that the numbers have remained fairly static, with no spike (contrary to initial expectations when schools reopened, and more referrals were



expected). Savings have arisen from reductions around external residential placement, the cessation of the Priory contract and reduction in external fostering placements. Additional pressure is being largely managed by a number of savings measures, including managing demand at the front door to ensure admissions into care are appropriate; ensuring the most appropriate cost of a placement is secured according to need; pursuing step down options for existing residential placements; ongoing review of all supported accommodation packages to ensure validity of placement; and, pursuing financial contributions to placements for children with complex needs, in addition to the specific savings highlighted above.

- 3.2. The Education and Skills Directorate together with Birmingham and Solihull Clinical Commissioning Group published a 'written statement of action' in July 2019, in response to the DfE, to make improvements to the special educational needs and disability (SEND) service. It is anticipated that any financial impact on the Local Authority will be met from the Dedicated Schools Grant (DSG). The provisional 2021/22 DSG settlement has indicated another substantial funding increase (12%) for High Needs. There are substantial pressures from both demography (pupil numbers) and increased complexity of provision, but the additional funding provides scope to also address the improvements necessary and outlined in the 'written statement of action'. A programme of transformation projects designed to meet the written statement of action is being implemented within High Needs Block funding, including building SEND health and education local teams and local provision in mainstream schools; developing responsive, flexible and effective local specialist provision; and, improving early identification and intervention for SEND.
- 3.3. There remains a concern around schools with financial deficits. The number of schools in deficit has only grown by a small amount (from 38 to 40), but the total deficit amount has risen substantially from £7.2m to £9.0m; where maintained schools convert to Academy status with a sponsor the licenced deficit falls to the Council. The Local Authority has contacted all schools with deficits and is currently reviewing the robustness of deficit recovery plans. In addition, specific actions (including regular monitoring, meetings with schools, implementation of Interim Executive Boards, negotiations with Department for Education and alternate funding sources) are all being implemented to minimise the impact on the Council's budget.
- 3.4. In home to school transport there is an overspend on Travel Assist of £0.3m expected, relating primarily to the additional costs of interim staff to support transformation and systems implementation costs in 2020/21. There is also a shortfall in contributions to pupil transport (as fewer pupils use the service during lockdown). However, recurring savings in subsequent years from better route planning and other transformation activity should offset these in-year pressures.

The Local Authority has been facing considerable additional pressure on home to school provision, as a result of Covid, including an additional 181 routes in order to provide appropriate social distancing. Currently, the Department for Education (DfE) has provided additional grant funding to cover the Autumn term (£1.6m), but there is no indication of whether DfE funding will continue in the Spring term (and beyond). The current presumption made in the forecast is that as Covid persists and additional routes continue to be required, then additional DfE funding will be made available. Conversely, if routes are reduced due to reduced demand (as fewer pupils attend school) then savings may accrue, but there is no certainty over this. The impacts of Covid and the need for social distancing are still evolving, making accurate financial forecasting for this service particularly difficult

## **Neighbourhoods**



- 3.4. The 2019/20 outturn for Neighbourhoods was an overspend of £19.3m and for 2020/21 £23m of additional budget was allocated to Neighbourhoods to address the issues that were present in 2019/20.
- 3.5. At the end of Quarter 3 the non Covid-19 forecast for the Neighbourhoods Directorate is an underspend of £2.5m. The forecast improved by £1.7m on that reported on Quarter 2.
- 3.6. Street Scene service underspend of £0.4m: The service is projecting pressures totalling £5.4m offset by mitigations of £5.8m giving a net underspend of £0.4m. The main mitigation is an underspend of £4.0m on borrowing costs due to delays in procurement of the new fleet. It is anticipated that 20 vehicles out of a total of 76 will be delivered and in use by the end of March 2021. This will result in a reduction in the pressures identified against the repair and maintenance and hire of vehicle budgets which is currently being quantified. The main pressures include £1.9m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life, income pressure within Trade Waste projected to be £1.5m behind budget, a shortfall on fleet garage income of £0.5m due to a reduction in custom, £0.2m of utility and NNDR pressures at Waste Management Depots and pressure of £0.3m on the waste procurement project due to the use of external legal advice.
- 3.7. Housing underspend of £0.8m: Bed and Breakfast is the main cost driver within the temporary accommodation service therefore both cost and demand projections continue to be monitored. The Non Covid-19 financial position is mainly due to a forecast underspend of £0.8m within Housing due to a reduction in the cost charged by providers of bed and breakfast accommodation over the first half of the year. The service continues to mitigate pressures, including £0.5m income target against the Selective Licensing scheme. The scheme was not launched due to regulation changes and legal advice; however, a review is currently taking place to determine viability and a way forward and is currently being mitigated pending outcome of the review.
- 3.8. The Neighbourhoods service continues to project an £2.1m underspend due to holding vacant posts pending implementation of a new operating model.
- 3.9. Regulation and Enforcement is forecasting income pressure of £0.7m in Bereavement and Markets. The Bereavement pressure is due to budgeted mausoleum income which is currently unachievable, and the Markets income shortfall is part of a review into viability of the Markets.

### **Adult Social Care.**

- 3.10. Director – (projected year end £0.7m overspend) - This is a movement from Month 6 of £0.7m due to increased costs relating to IT Projects, backdated and in year STP support costs and re-allocation of Winter Pressures funding totalling £0.5m from Commissioning & Community & Social Work Support.
- 3.11. Community & Operational - £7.7m underspend - The Directorate's Transformation Programme is now substantially complete with the roll-out of the Customer Journey restructure in September and the Early Intervention Programme over the coming months in order to deliver existing planned sustainable savings. Both the Customer Journey & Early Intervention structures savings totalling £7.7m will be achieved in year, £1.3m due to the early delivery of 2021/22, £3.4m due to the phased reduction in the use of agency staff through to the end of October. The reduction from Quarter 2 of £3.0m relates to held vacancies within Early Intervention while the programme is rolled out.

- 3.12. Health Packages of Care - £5.7m underspend - The current packages of care forecast includes Health funding for hospital discharges and prevention packages up to the end of October 2020. It is anticipated that the funding and support will continue until it is reassessed (or to 31st March at the latest), as clients are reassessed in respect of their on-going needs. However, there is risk of significant costs still to be quantified in relation to support to the care market in respect of actual costs incurred and it is anticipated that there is currently a significant level of hidden demand which will impact when lockdown is fully eased. To date the Council has claimed £8.7m from Health which is one-off due to temporary arrangements put in place during Covid. The Council has also now received a £1.2m inflationary increase in Better Care Fund funding to packages of care which has just been agreed with Clinical Commissioning Groups.

### **Inclusive Growth**

- 3.13. The directorate is forecasting minor underspend below £0.050m.
- 3.14. The Council is currently working with Birmingham Highways Ltd to re-procure the subcontract for its Highway Maintenance and Management PFI contract. Affordability will be assessed taking account of the total cost of a re-procured contract and available resources, with the outcome being factored in as part of setting future Council budgets.
- 3.15. On the 6th April 2020 the Council received approval from Government to delay the implementation of the Birmingham Clean Air Zone until no earlier than January 2021 and activities associated with delivery were scaled back reflecting the delays experienced and also the need for the Council to redeploy staff to support the Covid-19 response. The Council has remained committed to the Clean Air Zone and the implementation date has now been set for 1st June 2021.
- 3.16. The forecast for commercial property rental income is lower than anticipated. Property Services are undertaking a review to confirm the accuracy of the forecast. This uncertainty in conjunction with the yet to be confirmed impacts of Covid-19 mean that there is a risk that the current forecast pressures could increase.
- 3.17. The Directors of the Council's wholly owned company, InReach (Birmingham) Ltd, have made the decision not to progress with one of the planned schemes, Brasshouse, due to a combination of factors that have increased the level of risk. The Council expenditure over the programme was budgeted at £43m, through a mix of equity and loan investments, and was to deliver an annual net income stream rising to £0.9m following the final loan drawdown. The company continues to deliver a net income stream resulting from the original Embankment scheme and current plans are to progress with the remaining smaller scheme.

### **Digital & Customer Services**

- 3.18. At the end of Quarter 3 the Digital & Customer Service Directorate, after taking account of management actions, is forecasting an underspend of £0.3m against a net budget of £30.2m, the overspend represents 1.0% of the net budget. This is an improvement of £0.6m since Quarter 2 due to budget centralisation and the active management of vacant posts.

### **New Oracle Back office system (Enterprise Resources Planning)**

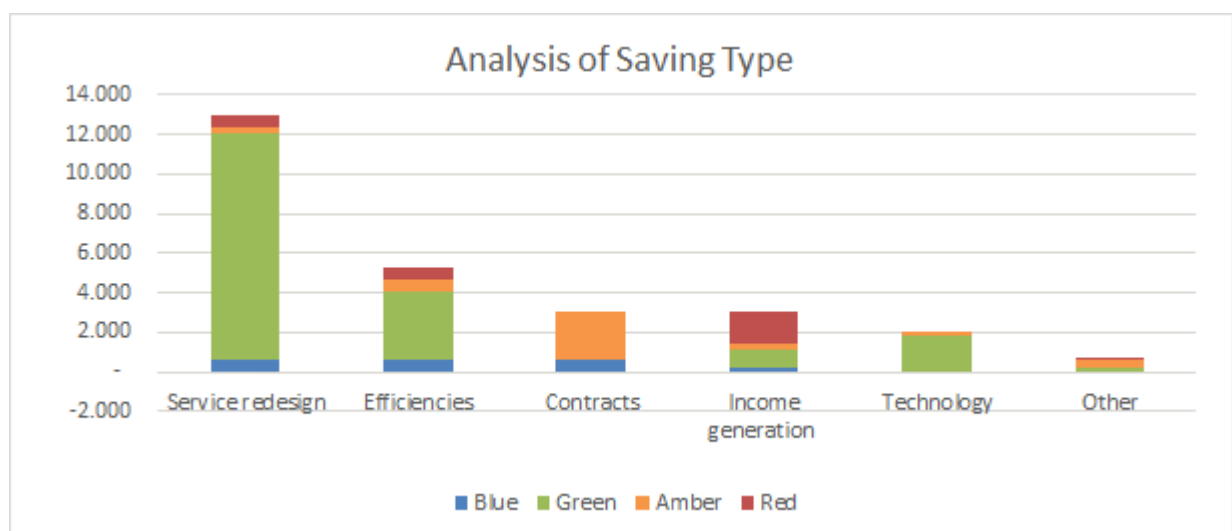
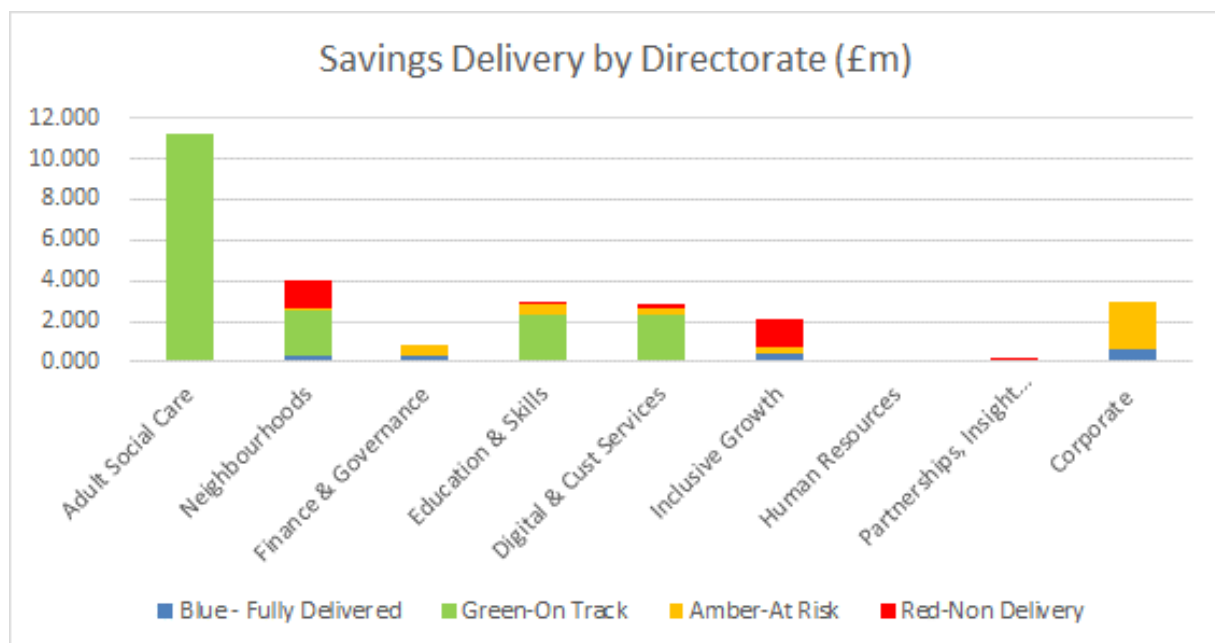
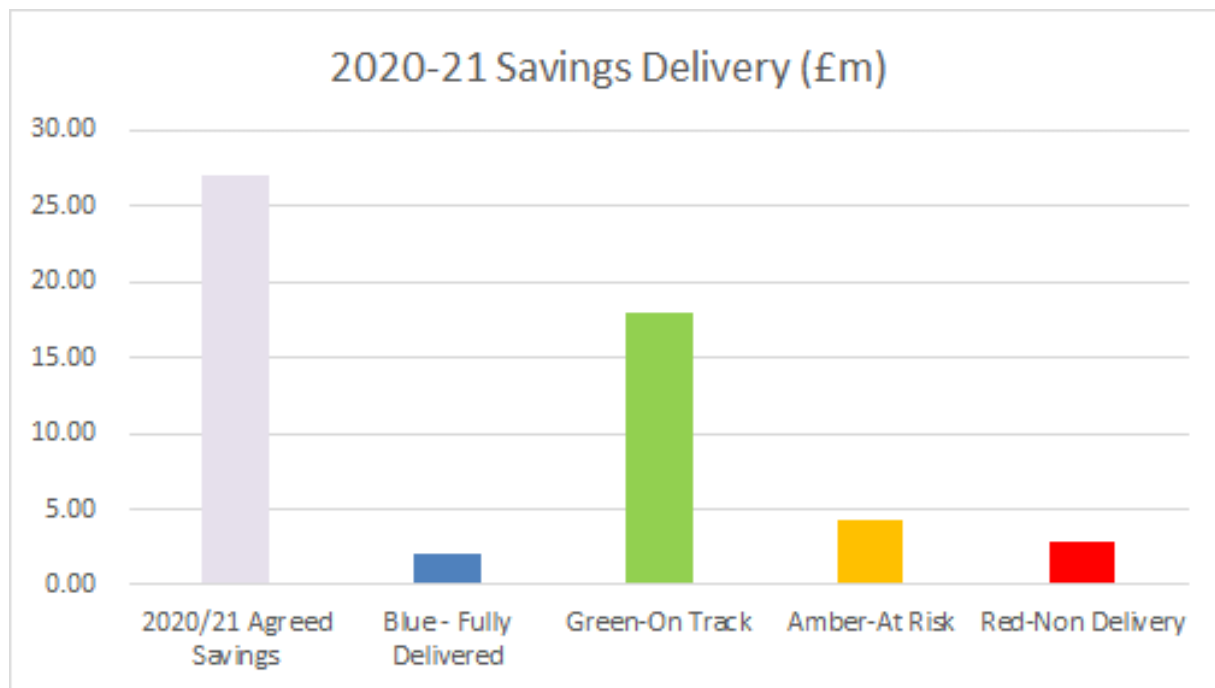
- 3.19. The programme, as a result of an assurance process, and the closure of the Design Phase is going through a reset phase to establish and quantify financial and non-financial risks. A revised Business Case report to Cabinet is planned for March 2021.

## Savings Programme

Directorate	Non-Delivery of Saving		Saving at Risk	Saving Delivered and on Track	Total Saving
	Delayed Because of Covid-19	High Risk & Undeliverable			
	£m	£m	£m	£m	£m
Neighbourhoods	0.7	0.6	0.2	2.5	4.0
Adult Social Care	-	-	-	11.2	11.2
Inclusive Growth	0.5	0.9	0.3	0.4	2.1
Education & Skills	-	0.0	0.5	2.3	2.9
Finance & Governance	-	-	0.5	0.4	0.9
Digital & Cust Services	0.2	-	0.3	2.4	2.9
Partnerships, Insight and Prevention	0.0	-	-	0.1	0.1
Human Resources	-	-	-	0.1	0.1
Corporate	-	-	2.4	0.6	3.0
<b>Total</b>	<b>1.4</b>	<b>1.5</b>	<b>4.2</b>	<b>20.0</b>	<b>27.1</b>

3.20. The £27.1m savings programme for 2020-21 (shown in the following charts) is now showing £20.0m as delivered or on track (£14.5m at Quarter 2). This improvement of £5.5m is largely due to saving targets that were at risk in Quarter 2 now moved to being on track for Adults Social Care £4.4m and £1.0m Neighbourhoods. There are £4.2m of savings at risk (reduced by £4.4m since Quarter 2) and savings classed as undeliverable or non-delivered of £2.9m which has seen an improvement of £1.1m since quarter 2. Covid-19 has impacted savings delivery. The key areas at risk or non-deliverable (those over £0.5m) are:

- **Neighbourhoods** has £0.2m savings that are at risk and £1.3m savings that are unlikely to be achieved, of which £0.7m are related to Covid. One-off mitigations have been identified in 2020/21 to fully meet this target. The savings are planned to be achieved from 2021/22 after the completion of the Housing Service Redesign.
- **Contract savings** cut across all directorates and are shown corporately. The target is £3.0m of which £0.7m has been delivered so far, leaving £2.3m at risk. While a delivery plan exists, this is now considered a risk as Covid-19 has caused services to reappraise their planned procurements.
- **Finance & Governance** has £0.5m savings at risk, mainly related to savings based on reducing external legal spend. If not achieved, these will be mitigated from general underspends, mainly from vacancies.
- **Education & Skills** has £0.5m savings at risk - these largely relate to an increased commercialisation target for the Adult Education Service that was set in 2019/20 at £1.2m and reduced this year to £0.8m, but which is still unlikely to be fully delivered. It is being partly mitigated this year through a restructure of the service and savings from elsewhere in Skills & Employability.
- **Digital & Customer Services** has £0.3m savings at risk mainly due to delays and potential income losses related to Covid-19.
- **Inclusive Growth** has £0.3m savings at risk and £1.4m that are unlikely to be achieved, mainly due to delays and risks to income caused by Covid-19

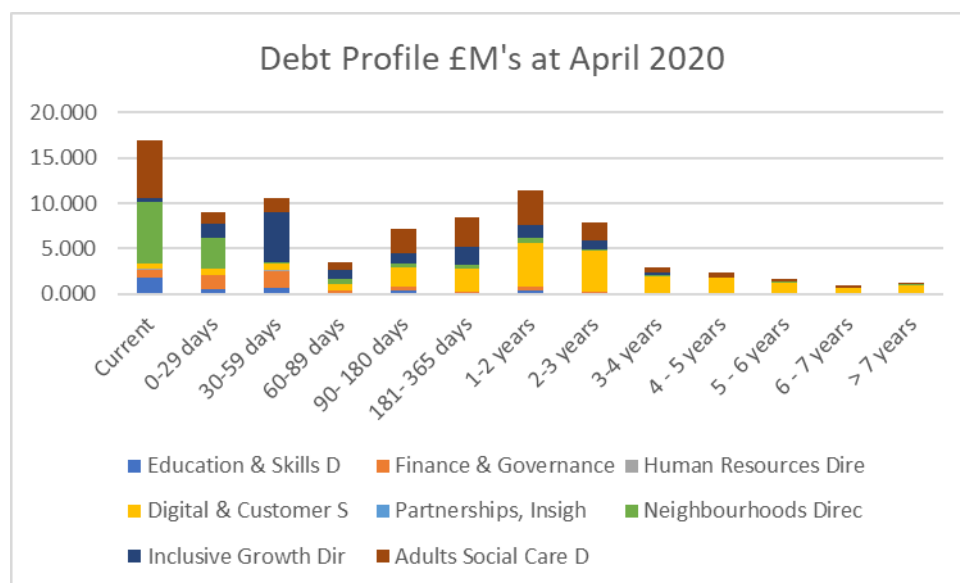


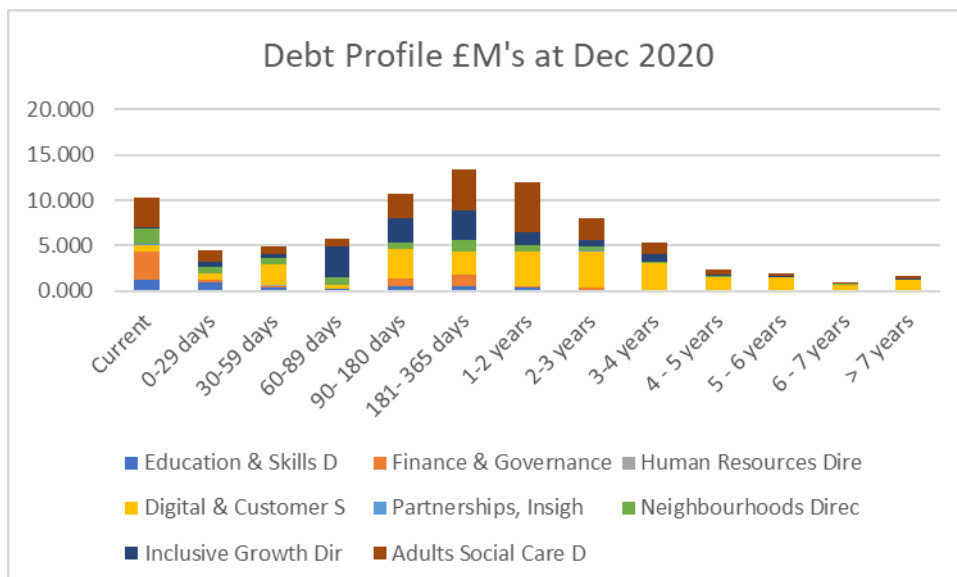
## Borrowing

- 3.21. The annual cost of servicing debt represents approximately 30% of the budget. Currently borrowing is £3,420m, with the year-end projection likely to be below the planned level of £3,832m. Some government grants have been received early and there is slippage in spending on the capital programme. There does remain uncertainty about the impact of Covid-19 on future cashflows.

## Level of Debt and Provision

- 3.22. Before explaining the current position, it is worth noting that the ability to provide clear insight to all of the issues within sundry debt is limited at this time, primarily due to poor reporting capability. We currently have an external provider in Finance completing a short piece of work to understand how we can data mine the information held within the corporate system to provide this greater insight. For example, we need to provide a clear differential between debt which is legitimately longer term and what is truly overdue.
- 3.23. The Council's sundry debt position at the beginning of December stood at £79.553m. Whilst marginally better than the debt position at the start of the year (£0.803m), the key issue is there has been a significant shift in the profiling of debt as shown in the graphs below. There has been a £6.980m decrease in the amount of debt due immediately and an increase of £6.177m in aged debt. The biggest increases in aged debt are for the periods 90 to 179 days (£4.553m) and 180-365 days (£4.896m). The service areas and the Accounts Receivable team are working together, maximising what debt we can bring in and working with the service areas to make sure we are having the appropriate discussions with customers to schedule payments. Work is focusing in particular in the commercial area of debt for action plans for now and when policies and restrictions are lifted at the end of March 2021.





- 3.24. This shift in commercial debt is primarily due to COVID which has impacted in a number of ways. There has been Government and local decisions made not to chase any commercial rent and trade waste debt, both of which have seen a significant increase in aged debt, most of which is likely to be overdue. There has been an increase in individual overdue debt due to furlough or redundancy. There has been limited support the Council can get from collection agencies due to restrictions in engaging with businesses and citizens and the court system is dealing with a significant backlog due to the courts shutting down earlier in the year. We are working with those service areas to agree approaches to how the aged debt can be recovered through
- 3.25. The Council debt profile is influenced by not only the payment of debt but also the amount of transactional activity within the service areas. Unsurprisingly, the Council has transacted approximately 80% of volume and 87% of monetary value of the normal invoice values it would expect within the current year. This explains some of the drop off in the value of debt which is current.
- 3.26. To prevent the position getting significantly worse, there is a more targeted approach to debt, looking at the current debt to recover this sooner, looking at services which could move to payment at point of order and understanding the Council's top 50 debtors, an analysis of which is given below.

### Top 50 Debtors Profile

- 3.27. Further work has been done analysing the Top 50 sundry debtors and developing action plans. As at the start of December, the value of the top 50 debtors was £10.747m which is 13.5% of total sundry debt. Analysis of the debt shows that of this money, £7.156m is highly likely to be recovered, £1.873m will probably be recovered, and £1.718m is high risk. Of that high-risk debt, £0.925m is to be written off in the current financial year. The debt profile is spread across the following directorates.



Directorate	Value £M	Nature of Debt
Adults	2.256	Primarily residential care provision
Digital & Customer Services	2.046	Includes £1.945 BCT payment which has now been paid.
Education and Skills	0.686	Various debts
Finance and Governance	1.751	Majority of debt is with suppliers to schools for school meals
Inclusive Growth	3.799	Majority of debt is commercial rent
Neighbourhoods	0.209	Markets debt

3.28. The age profile of the debt is such that £2.950m is prior to 2019. Of this, £1.498m is high risk (this includes the £0.925m to be written off this year), £0.722m will probably be recovered, and £0.731m is highly likely to be recovered. The biggest areas of aged debt are for Residential Care Cost (£1.542m) and Commercial Rents (£1.083m). All of the commercial rents aged debt is high risk.

3.29. Action plans have been recorded for all of these debts and these will be subject to monthly reviews. The next stage is to provide a report for the top 20 debtors for each directorate with associated action plans for each of these.

### Policy Contingency

3.30. The Council Financial Plan and Budget 2020-2024 approved by Council on 25th February 2020 reflected £35.3m for Specific Policy contingency budget in 2020/21 and £5.5m for General Policy Contingency budget. A breakdown of the specific contingency items is set out below:

<b>Table 6: Policy Contingency 2020/21</b>	<b>Budget</b>	<b>Committed by Quarter 2</b>	<b>Committed at Quarter 3</b>	<b>Not yet committed</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Modernisation Fund - Social Care	18.000	4.200		13.800
Modernisation Fund - Other	3.865		2.000	1.865
Inflation Contingency	5.446	0.292	0.162	4.992
Commonwealth Games Project Team Costs	4.000	4.000		0.000
Apprenticeship Levy	1.093			1.093
Potential Additional Interim Staff	0.750		0.750	0.000
Highways Maintenance	0.500			0.500
National Living Wage	0.365			0.365
Superannuation - Auto-enrolment Pension Fund	0.300			0.300
Short-term Improvement in the Council House	0.300			0.300
HR Additional Temporary Resources	0.300		0.300	0.000
Loss of Income from Car Park Closures	0.252			0.252
Corporate Funding for ODP	0.129			0.129
General Policy Contingency	5.474	3.517	1.547	0.410
<b>Total</b>	<b>40.774</b>	<b>12.009</b>	<b>4.759</b>	<b>24.006</b>

3.31. As part of the Council's simplification of processes, the Cabinet meeting of 23 June 2020, approved that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Council Financial Plan and Budget 2020-2024.

### **Inflation**

- 3.32. The Section 151 Officer has approved the release of £0.2m of Specific Policy contingency to fund inflationary pressures, in line with the Council Financial Plan and Budget.

### **Potential Additional Interim Staff**

- 3.33. The Section 151 Officer has approved the release of £0.8m of Specific Policy contingency to fund additional Interim Staff, in line with the Council Financial Plan and Budget.

### **HR Additional Temporary Resources**

- 3.34. The Section 151 Officer has approved the release of £0.3m of Specific Policy contingency to fund additional temporary resources for the Human Resources Directorate, in line with the Council Financial Plan and Budget.

### **General Policy Contingency-Commonwealth Games Programme Team**

- 3.35. A potential pressure of up to £1.5m in relation to the Commonwealth Games Programme Team for 2020/21 is emerging as the level of activities undertaken by the team to drive the development of plans for delivery of the Games including enhanced City Operations and co-ordination with Games Partners steps up with less than 2 years to go before the Opening Ceremony. The programme Team is resourced through a combination of Council employees and external subject matter experts to ensure that the Games is delivered to secure a lasting and positive legacy, and this approach is proving to require increased expenditure compared to the initial estimate for a very lean Programme team assumed in the Financial Plan 2020-24. It is recommended that £1.5m of General Policy Contingency is released to fund the pressure on the Commonwealth Games Programme Team.

### **Specific Policy Contingency-Modernisation Other**

- 3.36. It is recommended that £2.0m of the Modernisation - Other budget within Specific Policy Contingency is released to fund the costs to complete Discovery Phase 2 to take the Council to March 2021 with the production of final business cases relating to the Delivery Plan and Financial Plan 2021-2025. This is in line with the Cabinet decision on 19<sup>th</sup> January 2021.
- 3.37. If the above proposals are agreed, the balance on Policy Contingency will be £24.0m.

### **Collection Fund**

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

### **Council Tax and Business Rates**

- 3.38. The overall net budget for Council Tax income including Parish and Town Council Precepts is £367.6m in 2020/21. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities.
- 3.39. There is a deficit forecast for the year of which the Council's share is £16.0m. This is made up of a cumulative deficit brought forwards from 2019/20 of £3.1m of which Council's share is £2.7m, (comprised of £3.9m final surplus position for 2019/20 compared with a £7.0m deficit anticipated when the budget was set for 2020/21) plus an additional in year deficit relating to 2020/21 of £13.2m. This in year deficit is primarily due to a forecast deficit of

£11.0m in Council Tax Support of which £8.7m is funded from Hardship Fund. In addition there is forecast of higher non collection rate as a result of Covid-19. There may be further worsening of non-collection rate due to the continuing effects of Covid-19 on the economy. The total net deficit for the year including brought forward deficit from 2019/20 is, therefore, forecast to be £7.3m. (forecast deficit of £16.0m less £8.7m funded from Hardship Fund)

3.40. The position for Council Tax is set out in the table below:

**Council Tax Summary Table ( BCC Share)**

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Surplus/(Deficit)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gross Debit	538.037	539.433	1.396
Non Collection	(10.979)	(16.919)	(5.940)
<b>Net Budget</b>	<b>527.058</b>	<b>522.514</b>	<b>(4.544)</b>
Council Tax Support	(91.037)	(102.048)	(11.012)
Other Reliefs and Discount	(66.495)	(65.676)	0.819
<b>Total in year Debit</b>	<b>369.527</b>	<b>354.790</b>	<b>(14.737)</b>
Prior Year Adjustment	(1.951)	(0.464)	1.487
<b>Total In Year Surplus/(Deficit)</b>	<b>367.575</b>	<b>354.326</b>	<b>(13.249)</b>
Total Deficit Brought Forward	0.000	(2.708)	(2.708)
<b>Grand Total Surplus/(Deficit)</b>	<b>367.575</b>	<b>351.618</b>	<b>(15.957)</b>
Hardship Fund	0.000	(8.655)	(8.655)
<b>Grand Total Net Surplus/(Deficit)</b>	<b>367.575</b>	<b>360.273</b>	<b>(7.302)</b>

### **Business Rates**

- 3.41. Under the 100% Business Rates Pilot that came into effect on 1st April 2017 the Council continues to retain 99% of all Business Rates collected under the Business Rates Retention Scheme with 1% being paid over to the West Midlands Fire Authority. The overall budgeted level of Business Rates in 2020/21 is £445.7m (excluding the Enterprise Zone), of which the Council's retained share is £441.2m.
- 3.42. There is a deficit anticipated, in year, of which the Council's share is £225.9m. This is mainly due to reliefs of £182.7m of which primarily relates to Small Business Reliefs that the Council granted to small businesses in the leisure, retail and nursery sectors which were affected by COVID-19. The forecast gross rate yield is £12.5m lower than the budget relating to a lower growth in businesses. To be prudent the original growth which was assumed when the budget was set has not been factored in the forecast due to economic uncertainties. In addition, an increase in bad debt provision of £10.0m is forecast as a result of COVID-19.
- 3.43. The total additional grants compare to budget anticipated to offset this deficit is £177.3m. However, this will be received into the General Fund in 2020/21 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £225.9m forecast deficit in the Collection Fund.
- 3.44. As a result of the above a total in year deficit of £48.7m is assumed to be carried forward and taken into account in setting the budget for 2021/22 made up of £225.9m deficit relating to the Council's share offset by £177.3m compensatory grants.
- 3.45. In addition to the in-year position and as previously reported in the 2019/20 Outturn report, a cumulative deficit was brought forward from 2019/20 of £1.4m due to the final deficit position for 2019/20 being £16.8m compared with a £15.4m deficit anticipated when

setting the budget for 2020/21. Therefore, an overall forecast Deficit of £50.1m relating to the Council's share of Business Rates (£48.7m in year Deficit plus £1.4m Deficit brought forward) is anticipated.

3.46. The position for Business Rates is shown in the table below:

**Business Rates Summary Table (BCC Share)**

	Net Budget £m	Forecast Outturn £m	Forecast Surplus/(Deficit) £m
Gross Rate Yield	572.393	559.936	(12.456)
Total Reliefs	(102.516)	(285.232)	(182.716)
<b>Gross rate yield after reliefs</b>	<b>469.877</b>	<b>274.705</b>	<b>(195.172)</b>
Increase in Bad Debts Provision	(9.398)	(19.629)	(10.232)
Other	(19.275)	(39.801)	(20.526)
<b>Total Net Rate Yield</b>	<b>441.204</b>	<b>215.275</b>	<b>(225.930)</b>
Compensatory Section 31 Grant (BCC Share)	55.617	232.878	177.261
<b>Grand Total In Year Surplus/(Deficit)</b>			<b>(48.669)</b>
BR Deficit Brought Forward		(1.434)	(1.434)
<b>Grand Total Surplus/(Deficit)</b>			<b>(50.104)</b>

### Overall

3.47. Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £57.4m to be carried forward and taken into account in setting the budget for 2020/21 (£7.3m deficit for Council Tax and a £50.1m deficit for Business Rates).

3.48. It should be noted that the Government has stated that local authorities will be compensated in 2021/22 for 75% of the in-year loss in Collection Fund Income. The Council estimates that it will receive in the region of £39.6m based on the guidance issued by the Government. The Council can also spread any deficit incurred in 2020/21 over the following three years. The deficit less the 75% compensation will be reflected in the Council's budget for 2021/22 and subsequent years.

### Covid-19 Major Incident Financial Impact

3.49. The Council has now received in total £128.5m of un-ringfenced Covid-19 related grant funding from the government. This includes £44.2m that was received in November. The government has announced an income loss scheme where after 5% deductible, the council will be compensated for 75p in every pound in sales, fees and charges losses due to Covid-19. The council currently estimates that this could provide £21.9m of additional funding, the council must submit a quarterly bid for income lost, £6.5m was received during Quarter 3. The government has also announced several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.

3.50. The financial impact of covid-19 has decreased by £7.2m compared to quarter 2. The Medium Term Financial Plan Refresh Report approved by the Cabinet in November 2020, approved the funding of £6.4m for eligible additional food and school meal costs from the uncommitted balance on the Hardship Fund (Column C in Table 1). The summary below sets out the Covid-19 financial position

£m

Directorate covid overspend	112.867
Corporate budgets overspend	4.500
<b>Total Covid-19 overspend</b>	<b>117.367</b>
Covid grants (tranches 1- 4)	128.478
Income compensation	21.938
School meals funding	6.400
<b>Total Covid income</b>	<b>156.816</b>
<b>Net (surplus)</b>	<b>(39.449)</b>
Contribution to reserve	44.200
<b>Net deficit</b>	<b>4.751</b>

- 3.51. The majority of the directorates have seen their Covid-19 cost forecast decrease since quarter 2. Below are details of those directorates which have seen their covid-19 cost increase above £0.5m :
- 3.52. Digital Customer Service (DCS) has its covid cost increase by £4.8m since quarter 2. This is largely due to £2.0m loss of court income and under recovery of £2.3m of Housing Benefit overpayment income.
- 3.53. Inclusive Growth (IG) has seen its covid-19 cost increase by £0.6m which is a result of loss of income from off street parking enforcement.
- 3.54. Partnerships, Insight, and Prevention (PIP) has seen covid-19 cost increase by £0.6m which is related to providing food & support to the vulnerable, domestic abuse victims and implementing public health initiatives.
- 3.55. There are further Covid-19 financial risks which have been quantified at £11.3m, which are reported through emergency cells on a weekly basis. There is an ongoing review of risks to ensure that they reflect the latest circumstances. This is a significant decrease compared to the £18.2m estimated at Quarter 2.

## Housing Revenue Account.

### 3.56. Housing Revenue Account (HRA) – Quarter 3

	Current Budget £m	Forecast £m	Variance £m	Movement from Quarter 3 £m
Rent Income	(253.8)	(253.6)	0.2	0.0
Service Charges	(14.4)	(14.4)	0.0	0.0
Other Income	(11.7)	(11.8)	(0.1)	(0.7)
<b>Total Income</b>	<b>(279.9)</b>	<b>(279.8)</b>	<b>0.1</b>	<b>(0.7)</b>
Repairs	65.0	63.7	(1.3)	(0.5)
Estate Services	19.8	18.5	(1.3)	(0.3)
General Management	68.3	64.9	(3.4)	(0.9)
Bad Debt	5.6	10.4	4.8	(0.9)
Capital Financing	66.4	61.7	(4.7)	(2.5)
Capital Programme Funding	54.8	59.2	4.4	4.4
<b>Total Expenditure</b>	<b>279.9</b>	<b>278.4</b>	<b>(1.5)</b>	<b>(0.7)</b>
<b>Net Surplus</b>	<b>0.0</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>

### Overall Position

- 3.57. There is an overall net surplus of (£1.4m) on the Housing Revenue Account which will be used to increase the HRA revenue reserves to (£9.9m), 4% of net rental income.

### Income Variances

- 3.58. A net under-recovery of £0.1m is forecast.
- 3.59. There is an improvement of £0.7m to the income forecast from what was reported at Period 6. This improvement is due to (£0.3m) of income received for Think Families which was not budgeted and (£0.4m) of other property related income which was received in the last few months. Funding of the under-recovery is met from savings on Resource Management.

### Expenditure Variances

- 3.60. A net underspend on expenditure of (£1.5m) is forecast.

### Repairs:



- 3.61. The increased underspend on repairs of (£0.5m) is on the HLB and Aerial funded budgets, where actual and planned works will be capitalised.

**Estates:**

- 3.62. The increased underspend is due to savings on utility costs and repair costs to door entry systems and (£0.4m) offset by increased costs on tree works due to storm damage, £0.1m.

**General Management:**

- 3.63. The forecast underspend on General Management has increased by £0.9m from what was reported at Quarter 2 due to a saving on the Birmingham Property Services charge to the HRA (£0.4m) and additional savings on the Rent Team charge to the HRA (£0.4m) largely due to vacancies, plus various other net minor variations (£0.1m).

**Bad Debt:**

- 3.64. The bad debt forecast is an overspend of £4.8m, a reduction of (£0.9m) from what was reported at Quarter 2. The reduction is due to improved performance on Housing Benefit overpayment arrears (£0.5m), sundry debt arrears (£0.3m) and commercial debt arrears (£0.1m).

**Capital Financing:**

- 3.65. The (£2.5m) forecast increased underspend on Capital Financing is due to a reduction in the budgeted loan repayment.

**Capital Programme Funding:**

- 3.66. The overspend on Capital Programme Funding of £4.4m is as a result of increased revenue contributions to fund additional capital investment on fire protection, heating systems, rewires, kitchens and bathrooms.

**Covid\_19 pressures**

- 3.67. The Housing Revenue Accounts is currently reporting Covid-19 related pressures of £6.0m. The key risk on the Housing Revenue Accounts is the level of current arrears which has increased due to Covid-19. The current forecast is an overspend of £4.8m on bad debt provision, but this could increase if the economic impacts worsen. Additional costs on other areas of expenditure resulting from Covid-19 include personal protective equipment and signage, current forecast of £0.4m.
- 3.68. Due to the Housing Revenue Accounts ring-fence, budget overspends will need to be met from underspends elsewhere on the Housing Revenue Accounts. If savings are not identified on operational budgets there might be a further reduction on the debt repayment in 2020/21, currently forecast at £10.7m.

## **List of Annexes**

- 1. Write off details**
- 2. Treasury Management**
- 3. Capital Spend (Detailed) report**
- 4. Capital Programme tables**
- 5. Investment Property Portfolio Monitoring Dashboard**

## Annex 1 Write-offs

### **Write-off of Sundry Debts, 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 return 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. It is, therefore, the appropriate account to be charged. There is no effect on the revenue account.

In 2020/21, from 1st October up to 31st December 2020, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table below details the gross value of amounts written off, which members are asked to note.

<b>Age analysis</b>	<b>Over 6 years</b>	<b>3 to 6 years</b>	<b>Under 3 years</b>	<b>Total</b>
	£m	£m	£m	£m
Benefit Overpayments	0.014	0.014	0.037	0.065
<b>Total</b>	<b>0.014</b>	<b>0.014</b>	<b>0.037</b>	<b>0.065</b>

Section (d) of this Annex 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 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 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.

In 2020/21, from 1st October 2020 to 31st December 2020, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. The table below details the total approved gross value of these amounts written off, £1.33m for Council Tax and £1.77m for Business Rates, which Members are asked to note.

<b>Age analysis</b>	<b>Up To 2011/12</b>	<b>2012/13- 2014/15</b>	<b>2015/16- 2019/20</b>	<b>Total</b>
	£m	£m	£m	£m
Council Tax	0.018	0.141	1.177	1.336
Business Rates	0.314	0.336	1.128	1.778
<b>TOTAL</b>	<b>0.332</b>	<b>0.477</b>	<b>2.305</b>	<b>3.114</b>

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

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

<b>Detail</b>	<b>Pre 2010</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>	<b>No of Debtors</b>
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Housing Benefit debts written off under delegated authority	£2,161.10	£2,114.63	£820.66	£0.00	£2,893.27	£5,994.99	£3,127.29	£4,909.28	£5,680.94	£6,080.62	£14,561.94	£16,700.55	£65,045.27	487
<b>TOTAL</b>	£2,161.10	£2,114.63	£820.66	£0.00	£2,893.27	£5,994.99	£3,127.29	£4,909.28	£5,680.94	£6,080.62	£14,561.94	£16,700.55	£65,045.27	487

<b>Debt Size</b>	<b>Small</b>		<b>Medium</b>		<b>Large</b>
<b>Cases</b>	<b>&gt;£1,000</b>	<b>Cases</b>	<b>£1,001- £5,000</b>	<b>Cases</b>	<b>£5,000- £25,000</b>
478	£52,701.18	9	£12,344.09	0	£0.00

**d. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division (Collection Fund)**

Detail	1997-2007/8	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Council tax written off under delegated authority	£6,516.39	£349.74	£2,541.86	£4,047.61	£4,811.13	£12,495.69	£32,505.81	£95,964.72	£147,311.00	£187,825.76	£298,569.26	£363,343.53	£180,512.76	£1,336,795.26
Business rates written off under delegated authority	£18,418.94	£60,368.38	£73,315.18	£79,124.38	£83,101.23	£78,964.36	£138,014.62	£119,214.69	£102,745.87	£255,752.88	£187,005.48	£341,135.52	£241,706.80	£1,778,868.33
<b>TOTAL</b>	<b>£24,935.33</b>	<b>£60,718.12</b>	<b>£75,857.04</b>	<b>£83,171.99</b>	<b>£87,912.36</b>	<b>£91,460.05</b>	<b>£170,520.43</b>	<b>£215,179.41</b>	<b>£250,056.87</b>	<b>£443,578.64</b>	<b>£485,574.74</b>	<b>£704,479.05</b>	<b>£422,219.56</b>	<b>£3,115,663.59</b>

**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	£1,039,279.87	2,681	£295,515.39	226	-	-	£1,336,795.26	2,907
Business Rates written off under delegated authority	£82,600.83	189	£701,481.58	271	£994,785.92	105	£1,778,868.33	568
<b>TOTAL</b>	<b>£1,121,880.70</b>	<b>2,870</b>	<b>£996,996.97</b>	<b>497</b>	<b>£994,785.92</b>	<b>105</b>	<b>£3,115,663.59</b>	<b>3,475</b>

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

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

<b>Directorate/ Service Area</b>	<b>Invoice Date(s) or Liability period</b>	<b>Amount (£)</b>	<b>Comments</b>
Adult Social Care / Client Financial Services (CFS)	Feb 2018 to April 2020	£31,127.70	<b>Nature and duration of service:</b> Social Care charges for residential & non-residential care supplied - from February 2018 - to April 2020
Inclusive Growth  / Birmingham Property Services (BPS)	Apr 2003-Mar 2018	£637,356.00	<b>Nature and duration of service:</b> Commercial Rent charges for land for the period April 2003 to March 2018.
Inclusive Growth  / Birmingham Property Services (BPS)	Mar 2016 – Jun 2020	£256,437.25	<b>Nature and duration of service:</b> Commercial Rent charges for the period March 2016 to June 2020
Neighborhoods /Markets	Feb 2018 to March 2020	£30,254.70	<b>Nature and duration of service:</b> Market Rent of Unit from 18th February 2018 – 31st March 2020.



## TREASURY MANAGEMENT MONITORING DASHBOARD: DECEMBER 2020

	value	comparator	difference
<b>1 Gross loan debt</b>	£m	£m	£m
at month end	3,420		
year end Forecast (vs Plan)	3,632	3,832	-200
year end Forecast (vs Pru Limit for loan debt*)	3,632	4,085	-453

\*monitoring of the full set of prudential indicators is reported quarterly to Cabinet

Forecast year end debt is well below the year end plan and prudential limit. This is partly because of increased capital programme slippage due to Covid and Covid grants received in advance. Considerable uncertainty remains about the impact of Covid on cashflows over the coming months.

<b>2 short term borrowing</b>			
at month end (vs Guideline)	472	600	-129
interest rate year to date on outstanding deals (vs assumption)	0.71%	1.50%	-0.79%

Short term borrowing continued during the quarter as existing loans matured and the Council utilised more of the COVID grants received in advance. Interest rates achieved for new short term borrowing are lower than anticipated in the Plan.

<b>3 Treasury investments</b>			
at month end (vs Guideline)	265	40	225
interest rate year to date on outstanding deals (vs assumption)	0.07%	1.20%	-1.13%

Investments remain significantly higher than the Strategy's guideline of £40m, as the Council received further COVID grants in advance during December.

<b>4 Long term loans taken</b>			
year to date (vs plan for year)	35	415	-380
ave. interest rate obtained (vs assumption)	1.66%	2.50%	-0.84%

Very little long term borrowing has been taken in the year to date, due to favourable cashflows deferring the need for long term borrowing. £35m of planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.

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

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

## Annexes 2b

<b>Treasury Management: portfolio overview</b>			
<i>This appendix summarises the council's loan debt and treasury management investments outstanding</i>			
	this quarter		last quarter
	31/12/2020 £m		30/06/2020 £m
PWLB	2,454.2		2,454.2
Bonds	373.0		373.0
LOBOs	71.1		71.1
Other long term	49.9		49.9
Salix	0.5		0.6
Short term	471.4		504.8
<b>Gross loan debt</b>	<b>3,420.1</b>		<b>3,453.6</b>
less treasury investments	(265.1)		(153.4)
<b>Net loan debt</b>	<b>3,155.0</b>		<b>3,300.2</b>
Budgeted year end net debt	3,792.0		3,792.0
Prudential limit (gross loan debt)	4,085.0		4,085.0

Long term loans remained relatively steady during Q3. The Council's requirements for short term loans were lower during Q3 as further COVID grants were received in advance.

<b>Treasury investments by source</b>	£m
UK Government	35
Money Market Funds	209
Banks and Building Societies	21
	265

<b>Treasury investments by credit quality</b>			
			£m
AAA			25
AAAmmf			123
AA			5
A			0
			153

In line with the Strategy, the Council holds its treasury investments in liquid funds of high credit quality. The COVID grants received in advance have been retained in liquid funds due to uncertainty over the timing of needs.

### Investments as Accountable Body

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

	Growing Places Fund £m	AMSCI £m	Regional Growth Fund £m	Local Growth Fund £m	LGF3 £m	LOGRO £m	NMCL £m	Total £m
UK Government	0	15	5	0	0	20	0	40
Birmingham City Council <sup>1</sup>	0	0	0	8	0	0	0	8
Money Market Funds	9	24	9	0	1	41	1	85
	9	39	14	8	1	61	1	133

<sup>1</sup> These funds have been lent to the Council by agreement at a commercial rate

**Treasury management: summary of delegated decisions in the quarter**

*This appendix summarises decisions taken under treasury management delegations to the Corporate Director of Finance and Governance during the quarter.*

1. Short term (less than 1 year)	borrowing		investments
	£m		£m
opening balance	505		-153
new loans/investments	253		-878
loans/investments repaid	-287		771
closing balance	471		-260

*These loans and investments are for short periods from one day up to 365 days. Short term loans have decreased and Investments have increased due to further COVID grants received in advance during Q3.*

2. Long term borrowing:				
date	lender	£m	rate	maturity
20/04/2020	Cornwall Council	20	1.70%	20/04/2022
24/04/2020	Lancashire Fire Authority	5	1.45%	25/04/2022
24/04/2020	LB of Barking & Dagenham	10	1.70%	22/04/2022

*Planned long term borrowing was taken to support the funding of the advance payment of pension contributions in April.*

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

*No long term loans were prematurely repaid. In line with treasury management practices, the Council will only repay long term loans prematurely if this provides a financial benefit to the Council.*

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

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

**WHOLE COUNCIL**

WHOLE COUNCIL		20/21 Indicators £m	20/21 Forecast £m	21/22 Indicators £m	21/22 Forecast £m	22/23 Indicators £m	22/23 Forecast £m	23/24 Indicators £m	23/24 Forecast £m
<b>Capital Finance</b>									
1	Capital Expenditure - Capital Programme	710.1	723.2	481.9	549.6	327.0	369.9	223.1	236.5
2	Capital Expenditure - other long term liabilities	38.2	38.3	37.8	37.9	33.1	33.2	33.3	33.4
3	Capital expenditure	748.3	761.5	519.7	587.4	360.1	403.1	256.4	269.9
4	Capital Financing Requirement (CFR)	4,839.3	4,717.5	4,941.7	4,788.4	5,135.1	4,725.7	4,834.4	4,523.4
<b>Planned Debt</b>									
5	Peak loan debt in year	3,849.9	3,673.1	3,932.9	3,751.8	3,852.3	3,670.8	3,719.5	3,519.1
6	+ Other long term liabilities (peak in year)	415.5	416.8	396.7	397.3	373.4	373.7	348.2	348.3
7	= Peak debt in year	4,265.4	4,089.9	4,329.6	4,149.1	4,225.7	4,044.5	4,067.7	3,867.4
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no	no	no
<b>Prudential limit for debt</b>									
9	Gross loan debt	4,084.5	3,673.1	4,203.3	3,751.8	4,026.6	3,670.8	3,951.8	3,519.1
10	+ other long term liabilities	415.5	416.8	396.7	397.3	373.4	373.7	348.2	348.3
11	= Total debt	4,500.0	4,089.9	4,600.0	4,149.1	4,400.0	4,044.5	4,300.0	3,867.4
<b>Notes</b>									
1	There is a net increase in forecast capital expenditure due mainly to slippage from previous years.								
4	The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges).This includes all elements of CFR including Transferred Debt.								
5-7	These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.								
8	It would be a cause for concern if the City Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances.								
11	The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.								

DEBT AND PRUDENTIAL INDICATORS

Annexes 2e

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT		20/21	20/21	21/22	21/22	22/23	22/23	23/24	23/24
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
Capital Finance									
1	Capital expenditure	125.8	109.5	129.4	141.9	145.1	157.5	129.5	136.5
HRA Debt									
2	Capital Financing Requirement (CFR)	1,097.1	1,080.4	1,090.6	1,073.8	1,105.7	1,089.0	1,109.5	1,092.8
Affordability									
3	HRA financing costs	97.2	95.1	98.7	96.0	100.5	96.6	101.4	96.9
4	HRA revenues	279.9	278.2	286.2	285.7	293.3	292.8	301.2	300.7
5	HRA financing costs as % of revenues	34.7%	34.2%	34.5%	33.6%	34.3%	33.0%	33.7%	32.2%
6	HRA debt : revenues	3.9	3.9	3.8	3.8	3.8	3.7	3.7	3.6
7	Forecast Housing debt per dwelling	£18,423	£18,015	£18,446	£18,098	£18,785	£18,460	£18,914	£18,597

Notes

- 3
- Financing costs include interest and depreciation rather than Minimum Revenue Provision (MRP) in the HRA.
- 6
- This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27.
- 7
- This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time.

DEBT AND PRUDENTIAL INDICATORS

Annexes 2f

GENERAL FUND		20/21	20/21	21/22	21/22	22/23	22/23	23/24	23/24
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
<b>Capital Finance</b>									
1	Capital expenditure (including other long term liabilities)	622.5	652.0	390.4	445.5	215.0	245.6	126.8	133.4
2	Capital Financing Requirement (CFR)	3,742.2	3,637.2	3,851.1	3,714.6	4,029.3	3,636.7	3,724.9	3,430.6
<b>General Fund debt</b>									
3	Peak loan debt in year	2,752.8	2,592.7	2,842.3	2,678.0	2,746.6	2,581.8	2,610.0	2,426.3
4	+ Other long term liabilities (peak in year)	415.5	416.8	396.8	397.3	373.5	373.7	348.2	348.3
5	= Peak General Fund debt in year	3,168.3	3,009.5	3,239.1	3,075.3	3,120.1	2,955.5	2,958.2	2,774.6
<b>General Fund Affordability</b>									
6	Total General Fund financing costs	255.6	256.0	260.0	250.4	250.2	232.2	272.1	252.8
7	General Fund net revenues	852.9	852.9	872.4	872.4	890.7	890.7	909.8	909.8
8	General Fund financing costs (% of net revenues)	30.0%	30.0%	29.8%	28.7%	28.1%	26.1%	29.9%	27.8%
9	General Fund financing costs (% of gross revenues)	23.0%	22.7%	22.6%	22.7%	21.2%	21.5%	22.5%	22.5%

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 revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 This is a local indicator measuring finance costs against relevant gross income including revenues from sales, fees, charges and rents, which are available to support borrowing costs.



PRUDENTIAL INDICATORS

Annexes 2g

TREASURY MANAGEMENT

		20/21	20/21	21/22	21/22	22/23	22/23	23/24	23/24
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
1	General Fund impact of an unbudgeted 1% rise in interest rates	£3.8m	£4.5m	£4.1m	£5.9m	£4.2m	£4.1m	£4.0m	£2.6m
2	Variable rate exposures vs upper limit 30%	19%	19%	22%	22%	23%	20%	21%	19%
Maturity structure of borrowing		Limit	Forecast	Limit	Forecast	Limit	Forecast	Limit	Forecast
(lower limit and upper limit)			Year End		Year End		Year End		Year End
3	under 12 months	0% to 30%	18%	0% to 30%	22%	0% to 30%	18%	0% to 30%	16%
4	12 months to within 24 months	0% to 30%	2%	0% to 30%	1%	0% to 30%	2%	0% to 30%	2%
5	24 months to within 5 years	0% to 30%	4%	0% to 30%	5%	0% to 30%	7%	0% to 30%	9%
6	5 years to within 10 years	0% to 30%	16%	0% to 30%	16%	0% to 30%	14%	0% to 30%	16%
7	10 years to within 20 years	5% to 40%	20%	5% to 40%	20%	5% to 40%	21%	5% to 40%	20%
8	20 years to within 40 years	10% to 60%	36%	10% to 60%	34%	10% to 60%	35%	10% to 60%	36%
9	40 years and above	0% to 40%	4%	0% to 40%	2%	0% to 40%	2%	0% to 40%	2%
Investments longer than 364 days									
upper limit on amounts maturing in:									
		Limit	Forecast	Limit	Forecast	Limit	Forecast	Limit	Forecast
10	1-2 years	400	0	400	0	400	0	400	0
11	2-3 years	100	0	100	0	100	0	100	0
12	3-5 years	100	0	100	0	100	0	100	0
13	later	0	0	0	0	0	0	0	0

Note

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

### **Annex 3: 2020/21 Capital Monitoring as at Month 9 commentary**

- 1.1 Overall capital expenditure for the year 2020/21 is forecast at £519.4m against the revised quarter 3 capital budget of £868.7m. This is an increased slippage of £215.4m from the position reported at quarter 2.
- 1.2 The forecast underspend of £349.3m comprises £342.9m of slippage and £6.4m of forecasted net savings. Of the total forecast underspend of £349.3m - £310.5m is Covid related and £38.8m non-Covid related.
- 1.3 Expenditure to date is £295.0m which is some 34% of the year-end total forecast.
- 1.4 The proposed Quarter 3 budget of £868.7m has increased from the Quarter 2 budget approved by Cabinet (of £857.2m) by £11.5m. The major increases are:

*Table 1 Overall Capital Budget position as at the end of quarter 3*

	<b>Spend to date</b>	<b>Quarter 2 Approved Budget</b>	<b>New Schemes &amp; Resources</b>	<b>Revised Quarter 2 Budget</b>	<b>Forecast net slippage</b>	<b>Forecast Outturn</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund	224.3	742.3	11.5	753.8	340.8	413.0
HRA*	70.7	114.9	0.0	114.9	8.6	106.4
<b>TOTAL</b>	<b>295.0</b>	<b>857.2</b>	<b>11.3</b>	<b>868.7</b>	<b>349.3</b>	<b>519.4</b>

Table 2 approved budgets

<b>Directorate</b>	<b>Amount in 21/22</b>	<b>Capital Project</b>	<b>Funding</b>	<b>Approval</b>
	<b>£m</b>			
Neighbourhoods - Waste Management Services	1.3	Relocation of Montague Street & Redfern Road	Capital receipt from sale of Montague Street	13/10/20
Neighbourhoods – Parks & Nature Conservation	0.3	Ward End Park Lakeside Renewal Project	Community Infrastructure Tariff, Corporate Resources, ERDF, HS2, & BMHT	17/03/20
Neighbourhoods – Illegal Money Lending Team	0.1	Acquisition of vehicles	Direct Revenue Funding	08/09/20
Inclusive Growth – Emergency Active Travel Fund	4.1	To fund emergency interventions to make cycling & walking safer	Tranche 2 of Emergency Active Travel Fund grant from DfT	08/09/20
Inclusive Growth – Walking & Cycling	0.2	A45 Coventry Road Cycle Route	WMCA – Transforming Cities Fund	03/12/20

Inclusive Growth – Network Integrity & Efficiency	0.1	Royal Orthopaedic Hospital Traffic Regulation Order 2020	Funded by the Royal Orthopaedic Hospital Trust	11/11/20
Adult Social Care – Independent Living	1.5	MHCLG notification of increased Disabled Facilities Grant	MHCLG Grant	MHCLG letter 8/12/20
Education & Skills – Birmingham Adult Education	1.3	Aston Learning Centre: Purchase of Freehold interest	Prudential Borrowing	21/7/20
Inclusive Growth – Property Services	0.7	Feasibility study for Council House Major Works of 26m	Policy Contingency Reserve	13/10/20
Inclusive Growth – other projects	1.9	Wholesale Market Enabling works	Prudential borrowing	8/09/20
<b>Total</b>	<b>11.5</b>			

- 1.5 The overall capital programme in 2020/21 has been adversely affected by Covid 19, by both delays and cost increases, and a number of uncertainties still remain which are yet to be fully quantified. It is likely that this impact on the capital spend will remain for the remainder of this financial year and into next year.
- 1.6 Most construction work paused at the end of March 2020 whilst safe working practices were introduced for the Major Projects (for example, Commonwealth Games (CWG), Paradise, Birmingham Municipal Housing Trust (BMHT), Transport schemes). Work on several sites subsequently restarted whilst adhering to social distancing guidelines. Further Covid closures could cause further disruption; however, it is hoped that the measures now put in place to achieve social distancing will prevent full closure on most projects although there may be a further impact on imports and material costs.
- 1.7 The Alexander Stadium project as part of the Commonwealth Games remains in line with the approved budget. However, Covid has adversely impacted on the Perry Barr Residential scheme, and a decision was made during this financial year in conjunction with the Commonwealth Games Organising Committee that the Athletes Village will no longer be completed in time for the Games. Alternative accommodation options for athletes and games officials are now in place and the scheme will continue but as a legacy project. The scheme will deliver regeneration and housing transformation for the area. See sections 2.9 – 2.11 for further information.
- 1.8 Movements between Quarter 2 and the revised forecast at Quarter 3 are summarised by Directorate in the table below:

Directorate	(a) Quarter 2 Approved Budget	(b) New Schemes, Resources & Slippage	(c) Revised Budget Quarter 3  c=a+b	(d) Forecast (Slippage) / Acceleration	(e) Forecast Overspend / (Underspend)	(f) 2020/21 Forecast Outturn Quarter 2 f=c+d+e
	£m	£m	£m	£m	£m	£m
Adult Social Care	12.751	1.536	14.287	(5.105)	0.000	9.182
Education & Skills	71.514	1.270	72.784	0.000	0.000	72.784
Neighbourhoods						
Neighbourhood Other	44.415	1.712	46.127	(23.262)	0.000	22.865
Housing Revenue Account	114.919	0.000	114.919	(9.036)	0.483	106.366
<b>Total Neighbourhoods Directorate</b>	<b>159.334</b>	<b>1.712</b>	<b>161.046</b>	<b>(32.298)</b>	<b>0.483</b>	<b>129.231</b>
Inclusive Growth						
Planning & Development	43.242	1.950	45.192	(14.120)	1.183	32.255
Transportation	104.987	4.258	109.245	(62.110)	(2.028)	45.107
Highways	3.825	0.137	3.962	(1.749)	0.109	2.322
Housing Development	1.218	0.000	1.218	0.000	0.000	1.218
Property Services	63.823	0.675	64.498	(62.958)	0.000	1.540
Perry Barr Residential Scheme	279.987	0.000	279.987	(109.045)	(6.601)	164.341
<b>Total Inclusive Growth Directorate</b>	<b>497.082</b>	<b>7.020</b>	<b>504.102</b>	<b>(249.981)</b>	<b>(7.337)</b>	<b>246.783</b>
Finance & Governance	40.363	(0.300)	40.063	(32.263)	0.000	7.800
Digital & Customer Services	10.280	0.300	10.580	(1.845)	0.448	9.183
Commonwealth Games	65.579	0.000	65.579	(21.412)	0.000	44.167
Assistant Chief Executive	0.250	0.000	0.250	0.000	0.000	0.250
	857.152	11.538	868.690	(342.905)	(6.406)	519.380

## 2. Covid Related Rephasing & Slippage

2.1 The details for the Covid related slippage identified since Quarter 2 are as follows:

### Adults Social Care:

Total slippage of £4.5m. The programme of major works and adaptations to service users' homes (£11.5m in total) was paused during the initial lockdown period earlier in the financial year, with further Covid related restrictions post lockdown impacting on service delivery. Slippage of £3m will therefore occur into next financial year. The further DFG grant of £1.5m announced by MHCLG in December 2020 will also be spent in future years

Whilst the service is now running at a relatively normal rate, and there are no backlogs of work reported, the pandemic has impacted on the amount of major works and adaptations the team have been able to provide this year and this situation cannot now be reversed. There will be no impact on the funding of the scheme as the Disabled Facilities Grant funding can be carried forward and utilised next year.

### Inclusive Growth

2.2 Property Strategy – Further Slippage of £10.5m is reported at Quarter 3. External consultants have recently reviewed the commercial portfolio and have made recommendations in terms of asset disposals to support the investment fund. Opportunities, however, to acquire new commercial property are totally dependent on the right opportunities coming to market and no acquisitions have been made this

year and it is unlikely any new opportunities once identified will complete this financial year so the budget will slip into future years.

- 2.3 Planning & Development: Enterprise Zone Paradise Circus: is reporting a slippage of £12.8m due to the three reasons. An agreement of variation to the original building contract to now include above ground construction works (not funded by EZ) which has meant a re-programming of the EZ funded element of works causing slippage against the original plan. The effect of Covid-19 pandemic and the need for re-programming due to revised operational arrangements and delay in works. The triggering of mechanisms within the agreement to compulsorily purchase the Copthorne Hotel.

### **Transportation**

- 2.4 Air Quality & Climate Control – The additional slippage from quarter 2 of £4.6m is a reduction in the mitigation grant spend. This is due to the mitigation programme being impacted by delays in the launch and disruption to take-up of the mitigation programmes by COVID-19. The launch of HDV and Taxi programmes was delayed to late September 2020, the Vehicle Scrappage Programme will launch in February 2021. This is on top of the slippage of £27.2m reported at Quarter 2.
- 2.5 Emergency Active Travel Fund - slippage of £3.5m relates to Tranche 2 (of around £4m), which the Department for Transport originally wanted to be spent by March 2021, but as funding was only confirmed funding in early December 2020 the deadline for spend has been extended to March 2022.
- 2.6 Other (Major schemes) - additional slippage of £1.4m relates to slippage for the Snow Hill Public scheme. The Colmore Row / Livery Street project was supposed to start on site in April 2020 but due to COVID-19 did not commence until June 2020. Due to social distancing regulations and enhanced pedestrian management, construction work is not progressing as fast as originally forecasted. The Cornwall Street project was originally due to start on site in summer 2020, this was delayed. It was then decided that any construction should be delayed until January 2021 to avoid potential disruption to Christmas trade in the city centre post Covid-19. This has resulted in most of the work planned to be carried out in 2021-22.
- 2.7 Inclusive & Sustainable Growth - additional slippage of £1.6m, bringing total slippage to £10.9m. The slippage relates to the Birmingham City Centre Public Realm scheme, the scheme is currently in development phase and no works have been halted. Opportunities to accelerate certain works have been delayed until January 2021 but these do not detract from the timescales as this was an accelerated opportunity. The cost and delay of material from overseas suppliers and is a key concern and anticipated construction cost increases are foreseen based on social distancing measures.
- 2.8 Iron Lane slippage of £1.3m due to COVID shut down and restricted working once site re-opened has caused slippage of approximately 5 months.
- 2.9 Highways Infrastructure – overall slippage of £1.6m Overall Highways programme has had delays due to COVID-19 restrictions, need to develop and deliver emergency COVID-19 related schemes, availability of contractors and the new ways of working required.

- 2.9 Perry Barr Residential Scheme - A detailed review of all costs and anticipated income generation from the PBRs has been commenced following the decision in August 2000 that the scheme would not be used for athletes and officials accommodation for the Commonwealth Games in 2022, with the review also seeking to quantify the financial and programme impacts on the scheme of COVID-19. This review is complex and time consuming, and once completed, the full implications will be reported to Cabinet, likely to be in spring 2021. Whilst this wider review is continuing, an assessment has been undertaken of the likely phasing of expenditure based on the existing approved scheme and known and anticipated COVID impacts to the end of the 2020/21 financial year, resulting in anticipated slippage to future years within the overall scheme cost envelope of £109.0m. It is likely that further changes will emerge as the scheme review continues.

### **Commonwealth Games**

- 2.10 Alexander Stadium: Expenditure has been reprofiled between financial years to reflect updated cashflow forecasts from the main contractor taking into account the impacts of COVID-19 and the subsequent requirement to resequence elements of the construction programme to ensure handover of the completed stadium to the Birmingham 2022 Organising Committee by March 2022. Whilst the timing of expenditure has been updated, the programme remains on schedule to achieve completion to the required timescales.
- 2.11 Other Games Budgets: The phasing of expenditure on individual projects has been updated to reflect the impacts of COVID-19 and the limited extent to which contingencies have been required during 2020/21 to progress individual schemes. The overall level of contingency held for Games related capital projects has been largely reprofiled to later years.

### **Neighbourhoods**

- 2.12 Waste Management Services – Additional Slippage of £4.3m since Q2. There is slippage of £3.7m for works at the Waste Depot due to delays in the submission of planning applications. This is currently expected for February 2021. Covid19 has affected the delivery of the Waste Depot Vehicles with now only half being delivered before April. A further slippage of £0.6m is being reported at Quarter 3, on top of the £5.9m reported at Quarter 2. This will slip into the next financial year when the vehicles will be delivered.
- 2.13 Housing Improvement Programme: Overspend of £4.7m is being reported at Quarter 3. This will be funded by underspends in the Housing Other Programmes budget reported below in paragraph 2.15 and an increase in revenue contributions.

The overspend is due to a £10.3m increase in the Fire Protection Programme, resulting from undertaking enhanced fire safety work on the exteriors of High Rise Blocks. This is being funded partly from reductions in Door Replacement (£5.9m), and Door Entry (£0.8m), alongwith reallocating other HRA Budgets (£2.5m increase in revenue contributions and £1.1m from the Adaptations budget).

There have also been changes within the overall programme, funded mainly through realignments and £1.1m from the Adaptations budget such as increases to windows £0.7m; Kitchens/Bathrooms £3.2m; Reroofing £0.3m; Communal Decorations and Environmental £1.3m, Structural Investigations £1.0m budgets, offset by reductions

in the Heating (£0.9m); Rewiring (£0.2m); Structural Investment (£4.0m), and Legionella & Security (£0.3m) budgets.

There is also slippage of £1.9m within the Sprinkler Programme due to a judicial review at Canterbury and Salisbury Towers and a Leaseholder challenge at Bakeman House. There is acceleration of £1.9m within the Central Heating, Rewires, Kitchen and Bathroom programmes.

- 2.14 Redevelopment – Further overall slippage of £5.4m is being reported in addition to the £2.4m reported at Quarter 2. This comprises slippage of (£5.9m) and (£0.5m) on several New Build and Clearance Programmes schemes respectively. The New Build Programme schemes slipping are predominantly due to delays in approvals and contract signing because of Covid at Farnborough Road, Gladstone Street, Monmouth Road, Abbeyfields Phase 4, Hollybank Road, Kestrel Avenue and Houldey Road. However there is acceleration of £0.9m and £0.1m on other New Build and Clearance Programmes schemes respectively. The schemes accelerating within the New Build Programme are Pool Farm, Kings Norton (Primrose), Gressel Lane and Ward End Park.
- 2.15 Housing Other programmes: Underspend of £2.4m as a result of a reduced spend forecast due to slower demand within the Adaptations Programme due to Covid. This resource has been re-directed towards pressures within the Housing Improvement Programme above to supplement the Fire Safety Programme and Kitchen and Bathroom Programme.
- 2.16 Community, Sports & Events: Moseley Road Baths slippage of £0.5m due to delays in obtaining matchfunding as a result of Covid 19. The Leisure Flex replacement till system has slipped by £0.4m due to implementation delays.

**3. Non – Covid Related Rephasing & Slippage of £38.8m (total £30.7m since Quarter 2)**

**Inclusive Growth**

- 3.1 Tame Valley – Additional slippage of £0.2m in addition to the previously reported slippage of £3.0m is mainly due to delays in completion of the Procurement Award contract which may be further impacted by Covid regarding the availability of resources and material within the supply chain. These risks will be closely monitored and managed as part of the scheme procurement and delivery. The provisional funding allocation from the Department for Transport will be confirmed once a Full Business Case has been approved. DfT is still supportive of this project.

**Finance & Governance**

- 3.2 Corporate Contingency: Slippage of £26.6m as most of the contingency and Modernisation fund budget has not been required this year and will be slipped into future years to provide contingency and funding for relevant projects.

**ICT**

- 3.3 Slippage of £1m largely relates to the current known Legacy Hardware footprint required to support the exit of Fort Dunlop. Further validation of the requirements will



continue this financial year and this slippage will support the Cody Park and West Malling data centre exit in the next financial year.,

### **Neighbourhoods**

- 3.4 **Cultural Development:** Overspend of £1m. This is a new Capital Loan facility for Performances Birmingham Ltd up to a maximum of £3m. The Forecast for 20/21 is £1m. The remaining £2m may be required next year. However, this will not be known until the related project completes, in mid 2021/22.
- 3.5 **Regulation & Enforcement:** Coroner's Court Slippage of £2.1m. BCC did not obtain vacant possession of the building until June 2020 rather than the original date of April. Condition surveys carried out on the building as part of the development & design works identified additional works that are required. These include a new roof, new gas supply and heating system. These issues have accumulated in the original construction programme slipping.

## **4. Risks and Issues**

- 4.1 The impact of Brexit on the construction industry is still an unknown and together with the continuing impact of Covid and economic recovery casts greater uncertainty particularly about the supply and import of materials and labour. This applies to most projects within the capital programme and the impact of this situation will continue to be monitored closely during the coming months and next financial year.

## Overview

Annex No	Description
4a	Overview
4b	Capital Monitoring Summary
4c	Capital Budget Movements
7d	Capital Budget Movements Commentary
4e	Capital Forecast Variations
4f	Capital Forecast Variations Commentary
4g	Prudential Borrowing - Additions or Reductions Quarter 2
4h	Capital Expenditure 10-year+ Plan

This report takes each Directorate in turn, in the format;  
a) capital budget changes  
b) forecast variations from budget  
c) commentary on major risks/issues

The capital budget is a resource and expenditure planning to proceed. Individual approvals are sought through Business Case reports under the Gateway process.

## Capital Monitoring Summary

Annex 4b

### Expenditure

	2020/21 £m	2021/22 £m	2022/23 £m	Later Years £m	Total Plan £m
Quarter 2 Approved Budget	857.149	503.706	321.624	1,635.568	3,318.047
Slippage/(Acceleration) - Quarter 3	0.000	0.000	0.000	0.000	0.000
New Resources / (Reductions) & Rephasing Quarter 3	11.539	5.707	0.605	0.000	17.851
<b>Budget Quarter 3</b>	<b>868.688</b>	<b>509.414</b>	<b>322.229</b>	<b>1,635.568</b>	<b>3,335.898</b>
Forecast Slippage Quarter 3	(342.903)	162.965	125.024	54.913	0.000
Forecast Overspend / (Underspend) Quarter 3	(6.406)	(32.727)	14.350	(5.555)	(30.337)
<b>Forecast Outturn at Quarter 3</b>	<b>519.379</b>	<b>639.652</b>	<b>461.603</b>	<b>1,684.927</b>	<b>3,305.561</b>

### Resources

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

Grants & Contributions	198.614	172.240	81.546	109.091	561.491
Earmarked Capital Receipts - RTB & Revenue Reform	49.485	68.205	71.703	148.337	337.730
Revenue Contributions - Departmental	21.461	18.563	12.847	27.514	80.384
Revenue Contributions - HRA	59.166	62.623	68.521	563.332	753.642

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

Corporate Resources	15.831	9.087	0.711	0.000	25.628
Prudential Borrowing	174.823	308.933	226.275	836.654	1,546.685

#### **Forecast Use of Resources**

<b>519.379</b>	<b>639.651</b>	<b>461.603</b>	<b>1,684.927</b>	<b>3,305.561</b>
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				Budget Movements			
				Current Year		All Years	
Ref.	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m	
<b>ADULT SOCIAL CARE DIRECTORATE</b>							
<b>Adult Care &amp; Health</b>							
	0.364	0.364	0.000	0.364	0.364	0.000	
	0.981	0.981	0.000	0.981	0.981	0.000	
	0.000	0.000	0.000	0.000	0.000	0.000	
ASC1	11.406	12.942	1.536	16.906	18.442	1.536	
<b>Total Adult Social Care Directorate</b>	<b>12.751</b>	<b>14.287</b>	<b>1.536</b>	<b>18.251</b>	<b>19.787</b>	<b>1.536</b>	
<b>EDUCATION AND SKILLS DIRECTORATE</b>							
<b>Education &amp; Early Years</b>							
	3.861	3.861	0.000	5.475	5.475	0.000	
	13.021	13.021	0.000	26.021	26.021	0.000	
	53.713	53.713	0.000	75.556	75.556	0.000	
	0.013	0.013	0.000	0.013	0.013	0.000	
	0.136	0.136	0.000	0.136	0.136	0.000	
	0.576	0.576	0.000	1.776	1.776	0.000	
<b>Total Education &amp; Early Years</b>	<b>71.320</b>	<b>71.320</b>	<b>0.000</b>	<b>108.977</b>	<b>108.977</b>	<b>0.000</b>	
<b>Skills &amp; Employability</b>							
SE1	0.000	1.270	1.270	0.713	1.983	1.270	
	0.194	0.194	0.000	4.231	4.231	0.000	
<b>Total Skills &amp; Employability</b>	<b>0.194</b>	<b>1.464</b>	<b>1.270</b>	<b>4.944</b>	<b>6.214</b>	<b>1.270</b>	
<b>Total Education and Skills Directorate</b>	<b>71.514</b>	<b>72.784</b>	<b>1.270</b>	<b>113.922</b>	<b>115.192</b>	<b>1.270</b>	
<b>NEIGHBOURHOODS DIRECTORATE</b>							
<b>Street Scene</b>							
N1	26.474	27.794	1.320	80.204	81.630	1.426	
N2	11.869	12.137	0.268	14.954	17.076	2.122	
<b>Total Street Scene</b>	<b>38.343</b>	<b>39.931</b>	<b>1.588</b>	<b>95.158</b>	<b>98.706</b>	<b>3.548</b>	
<b>Housing Services</b>							
	0.064	0.064	0.000	2.384	2.384	0.000	
	0.979	0.979	0.000	1.789	1.789	0.000	
<b>Housing Revenue Account</b>							
	73.562	73.562	0.000	620.352	620.352	0.000	
	30.662	30.662	0.000	473.320	473.320	0.000	
	10.695	10.695	0.000	92.079	92.079	0.000	
<b>Total Housing Revenue Account</b>	<b>114.919</b>	<b>114.919</b>	<b>0.000</b>	<b>1,185.751</b>	<b>1,185.751</b>	<b>0.000</b>	
<b>Total Housing Services</b>	<b>115.962</b>	<b>115.962</b>	<b>0.000</b>	<b>1,189.924</b>	<b>1,189.924</b>	<b>0.000</b>	
<b>Neighbourhoods</b>							
	1.106	1.141	0.035	3.606	3.641	0.035	
	0.030	0.030	0.000	0.030	0.030	0.000	
	0.611	0.611	0.000	3.861	3.861	0.000	
<b>Total Neighbourhoods</b>	<b>1.747</b>	<b>1.782</b>	<b>0.035</b>	<b>7.497</b>	<b>7.532</b>	<b>0.035</b>	
<b>Regulation &amp; Enforcement</b>							
	0.249	0.249	0.000	0.249	0.249	0.000	
	0.300	0.300	0.000	1.059	1.059	0.000	
	0.000	0.000	0.000	0.000	0.000	0.000	
	2.734	2.734	0.000	2.734	2.734	0.000	
	0.000	0.089	0.089	0.000	0.089	0.089	
<b>Total Regulation &amp; Enforcement</b>	<b>3.282</b>	<b>3.371</b>	<b>0.089</b>	<b>4.041</b>	<b>4.130</b>	<b>0.089</b>	
<b>Total Neighbourhoods Directorate</b>	<b>159.334</b>	<b>161.046</b>	<b>1.712</b>	<b>1,296.620</b>	<b>1,300.292</b>	<b>3.672</b>	
<b>INCLUSIVE GROWTH DIRECTORATE</b>							
<b>Planning &amp; Development</b>							
<b>Major Projects</b>							
	28.123	28.123	0.000	42.957	42.957	0.000	
	0.000	0.000	0.000	2.500	2.500	0.000	
	0.293	0.293	0.000	139.450	139.450	0.000	
	0.031	0.031	0.000	150.031	150.031	0.000	
	2.442	2.442	0.000	9.037	9.037	0.000	
	0.000	0.000	0.000	20.000	20.000	0.000	
	0.000	0.000	0.000	20.000	20.000	0.000	
	1.210	1.210	0.000	58.506	58.506	0.000	
	0.000	0.000	0.000	101.500	101.500	0.000	
	0.000	0.000	0.000	104.800	104.800	0.000	
	0.000	0.000	0.000	183.300	183.300	0.000	
	0.000	0.000	0.000	0.000	0.000	0.000	
	1.160	1.160	0.000	22.667	22.667	0.000	
	0.472	0.520	0.048	0.472	0.520	0.048	
	3.459	3.459	0.000	3.459	3.459	0.000	
	0.973	0.973	0.000	0.973	0.973	0.000	
IG1	0.000	1.902	1.902	0.000	5.707	5.707	
<b>Total Major Projects</b>	<b>38.163</b>	<b>40.113</b>	<b>1.950</b>	<b>859.652</b>	<b>865.407</b>	<b>5.755</b>	

Ref.	Budget Movements					
	Current Year			All Years		
	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m
ERDF	2.973	2.973	0.000	4.930	4.930	0.000
Public Realm	1.091	1.091	0.000	1.091	1.091	0.000
Infrastructure/Site Enabling Programme	0.014	0.014	0.000	0.249	0.249	0.000
Grants/Loans Programme	1.000	1.000	0.000	1.000	1.000	0.000
Total Planning & Development	43.242	45.192	1.950	866.922	872.677	5.755
<b>Housing Development</b>						
In Reach	1.218	1.218	0.000	7.900	7.900	0.000
CWG-Sale To In Reach	0.000	0.000	0.000	0.000	0.000	0.000
Total Housing Development	1.218	1.218	0.000	7.900	7.900	0.000
<b>Transport Connectivity</b>						
<b>Major Schemes</b>						
Ashted Circus	0.199	0.199	0.000	0.199	0.199	0.000
Metro Extension	0.100	0.100	0.000	4.574	4.574	0.000
Iron Lane	4.990	4.990	0.000	5.977	5.977	0.000
Minworth Unlocking	0.000	0.000	0.000	0.000	0.000	0.000
Battery Way Extension	0.322	0.322	0.000	0.322	0.322	0.000
Longbridge Connectivity	0.303	0.303	0.000	0.303	0.303	0.000
A457 Dudley Road	5.839	5.839	0.000	27.932	27.932	0.000
Journey Reliability	0.705	0.705	0.000	0.705	0.705	0.000
Tame Valley Phase 2 & 3	4.544	4.544	0.000	87.093	87.093	0.000
Selly Oak New Road Phase 1B	3.278	3.278	0.000	3.278	3.278	0.000
Wharfdale Bridge	2.683	2.683	0.000	2.683	2.683	0.000
Snow Hill Station	5.884	5.884	0.000	6.810	6.810	0.000
Other (Major Schemes)	3.385	3.385	0.000	4.135	4.135	0.000
Total Major Schemes	32.232	32.232	0.000	144.011	144.011	0.000
Inclusive & Sustainable Growth	13.692	13.632	(0.060)	31.560	31.498	(0.062)
Walking & Cycling	4.223	4.423	0.200	7.314	7.515	0.201
Local Measure	0.000	0.000	0.000	0.000	0.000	0.000
Infrastructure Development	1.203	1.203	0.000	2.216	2.216	0.000
Transportation & Highways Funding Strategy	0.000	0.000	0.000	14.280	14.280	0.000
Air Quality & Climate	52.154	52.154	0.000	53.464	53.464	0.000
Emergency Active Travel Fund	1.467	5.585	4.118	1.467	5.585	4.118
Section 278/S106	0.016	0.016	0.000	0.016	0.016	0.000
Total Transport Connectivity	104.987	109.245	4.258	254.328	258.585	4.257
<b>Highways Infrastructure</b>						
Safer Routes to Schools	0.339	0.339	0.000	1.839	1.839	0.000
Network Integrity and Efficiency	1.657	1.794	0.137	4.157	4.294	0.137
S106 & S278 Schemes	0.126	0.126	0.000	0.126	0.126	0.000
Road Safety	0.991	0.991	0.000	3.616	3.616	0.000
District Schemes	0.712	0.712	0.000	0.712	0.712	0.000
Total Highways Infrastructure	3.825	3.962	0.137	10.450	10.587	0.137
<b>Property Services</b>						
Attwood Green Parks	0.059	0.059	0.000	0.059	0.059	0.000
AttwoodGreen-Holloway Head Playing Field	0.015	0.015	0.000	0.015	0.015	0.000
Attwood Green-Woodview Community Centre	0.090	0.090	0.000	0.090	0.090	0.000
Council House Major Works	0.000	0.675	0.675	0.000	0.675	0.675
Bham Crisis Centre-Nursery Extension	0.001	0.001	0.000	0.001	0.001	0.000
Lee Bank Business Centre	0.000	0.000	0.000	0.000	0.000	0.000
Highbury Hall Essential Works	0.701	0.701	0.000	2.419	2.419	0.000
Property Strategy	62.958	62.958	0.000	64.458	64.458	0.000
Perry Barr Residential Scheme	279.987	279.987	0.000	410.701	410.701	0.000
Total Property Services	343.810	344.485	0.675	477.742	478.417	0.675
Total Inclusive Growth Directorate	497.082	504.102	7.020	1,617.341	1,628.165	10.824
<b>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</b>						
ICT & Digital	10.280	10.580	0.300	16.761	17.241	0.480
Total Digital & Customer Services Directorate	10.280	10.580	0.300	16.761	17.241	0.480
<b>FINANCE &amp; GOVERNANCE DIRECTORATE</b>						
<b>Development &amp; Commercial</b>						
Gateway/Grand Central Residual Costs	5.233	5.233	0.000	18.347	18.347	0.000
Capital Loans & Equity	1.991	1.991	0.000	3.983	4.532	0.549
Total Development & Commercial	7.224	7.224	0.000	22.330	22.879	0.549
<b>Corporately Held Funds</b>						
Revenue Reform Projects	5.234	5.234	0.000	5.234	5.234	0.000
Corporate Capital Contingency	27.413	27.113	(0.300)	91.288	90.808	(0.480)
Total Corporately Held Funds	32.647	32.347	(0.300)	96.522	96.042	(0.480)
SAP Investments	0.492	0.492	0.000	3.733	3.733	0.000

Ref.	Budget Movements					
	Current Year			All Years		
	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m	Quarter 2 Budget £m	Quarter 3 Budget £m	Change £m
<b>Total Finance &amp; Governance Directorate</b>	<b>40.363</b>	<b>40.063</b>	<b>(0.300)</b>	<b>122.585</b>	<b>122.654</b>	<b>0.069</b>
<b>ASSISTANT CHIEF EXECUTIVE DIRECTORATE</b>						
Public Health	0.250	0.250	0.000	0.250	0.250	0.000
<b>Total Assistant Chief Executive Directorate</b>	<b>0.250</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>	<b>0.250</b>	<b>0.000</b>
<b>COMMONWEALTH GAMES 2022</b>						
CWG Alexander Stadium	37.134	37.134	0.000	65.832	65.832	0.000
CWG Organising Cttee	28.445	28.445	0.000	66.488	66.488	0.000
<b>Total Commonwealth Games 2022</b>	<b>65.579</b>	<b>65.579</b>	<b>0.000</b>	<b>132.320</b>	<b>132.320</b>	<b>0.000</b>
<b>Total Capital Programme</b>	<b>857.152</b>	<b>868.690</b>	<b>11.538</b>	<b>3,318.050</b>	<b>3,335.901</b>	<b>17.851</b>

**ADULT SOCIAL CARE DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
ASC1	Independent Living	Ministry of Housing, Communities and Local Government letter dated 8 December 20, notification of £1.536m increase in allocation in 2020 for Disabled Facilities Grant (DFG) slipped into 21/22 as per Project Officer.	1.536	1.536

**EDUCATION AND SKILLS DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
SE1	Birmingham Adult Education	As per FBC and Cabinet approval 21 July 2020 budget built in 2021 for £1.270m funded from Prudential Borrowing for the purchase of freehold interest of Aston Learning Centre from South and City College Birmingham.	1.270	1.270

**NEIGHBOURHOODS DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
N1	Waste Management Services	£1.091m New resources - OBC report for the relocation of Montague Street and Redfern Road relocation approved by Cabinet on 13/10/20. Funded from the capital receipt from the sale of Montague Street.	1.320	1.426
N2	Parks & Nature Conservation	£2.032m New resources - FBC report approved by Cabinet for the Ward End Park Lakeside Renewal Project. Funded by £0.640m Community Infrastructure Tariff, £0.103m existing Corporate Resources, £1.084m ERDF, £0.190m HS2 and £0.016m BMHT. £0.194 New Resources for Cofton Park Nursery replacement of existing offices and welfare facilities. Project funded by Service Prudential Borrowing.	0.268	2.122

**INCLUSIVE GROWTH DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
IG1	Major Projects Other	£5.707m New resources - Cabinet report September 2020 for Wholesale Market Enabling Works. Funded by prudential borrowing.	1.902	5.707
IG2	Emergency Active Travel Fund	The £4.058m increase in budget relates to the Emergency Active Travel Fund Tranche 2, which DfT initiative to support active travel to help the country emerge from the coronavirus crisis, the funding will enable the City Council to carry out emergency interventions to make cycling and walking safer. The City Council has now received the two tranches of grant funding, the grant conditions stipulate that grant must be spent in 2020/21. The report was approved by Cabinet on 08/09/2020.	4.118	4.118



**Capital Monitoring Quarter 3 2020/21 - Budget Movements**

Annex 4d

**Commentary****DIGITAL & CUSTOMER SERVICES DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
	NIL			

**FINANCE & GOVERNANCE DIRECTORATE**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
	NIL			

**COMMONWEALTH GAMES 2022**

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
	NIL			

		Forecast Variations										
		Current Year					All Years					
Ref.		Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m
<b>ADULT SOCIAL CARE DIRECTORATE</b>												
<b>Adult Care &amp; Health</b>												
ASC1	Property Schemes	0.364	(0.011)	0.195	(0.169)	0.000	(0.169)	0.364	0.364	0.000	0.000	0.000
	Adults IT	0.981	0.248	0.581	(0.400)	0.000	(0.400)	0.981	0.981	0.000	0.000	0.000
	Independent Living	12.942	5.010	8.406	(4.536)	0.000	(4.536)	18.442	18.442	0.000	0.000	0.000
	<b>Total Adult Social Care Directorate</b>	<b>14.287</b>	<b>5.247</b>	<b>9.182</b>	<b>(5.105)</b>	<b>0.000</b>	<b>(5.105)</b>	<b>19.787</b>	<b>19.787</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>EDUCATION AND SKILLS DIRECTORATE</b>												
<b>Education &amp; Early Years</b>												
	Devolved Capital Allocation to Schools	3.861	1.155	3.861	0.000	0.000	0.000	5.475	5.475	0.000	0.000	0.000
	School Condition Allocations	13.021	5.442	13.021	0.000	0.000	0.000	26.021	26.021	0.000	0.000	0.000
	Basic Need - Additional School Places	53.713	43.455	53.713	0.000	0.000	0.000	75.556	75.556	0.000	0.000	0.000
	Other Minor Schemes - Schools	0.013	0.000	0.013	0.000	0.000	0.000	0.013	0.013	0.000	0.000	0.000
	EarlyYrs&Childcare	0.136	0.075	0.136	0.000	0.000	0.000	0.136	0.136	0.000	0.000	0.000
	IT Investment	0.576	0.047	0.576	0.000	0.000	0.000	1.776	1.776	0.000	0.000	0.000
	<b>Total Education &amp; Early Years</b>	<b>71.320</b>	<b>50.174</b>	<b>71.320</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>108.977</b>	<b>108.977</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Skills &amp; Employability</b>												
	Adult Ed & Youth	1.270	0.000	1.270	0.000	0.000	0.000	1.983	1.983	0.000	0.000	0.000
	Birmingham Libraries	0.194	0.100	0.194	0.000	0.000	0.000	4.231	4.231	0.000	0.000	0.000
	<b>Total Skills &amp; Employability</b>	<b>1.464</b>	<b>0.100</b>	<b>1.464</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.214</b>	<b>6.214</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Education and Skills Directorate</b>												
<b>72.784 50.274 72.784 0.000 0.000 0.000 115.192 115.192 0.000 0.000 0.000</b>												
<b>NEIGHBOURHOODS DIRECTORATE</b>												
<b>Street Scene</b>												
N1	Waste Management Services	27.794	3.098	14.351	(13.443)	(9.159)	(4.284)	81.630	81.630	0.000	0.000	0.000
	Parks & Nature Conservation	12.137	1.150	5.013	(7.124)	(6.935)	(0.189)	17.076	17.076	0.000	0.000	0.000
	<b>Total Street Scene</b>	<b>39.931</b>	<b>4.248</b>	<b>19.364</b>	<b>(20.567)</b>	<b>(16.094)</b>	<b>(4.473)</b>	<b>98.706</b>	<b>98.706</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Housing Services</b>												
	Housing Options Service	0.064	0.007	0.064	0.000	0.000	0.000	2.384	2.384	0.000	0.000	0.000
	Private Sector Housing	0.979	0.191	0.385	(0.594)	(0.000)	(0.594)	1.789	1.789	0.000	0.000	0.000
<b>Housing Revenue Account</b>												
N2	Housing Improvement Programme	73.562	57.843	78.256	4.694	0.000	4.694	620.352	625.046	4.694	0.000	4.694
N3	Redevelopment	30.662	10.386	22.838	(7.824)	(2.410)	(5.414)	473.320	473.509	0.189	0.000	0.189
N4	Other Programmes	10.695	2.490	5.272	(5.423)	(3.013)	(2.410)	92.079	81.907	(10.172)	(7.632)	(2.540)
<b>Total Housing Revenue Account</b>												
<b>114.919 70.719 106.366 (8.553) (5.423) (3.130) 1,185.751 1,180.462 (5.289) (7.632) 2.343</b>												
<b>Total Housing Services</b>												
<b>115.962 70.917 106.815 (9.147) (5.423) (3.724) 1,189.924 1,184.635 (5.289) (7.632) 2.343</b>												
<b>Neighbourhoods</b>												
N5	Community, Sport & Events	1.141	0.264	0.158	(0.983)	0.000	(0.983)	3.641	3.641	0.000	0.000	0.000
	Neighbourhoods	0.030	0.012	0.030	0.000	0.000	0.000	0.030	0.030	0.000	0.000	0.000
N6	Cultural Development	0.611	0.703	1.611	1.000	0.000	1.000	3.861	3.861	0.000	0.000	0.000
<b>Total Neighbourhoods</b>												
<b>1.782 0.979 1.799 0.017 0.000 0.017 7.532 7.532 0.000 0.000 0.000</b>												
<b>Regulation &amp; Enforcement</b>												
N7	Bereavement	0.249	0.000	0.249	0.000	0.000	0.000	0.249	0.249	0.000	0.000	0.000
	Markets Services	0.300	0.424	0.300	0.000	0.000	0.000	1.059	1.059	0.000	0.000	0.000
	Mortuary/Coroners	2.734	1.515	0.615	(2.119)	0.000	(2.119)	2.734	2.734	0.000	0.000	0.000
	Illegal Money Lending	0.089	0.061	0.089	0.000	0.000	0.000	0.089	0.089	0.000	0.000	0.000
	<b>Total Regulation &amp; Enforcement</b>	<b>3.371</b>	<b>2.000</b>	<b>1.253</b>	<b>(2.119)</b>	<b>0.000</b>	<b>(2.119)</b>	<b>4.130</b>	<b>4.130</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Neighbourhoods Directorate</b>												
<b>161.046 78.144 129.231 (31.816) (21.517) (10.298) 1,300.292 1,295.003 (5.289) (7.632) 2.343</b>												
<b>INCLUSIVE GROWTH DIRECTORATE</b>												

			Forecast Variations											
			Current Year					All Years						
Ref.			Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m	
<b>Planning &amp; Development</b>														
<b>Major Projects</b>														
Enterprise Zone - Paradise Circus	IG1	●	28.123	13.593	15.308	(12.815)	(0.000)	(12.815)	42.957	42.957	0.000	0.000	0.000	
			Enterprise Zone - Eastside Locks	0.000	0.000	0.000	0.000	0.000	0.000	2.500	2.454	(0.046)	0.000	(0.046)
			Enterprise Zone - Connecting Economic Opportunities	0.293	0.000	0.391	0.099	0.001	0.098	139.450	139.499	0.049	0.049	0.000
			Enterprise Zone - Smithfield	0.031	0.038	0.031	(0.000)	(0.000)	0.000	150.031	150.031	0.000	0.000	0.000
			Enterprise Zone - Southside Public Realm	2.442	0.429	2.442	(0.000)	(0.000)	0.000	9.037	9.037	0.000	0.000	0.000
			Enterprise Zone - LEP Investment Fund	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000	0.000
			Enterprise Zone - HS2-Interchange Site	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	0.000	0.000	0.000
			EZ Phase II - HS2 Station Environment	1.210	0.005	1.117	(0.093)	(0.000)	(0.093)	58.506	58.502	(0.004)	0.000	(0.004)
			EZ Phase II - HS2 Site Enabling	0.000	0.000	0.000	0.000	0.000	0.000	101.500	101.500	0.000	0.000	0.000
			EZ Phase II - Local Transport Improvements	0.000	0.000	0.000	0.000	0.000	0.000	104.800	104.800	0.000	0.000	0.000
EZ Phase II - Metro Extension to E Bham/Solihull	0.000	0.000	0.000	0.000	0.000	0.000	183.300	183.300	0.000	0.000	0.000			
EZ Phase II - Social Infrastructure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
EZ Capitalised Interest	IG2	●	1.160	0.000	0.865	(0.295)	0.000	(0.295)	22.667	21.594	(1.073)	0.000	(1.073)	
Jewellery Quarter Cemetary			0.520	0.441	0.520	0.000	0.000	(0.000)	0.520	0.520	0.000	0.000	0.000	
Unlocking Housing Sites			3.459	0.893	3.459	0.000	0.000	0.000	3.459	3.459	0.000	0.000	0.000	
Life Sciences			0.973	0.002	0.108	(0.865)	(0.865)	0.000	0.973	0.973	0.000	0.000	0.000	
Other			1.902	1.031	3.285	1.383	1.383	0.000	5.707	8.415	2.708	2.708	0.000	
<b>Total Major Projects</b>			<b>40.113</b>	<b>16.432</b>	<b>27.526</b>	<b>(12.587)</b>	<b>0.518</b>	<b>(13.105)</b>	<b>865.407</b>	<b>867.042</b>	<b>1.635</b>	<b>2.757</b>	<b>(1.122)</b>	
<b>ERDF</b>			<b>2.973</b>	<b>1.278</b>	<b>2.973</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.930</b>	<b>4.930</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
<b>Public Realm</b>			<b>1.091</b>	<b>0.254</b>	<b>0.741</b>	<b>(0.350)</b>	<b>0.000</b>	<b>(0.350)</b>	<b>1.091</b>	<b>1.091</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
<b>Infrastructure/Site Enabling Programme</b>			<b>0.014</b>	<b>0.000</b>	<b>0.014</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.249</b>	<b>0.249</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
<b>Grants/Loans Programme</b>			<b>1.000</b>	<b>0.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
<b>Total Planning &amp; Development</b>			<b>45.192</b>	<b>17.964</b>	<b>32.255</b>	<b>(12.937)</b>	<b>0.518</b>	<b>(13.455)</b>	<b>872.677</b>	<b>874.312</b>	<b>1.635</b>	<b>2.757</b>	<b>(1.122)</b>	
<b>Housing Development</b>														
In Reach			1.218	0.000	1.218	(0.000)	(0.000)	0.000	7.900	7.900	0.000	0.000	0.000	
CWG-Sale To In Reach			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Total Housing Development</b>			<b>1.218</b>	<b>0.000</b>	<b>1.218</b>	<b>(0.000)</b>	<b>(0.000)</b>	<b>0.000</b>	<b>7.900</b>	<b>7.900</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
<b>Transport Connectivity</b>														
<b>Major Schemes</b>														
Ashted Circus	IG3	●	0.199	0.025	0.150	(0.049)	(0.049)	0.000	0.199	0.150	(0.049)	(0.049)	0.000	
Metro Extension			0.100	0.165	0.150	0.050	0.000	0.050	4.574	4.624	0.050	0.000	0.050	
Iron Lane			4.990	2.024	3.719	(1.271)	0.000	(1.271)	5.977	6.377	0.400	0.400	0.000	
Minworth Unlocking			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Battery Way Extension			0.322	0.082	0.322	0.000	0.000	0.000	0.322	0.322	0.000	0.000	0.000	
Longbridge Connectivity			0.303	0.075	0.150	(0.153)	0.000	(0.153)	0.303	0.303	0.000	0.000	0.000	
A457 Dudley Road			5.839	1.080	3.500	(2.339)	(2.339)	0.000	27.932	27.932	0.000	0.000	0.000	
Journey Reliability			0.705	0.401	0.511	(0.194)	0.130	(0.324)	0.705	0.705	0.000	0.130	(0.130)	
Tame Valley Phase 2 & 3			4.544	0.996	1.372	(3.172)	(3.019)	(0.153)	87.093	87.060	(0.033)	0.000	(0.033)	
Selly Oak New Road Phase 1B			3.278	2.067	3.050	(0.228)	0.000	(0.228)	3.278	4.081	0.803	0.200	0.603	
Wharfdale Bridge	2.683	0.001	0.105	(2.578)	(2.583)	0.005	2.683	2.683	0.000	0.000	0.000			
Snow Hill Station	5.884	1.522	2.239	(3.645)	(3.384)	(0.261)	6.810	6.810	0.000	0.000	0.000			
Other (Major Schemes)	IG4	●	3.385	0.436	0.833	(2.552)	(1.150)	(1.402)	4.135	4.151	0.016	0.006	0.010	
<b>Total Major Schemes</b>			<b>32.232</b>	<b>8.874</b>	<b>16.101</b>	<b>(16.131)</b>	<b>(12.394)</b>	<b>(3.737)</b>	<b>144.011</b>	<b>145.198</b>	<b>1.187</b>	<b>0.687</b>	<b>0.500</b>	
<b>Inclusive &amp; Sustainable Growth</b>														
Walking & Cycling	IG5	●	13.632	1.329	2.764	(10.868)	(9.301)	(1.567)	31.498	26.701	(4.797)	0.010	(4.807)	
Local Measure			4.423	1.324	2.647	(1.776)	(1.139)	(0.637)	7.515	8.019	0.504	0.000	0.504	
Infrastructure Development			0.000	(0.006)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transportation & Highways Funding Strategy			1.203	0.600	1.203	0.000	0.000	0.000	2.216	2.216	0.000	0.000	0.000	
			0.000	0.000	0.000	0.000	0.000	0.000	14.280	14.280	0.000	0.000	0.000	

		Forecast Variations										
		Current Year					All Years					
Ref.		Current Budget £m	Current Actuals £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m	Current Budget £m	Forecast £m	Variation £m	Quarter 2 Variation £m	Change £m
Air Quality & Climate	IG6 ●	52.154	12.691	20.308	(31.846)	(27.237)	(4.609)	53.464	53.464	0.000	0.000	0.000
Emergency Active Travel Fund	IG7 ●	5.585	1.592	2.060	(3.525)	0.000	(3.525)	5.585	5.585	0.000	0.000	0.000
Section 278/S106		0.016	0.145	0.024	0.008	0.008	0.000	0.016	0.024	0.008	0.008	0.000
Total Transport Connectivity		109.245	26.549	45.107	(64.138)	(50.063)	(14.075)	258.585	255.487	(3.098)	0.705	(3.803)
<u>Highways Infrastructure</u>												
Safer Routes to Schools		0.339	0.099	0.304	(0.035)	0.000	(0.035)	1.839	1.947	0.108	0.000	0.108
Network Integrity and Efficiency		1.794	0.445	1.208	(0.586)	0.000	(0.586)	4.294	4.294	0.000	0.000	0.000
S106 & S278 Schemes		0.126	0.006	0.045	(0.081)	0.000	(0.081)	0.126	0.126	0.000	0.000	0.000
Road Safety		0.991	0.368	0.504	(0.487)	(0.000)	(0.487)	3.616	3.616	0.000	0.000	0.000
District Schemes		0.712	(0.009)	0.261	(0.451)	0.000	(0.451)	0.712	0.712	0.000	0.000	0.000
Total Highways Infrastructure		3.962	0.909	2.322	(1.640)	(0.000)	(1.640)	10.587	10.695	0.109	0.000	0.109
<u>Property Services</u>												
Attwood Green Parks		0.059	0.000	0.059	0.000	0.000	0.000	0.059	0.059	0.000	0.000	0.000
AttwoodGreen-Holloway Head Playing Field		0.015	0.000	0.015	0.000	0.000	0.000	0.015	0.015	0.000	0.000	0.000
Attwood Green-Woodview Community Centre		0.090	0.000	0.090	0.000	0.000	0.000	0.090	0.090	0.000	0.000	0.000
Council House Major Works		0.675	0.000	0.675	0.000	0.000	0.000	0.675	0.675	0.000	0.000	0.000
Bham Crisis Centre-Nursery Extension		0.001	0.001	0.001	0.000	0.000	0.000	0.001	0.001	0.000	0.000	0.000
Lee Bank Business Centre		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highbury Hall Essential Works		0.701	0.647	0.701	0.000	0.000	0.000	2.419	2.419	0.000	0.000	0.000
Property Strategy	IG8 ●	62.958	0.000	0.000	(62.958)	(52.458)	(10.500)	64.458	64.458	0.000	0.000	0.000
Perry Barr Residential Scheme	IG9 ●	279.987	90.285	164.341	(115.646)	(6.661)	(108.985)	410.701	387.130	(23.571)	(23.571)	0.000
Total Property Services		344.485	90.933	165.881	(178.604)	(59.119)	(119.485)	478.417	454.846	(23.571)	(23.571)	0.000
Total Inclusive Growth Directorate		504.102	136.355	246.783	(257.319)	(108.665)	(148.654)	1,628.165	1,603.239	(24.925)	(20.109)	(4.816)
<u>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</u>												
ICT & Digital	DC1 ●	10.580	5.112	9.183	(1.397)	(0.365)	(1.032)	17.241	17.241	0.000	0.000	0.000
Total Digital & Customer Services Directorate		10.580	5.112	9.183	(1.397)	(0.365)	(1.032)	17.241	17.241	0.000	0.000	0.000
<u>FINANCE &amp; GOVERNANCE DIRECTORATE</u>												
<u>Development &amp; Commercial</u>												
Gateway/Grand Central Residual Costs		5.233	(0.009)	0.075	(5.158)	(5.068)	(0.090)	18.347	18.347	0.000	0.000	0.000
Capital Loans & Equity		1.991	1.500	1.991	0.000	0.000	0.000	4.532	4.532	0.000	0.000	0.000
Total Development & Commercial		7.224	1.491	2.066	(5.158)	(5.068)	(0.090)	22.879	22.879	0.000	0.000	0.000
<u>Corporately Held Funds</u>												
Revenue Reform Projects		5.234	4.026	5.234	0.000	0.000	0.000	5.234	5.234	0.000	0.000	0.000
Corporate Capital Contingency	FG1 ●	27.113	0.441	0.500	(26.613)	0.000	(26.613)	90.808	90.808	0.000	0.000	0.000
Total Corporately Held Funds		32.347	4.467	5.734	(26.613)	0.000	(26.613)	96.042	96.042	0.000	0.000	0.000
SAP Investments		0.492	0.001	0.000	(0.492)	0.000	(0.492)	3.733	3.733	0.000	0.000	0.000
Total Finance & Governance Directorate		40.063	5.959	7.800	(32.263)	(5.068)	(27.195)	122.654	122.654	0.000	0.000	0.000
<u>ASSISTANT CHIEF EXECUTIVE DIRECTORATE</u>												
Public Health		0.250	0.000	0.250	0.000	0.000	0.000	0.250	0.250	0.000	0.000	0.000
Total Assistant Chief Executive Directorate		0.250	0.000	0.250	0.000	0.000	0.000	0.250	0.250	0.000	0.000	0.000
<u>COMMONWEALTH GAMES 2022</u>												
CWG Alexander Stadium	CWG1 ●	37.134	13.141	18.133	(19.001)	0.500	(19.501)	65.832	68.183	2.351	2.000	0.351
CWG Organising Cttee	CWG2 ●	28.445	0.788	26.034	(2.411)	1.211	(3.622)	66.488	64.013	(2.475)	(2.000)	(0.475)
Total Commonwealth Games 2022		65.579	13.929	44.167	(21.412)	1.711	(23.123)	132.320	132.196	(0.124)	0.000	(0.124)
Total Capital Programme		868.690	295.020	519.379	(349.311)	(133.903)	(215.408)	3,335.901	3,305.562	(30.338)	(27.741)	(2.597)

ADULT SOCIAL CARE DIRECTORATE			
Project/Programme	Comments	Current Year (£m)	All Years (£m)
ASC1 - Independent Living	Slippage £3m - Status: The programme of major works and adaptations to service users' homes (£11.5m overall budget) was paused during the initial lockdown period earlier in the financial year, with further Covid related restrictions post lockdown impacting on service delivery. Some slippage will therefore occur into next financial year. Mitigating action: Whilst the service is now running at a relatively normal rate, and there are no backlogs of work reported, the pandemic has impacted on the amount of major works and adaptations the team have been able to provide this year and this situation cannot now be reversed. There will be no impact on the funding of the scheme as the Disabled Facilities Grant can be utilised next year. Slippage £1.536m - increase in 20/21 allocation to be used in 21/22 as per Project Officer.	(4.536)	0.000

EDUCATION AND SKILLS DIRECTORATE			
Project/Programme	Comments	Current Year (£m)	All Years (£m)
	NIL change reported	0.000	0.000

NEIGHBOURHOODS DIRECTORATE			
Project/Programme	Comments	Current Year (£m)	All Years (£m)
N1 - Waste Management Services	Waste Depots- Slippage of £(3.700)m due to the impact of COVID 19 on the programme, further delays in the submission of planning (Now expected February 2021) has led to a further delay in the confirmation of the start date. Waste Depot Vehicles Slippage of £(0.584)m - The impact of Covid19 has affected the delivery of the vehicles with now only half being delivered before April. The remaining vehicles will be delivered by June 2021	(4.284)	0.000
N2 - Housing Improvement	£10.3m increase in the Fire Protection Programme as a direct result of undertaking enhanced fire safety work on the exteriors of High Rise Blocks. The works ensure we meet Limited Combustibility Fire Safety Standards following the Hackitt enquiry. This is being funded partly from reductions in Door Replacement (£5.9m), and Door Entry (£0.8m). The remainder is being funded by reallocating other HRA Budgets (£2.5m will be funded by an increase in revenue contributions and £1.1m from the Adaptations budget). A further £1.1m of Adaptations budget is being used to fund other increases in the programme: Windows £0.7m; Kitchens/Bathrooms £3.2m; Reroofing £0.3m; Communal Decorations and Environmental £1.3m, Structural Investigations £1.0m, offset by reductions in this programme to the Heating (£0.9m); Rewiring (£0.2m); Structural Investment (£4.0m), and Legionella & Security (£0.3m) budgets. There is also slippage of £1.9m within the Sprinkler Programme due to a judicial review at Canterbury and Salisbury Towers and a Leaseholder challenge at Bakeman House. There is acceleration of £1.9m within the Central Heating, Rewires, Kitchen and Bathroom programmes.	4.694	4.694
N3 - Redevelopment	Slippage of (£5.9m) and (£0.5m) relating to the New Build and Clearance Programmes respectively. The schemes slipping within the New Build Programme are predominantly due to delays in approvals and contract signing because of Covid at the following sites Farnborough Road, Gladstone Street, Monmouth Road, Abbeyfields Phase 4, Hollybank Road, Kestrel Avenue and Houldey Road. The schemes slipping within the Clearance Programme are at Tern Grove, Alfred and Beach Road, Baverstock Academy, Heather / Barberry Houses and Partons Road schemes due to Covid restrictions. Acceleration of £0.9m and £0.1m New Build And Clearance Programmes respectively. The schemes accelerating within the New Build Programme are Pool Farm, Kings Norton (Primrose), Gressel Lane and Ward End Park and within Clearance the Kings Norton Low Rise scheme.	(5.414)	0.189
N4 - Other Programmes	Reduced forecast due slower demand within the Adaptations Programme due to Covid. This resource has been re-directed towards pressures within the Fire Safety Programme £1.1m and Kitchen and Bathroom Programme £1.1m (Housing Improvement Programme above). A small underspend has been identified within the Desktop Refresh and Internal Fee Budgets of (£0.3m).	(2.410)	(2.540)

N5 - Community, Sport & Events	Moseley Rd Baths slippage of £(0.500)m due to delays in obtaining matchfunding due to Covid 19. Leisure Flex replacement till system slippage of £(0.400)m due to implementation delays. Minor Schemes slippage of £0.083	(0.983)	0.000
N6 - Cultural Development	This is a new Capital Loan facility for Performances Birmingham Ltd up to a maximum of £3m to be funded by Pru Borrowing and is repayable over 20 years. The Forecast for 20/21 is £1m. The remaining £2m may not be required. However, we will not know this until the related project completes, COVID-19 willing, in mid 2021/22 and so we are, for now, anticipating that the £2m will be drawn down in 21/22.	1.000	0.000
N7 - Regulation and Enforcement	Coroner's Court Slippage of £(2.119m) BCC did not get vacant possession of the building until June 2020 rather than the original date of April. Condition surveys carried out on the building as part of the development & design works identified additional works that are required. These include a new roof, new gas supply and heating system. These issues have accumulated in the original construction programme slipping.	(2.119)	0.000

#### INCLUSIVE GROWTH DIRECTORATE

Project/Programme	Comments	Current Year (£m)	All Years (£m)
IG1 - Enterprise Zone - Paradise Circus	Slippage of £(12.815)m due to the following 3 points: 1/ Agreement of variation to the original building contract to now include above ground construction works (not funded by EZ) This has led to re-programming of the EZ funded element of works. 2/ The effect of Covid-19 pandemic and the need for some re-programming due to revised operational arrangements and delay in works. 3/ The triggering of mechanisms within the agreement to compulsorily purchase the Copthorne Hotel.	(12.815)	0.000
IG2 - Enterprise Zone Capitalised Interest	This represents interest on Enterprise Zone borrowing, which is capitalised during the asset construction period, and represents a forecast for every year of the EZ. The cost of the borrowing is funded from a prudent forecast of EZ business rates growth in accordance with the agreed EZ Financial Principles, and is included in EZ and LEP financial forecasts	(0.295)	(1.073)
IG3 - Iron Lane	Due to COVID19, shut down and restricted working when the site reopened the scheme has slipped by approximately 5 months, £1.271m has been slipped into 2021/2022.	(1.271)	0.000
IG4 - Other	The variance relates to slippage for the Snow Hill Public scheme. The Colmore Row / Livery Street project was supposed to start on site in April 2020 but due to COVID-19 did not commence until June 2020. Due to social distancing regulations and enhanced pedestrian management, construction work is not progressing as fast as originally forecasted. The Cornwall Street project was originally due to start on site in summer 2020, this was delayed by. It was then decided that any construction should be delayed until January 2020 to avoid potential disruption to Christmas trade in the city centre post Covid-19. This has resulted in most of the work being carried out in 2021-22	(1.402)	0.010
IG5 - Inclusive & Sustainable Growth	The slippage relates to the Birmingham City Centre Public Realm scheme, the scheme is currently in development phase no works have been halted. Opportunities to accelerate certain works have been delayed until January 2021 but these do not detract from the timescales as this was an accelerated opportunity. The cost and delay of material from overseas suppliers and is a key concern and anticipated construction cost increases are foreseen based on social distancing measures. The change in forecast is due Phase 1 included £5.000m of Commonwealth Games capital funding. The source of this funding was a contingency pot held and managed through the Commonwealth Games governance arrangements with partners including the Department for Culture, Media and Sport, Organising Committee and WMCA. Due to the impacts of the Covid-19 pandemic on other critical Commonwealth Games deliverables, this funding is no longer available to this project; however, as the scope of the deliverables pre-Commonwealth Games has reduced, the remaining funding available from Transforming Cities and Clean Air Zone is adequate to cover the capital cost requirements of the Phase 1 project.	(1.567)	(4.807)

IG6 - Air Quality & Climate	The slippage of £31.846m is mainly due to the CAZ operational date being postponed until 2021. Despite this delay there is a focus to complete as much of the work as soon as possible. The extended time frame poses cost increases such as increased lease costs of depot and increased staff costs. The additional slippage from quarter 2 (£4.609m) is a reduction in the mitigation grant spend. This is due to the mitigation programme being impacted by delays in the launch and disruption to take-up of the mitigation programmes by COVID-19. The launch of HDV and Taxi programmes was delayed to late September 2020, the Vehicle Scrappage Programme will launch in February 2021. The CAZ launch date itself has been deferred to 01/06/2021 which has been formally agreed by JAQU. Clean Air Hydrogen Bus - The contracts for the manufacture and operation of 20 Hydrogen Buses has now been signed between the Council National Express (Bus Operator) and Bamford Bus (T/A Wright Bus) (Bus Manufacture) with the deposit of being paid by the end of September, along with the claim to GBSLEP for the grant. The spend has now been accelerated from future years to 2020-21. Electric Vehicle Charging Points – The Council entered into a contract with ESB in August to deliver a total of 197 Chargers – 100 Rapid Chargers and 97 Fast Chargers over a two year period to August 2022. This has resulted in accelerating spend from 2021-22 into the current financial year.	(4.609)	0.000
IG7 - Emergency Active Travel Fund	slippage of £3.5m relates to Tranche 2 (of around £4m), which the Department for Transport originally wanted to be spent by March 2021, but as funding was only confirmed in early December 2020 the deadline for spend has been extended to March 2022.	(3.525)	0.000
IG8 - Property Strategy	At Quarter 2 slippage of £52.5m was reported, primarily linked to delays in shaping the commercial property portfolio due to COVID. A further £10.5m has been slipped at Quarter 3. External consultants recently reviewed the commercial portfolio and made recommendations in terms of asset disposals to support the investment fund. However, the acquisition of new commercial properties are totally dependent on the right opportunities coming to market and no acquisitions have been made this year. It is unlikely that any new opportunities identified will complete this financial year. The result has been to slip the whole £62.958m Property Strategy budget into future years.	(10.500)	0.000
IG9 - Perry Barr Residential Scheme	A detailed review of all costs and anticipated income generation from the PBRS has been commenced following the decision in August 2000 that the scheme would not be used for athletes and officials accommodation for the Commonwealth Games in 2022, with the review also seeking to quantify the financial and programme impacts on the scheme of COVID-19. This review is complex and time consuming, and once completed, the full implications will be reported to Cabinet, likely to be in spring 2021. Whilst this wider review is continuing, an assessment has been undertaken of the likely phasing of expenditure based on the existing approved scheme and known and anticipated COVID impacts to the end of the 2020/21 financial year, resulting in anticipated slippage to future years within the overall scheme cost envelope of £108.985m. It is likely that further changes will emerge as the scheme review continues.	(108.985)	0.000
<b>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</b>			
<b>Project/Programme</b>	<b>Comments</b>	<b>Current Year (£m)</b>	<b>All Years (£m)</b>
DC1 - ICT & Digital Programme	Slippage of £1.5m of which £1.0m relates to the Application Platform Modernisation (APM) scheme and £0.5m to the Insight Scheme. APM - Legacy Hardware, based on the current known Legacy Hardware footprint to support the exit of Fort Dunlop, limited additional hardware will be required at this time. Further validation of this will be ongoing through to March 2021, provision is therefore moved into next financial year to support the Cody Park and West Malling data centre exit. Insight - scheme delayed due to the effects of Covid-19. Acceleration of £0.3m on the Brum Account Phase 3 project which is now projected to start in January after being put on hold due to Covid-19. £0.2m on the Corporate Voice Telephony scheme as development work will now commence earlier than originally forecast following approval from Senior Management.	(1.032)	0.000
<b>FINANCE &amp; GOVERNANCE DIRECTORATE</b>			
<b>Project/Programme</b>	<b>Comments</b>	<b>Current Year (£m)</b>	<b>All Years (£m)</b>
FG1 - Corporate Capital Contingency	Not all the capital contingency budgeted for in 2020/21 needed to be used in the year	(26.613)	0.000

## COMMONWEALTH GAMES 2022

		Current Year (£m)	All Years (£m)
Project/Programme	Comments		
CWG1 - Alexander Stadium	Expenditure has been reprofiled between financial years to reflect updated cashflow forecasts from the main contractor taking into account the impacts of COVID-19 and the subsequent requirement to resequence certain elements of the construction programme to ensure completion in line with the requirement to hand the completed stadium over to the Birmingham 2022 Organising Committee by March 2022. Whilst the timing of expenditure has been updated, the programme remains on schedule to achieve completion to the required timescales. In addition a minor budget realignment increasing all years expenditure budgets by £0.35m has been undertaken between Alexander Stadium and other CWG Capital Programme budgets to reflect anticipated construction costs for the Athletes Road (planned to offer access to the Stadium through Perry Park for the Games).	(19.501)	0.351
CWG2 - Organising Committee	All years expenditure budgets have been reduced by £0.35m to reflect the transfer of funding for the Athletes Road to the Alexander Stadium, with no net impact on overall costs of the Games. In addition, the phasing of expenditure on individual projects has been updated to reflect the impacts of COVID-19 and the limited extent to which contingencies have been required during 2020/21 to progress individual schemes. At this stage it is considered imprudent to consider reducing the overall level of contingency held for Games related capital projects, so budgets have been largely reprofiled to later years.	(3.622)	(0.475)



**Prudential Borrowing - Additions or Reductions Quarter 3 (October to December) 2020**

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

Description	#	2020/21 £'000	2021/22 £'000	Later Years £'000	Total £'000
<b>Borrowing Needing Budget Support</b>					
<b>Neighbourhoods:</b>					
Waste Management Services	A	(3,949)	7,684	(3,400)	335
<b>TOTAL BORROWING NEEDING BUDGET SUPPORT</b>		<b>(3,949)</b>	<b>7,684</b>	<b>(3,400)</b>	<b>335</b>
<b>SELF SUPPORTED</b>					
<b>Education &amp; Skills:</b>					
Adult Education	N	1,270	0	0	1,270
<b>Neighbourhoods:</b>					
Parks & Nature	A	194	0	0	194
Community Sport	A	(900)	400	500	0
Cultural Development	A	1,000	0	(1,000)	0
Regulation & Enforcement	A	(2,118)	2,118	0	0
Private Sector Housing	A	65	0	68	133
HRA	A	(1,411)	2,664	(1,254)	0
<b>Inclusive Growth:</b>					
Enterprise Zone Investment Plan Phases 1 & 2	A	(14,799)	11,879	1,797	(1,123)
Transportation	A	(1,299)	1,299	0	0
Perry Barry Residential Scheme	A	(99,722)	37,659	62,063	0
Planning & Development	N	1,902	3,804	0	5,707
<b>Digital &amp; Customer Services:</b>					
ICT Infrastructure	A	(185)	(35)	700	480
<b>Finance &amp; Governance</b>					
Major Projects	A	(27,495)	4,232	23,332	69
<b>Assistant Chief Executive</b>					
Control Centre Equipment	A			0	0
<b>Commonwealth Games</b>					
Alexander Stadium	A	(10,832)	5,505	5,678	351
Organising Committee	A	4,825	(5,978)	802	(351)
<b>TOTAL SELF SUPPORTED BORROWING</b>		<b>(149,505)</b>	<b>63,548</b>	<b>92,687</b>	<b>6,729</b>
<b>TOTAL ADDITIONS / (REDUCTION) IN PRUDENTIAL BORROWING</b>		<b>(153,454)</b>	<b>71,232</b>	<b>89,287</b>	<b>7,065</b>

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.



Total Transportation	45.106	65.001	52.727	48.465	31.224	10.644	0.570	1.750	-	-	255.487
Total Highways	2.322	3.074	1.325	1.325	1.325	1.325	-	-	-	-	10.696
Total Property Services	165.881	178.940	110.025	-	-	-	-	-	-	-	454.846
TOTAL CAPITAL - INCLUSIVE GROWTH DIRECTORATE	246.781	296.362	198.652	78.415	84.062	59.713	86.962	71.701	54.964	425.627	1,603.239
COMMONWEALTH GAMES 2022	44.167	76.144	11.885	-	-	-	-	-	-	-	132.196
FINANCE & GOVERNANCE DIRECTORATE	7.800	45.343	56.438	13.072	-	-	-	-	-	-	122.653
DIGITAL & CUSTOMER SERVICES DIRECTORATE	9.183	7.358	0.700	-	-	-	-	-	-	-	17.241
PARTNERSHIPS, INSIGHT & PREVENTION DIRECTORATE	0.250	-	-	-	-	-	-	-	-	-	0.250
TOTAL CAPITAL PROGRAMME	519.378	639.650	461.603	261.111	204.189	160.041	188.997	168.450	155.017	547.125	3,305.561

#### Resources

##### Use of Specific Resources

Grants & Contributions	198.614	172.240	81.546	54.180	36.736	11.713	5.712	0.250	0.250	0.250	561.491
Use of earmarked Capital Receipts	49.485	68.205	71.703	39.198	19.805	16.763	15.861	15.790	11.544	29.376	337.730
Revenue Contributions - Departmental	15.442	17.403	5.280	6.118	7.780	6.824	0.570	1.750	0.000	0.000	61.166
- HRA (incl reserves & S106)	65.185	63.783	76.088	75.775	78.667	75.672	80.462	80.708	86.341	90.179	772.860
Total Specific Resources	328.725	321.631	234.617	175.271	142.988	110.972	102.605	98.498	98.135	119.805	1,733.247

##### Use of Corporate or General Resources

Corporate Resources	15.831	9.087	0.711	-	-	-	-	-	-	-	25.628
Unsupported Prudential Borrowing - Corporate	30.815	83.551	70.743	25.392	-	-	-	-	-	-	210.501
Unsupported Prudential Borrowing - Directorate	144.008	225.382	155.532	66.120	59.876	47.744	86.392	69.951	56.553	424.626	1,336.184
Total Corporate Resources	190.653	318.020	226.986	91.512	59.876	47.744	86.392	69.951	56.553	424.626	1,572.314
Forecast Use of Resources	519.379	639.651	461.603	266.783	202.864	158.716	188.997	168.449	154.688	544.431	3,305.561

## INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 3 2020/21

**1 Portfolio objectives**

The Portfolio comprises property investments which are held to earn a financial return and are not operational service properties.

**2 Portfolio summary**

	income budget	income forecast	variance
Direct property	-23.00	-20.23	2.77
Loans on property			
less portfolio prudential borrowing	4.40	5.05	0.65
less management costs	5.64	11.00	5.36
net total	-12.96	-4.18	8.78

**3 Limit on borrowing for Investment property portfolio**

	value £m	limit £m	variance £m
prudential borrowing from 1 April 2019 onwards	7.91	50.00	42.09
borrowing repaid from sale proceeds	-5.86	0.00	5.86
	2.05	50.00	47.95

**4 Portfolio completions in the quarter (acquisitions and disposals)**

	£m	
Sales completed in quarter 3		
Sales	0.36	Sale of 50, Severn Street
Purchase	0.00	

## Commentary:

£6.939m of disposals mostly non commercial portfolio e.g. £3.459m East Aston RIS & Housing  
£3.206m

**5 Planned activity in the coming quarter**

Proposed sales with anticipated completion:  
 Southside £1.750m & Northside £1.2m in Quarter 4  
 Coleridge Chambers & Ruskins Chambers deposit £0.6m in Quarter 4  
 Unit 4 Small Heath Business Park £0.919m & Lease Premiums ICC/Symphony £0.550m (not ring-fenced)

**6 Assurance**

was the CIPFA Treasury Code complied with? yes

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

was the Council's Investment Property Strategy complied with? yes

## commentary:

All properties fully evaluated disposed with in the appropriate manner.