

# **BIRMINGHAM CITY COUNCIL**

## **RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 24 JUNE 2021 AT 14:00 HOURS**  
**IN ON-LINE INFORMAL MEETING, [VENUE ADDRESS]**

### **A G E N D A**

**1     NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site ([www.civico.net/birmingham](http://www.civico.net/birmingham)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

**2     APOLOGIES**

To receive any apologies.

**3     DECLARATIONS OF INTERESTS**

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

**1 - 98**

**4     FINANCIAL OUTTURN 2020/21**

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, and Rebecca Hellard, Interim Director of Council Management, in attendance.

**99 - 122**

**5     IMPLEMENTATION OF THE COUNCIL'S FINANCE AND HR ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM**

Peter Bishop, Director of Digital and Customer Services, and James Couper, ERP Programme Director, in attendance.

**123 - 126**

6 **CITYSERVE UPDATE**

Alison Jarrett, Assistant Director, Development and Commercial, in attendance.

**127 - 142**

7 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To consider the Cabinet report (to be considered on 29 June) on planned procurement activity.

**143 - 146**

8 **WORK PROGRAMME 2021/22**

For discussion.

9 **PROPOSED DATES OF MEETINGS 2021/2022**

(i) To propose a schedule of dates for meetings during 2021/22 to be formally agreed at the next Resources Committee meeting on 22nd July 2021.

The Chair proposes that meetings be held at 1400 hours on the following Thursday in the Birmingham & Midlands Institute (BMI), Main Hall:-

**2021**

22 July  
9 September  
7 October  
4 November  
9 December

**2022**

20 January  
10 February  
24 March  
28 April

(ii) The Committee is also requested to approve Thursdays at 1400 hours as a suitable day and time each week for any additional meetings required to consider 'requests for call in' which may be lodged in respect of Executive decisions.

10 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

# Birmingham City Council

## Report to Cabinet

29<sup>TH</sup> JUNE 2021



**Subject:** FINANCIAL OUTTURN 2020/2021

**Report of:** Interim Director of Council Management – Rebecca Hellard

**Relevant Cabinet Member:** Councillor Tristan Chatfield – Finance & Resources

**Relevant O &S Chair(s):** Councillor Mohammed Aikhlaq - Resources

**Report author:** Interim Director of Council Management – Rebecca Hellard

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008576/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 This report forms part of the City Council's robust arrangements for controlling its revenue and capital expenditure.
- 1.2 The financial outturn report for 2020/21 is attached at Appendix A, together with the Capital Report as Appendix A Annex B, the Treasury Management Annual Report as Appendix A Annex C, the Housing Revenue Account outturn as Appendix A Annex D and the outturn position on the Collection Fund as Appendix A Annex E.

- 1.3 The report presents a healthy financial position for the Council at the end of the financial year 2020/21, a year dominated by the Covid pandemic.

## **2 Recommendations**

That the Cabinet:

- 2.1 Notes the City Council's Outturn position for 2020/21, as detailed in the report and appendix (the finalisation of the figures is subject to External Audit)
- 2.2 Approves the transfer of £8.2m of the £78.7m revenue underspend to the Delivery Plan Reserve, as set out in paragraph 4.19.
- 2.3 Approves the transfer of £12.1m of the revenue underspend to the City Clean Up Reserve, as set out in paragraph 4.13.
- 2.4 Approves the transfer of £2.0m of the revenue underspend to the Major Events Reserve, as set out in paragraph 4.12
- 2.5 Approves the transfer of £5.5m of the revenue underspend to the General Policy Contingency Reserve and the increase of £5.5m in the General Policy Contingency Budget in 2021/22 by approving the release of this amount from the reserve as set out in paragraph 4.14.
- 2.6 Approves the transfer of £10.0m of the revenue underspend to Community Recovery Plan Reserve, as set out in paragraph 4.15.
- 2.7 Approves the transfer of £36.4m of the revenue underspend to the Budget Smoothing Reserve, as set out in paragraph 4.16.
- 2.8 Approves the transfer of £2.5m of the revenue underspend to the Council House Refurbishment Reserve, as set out in paragraph 4.17.
- 2.9 Approves the transfer of £2.0m of the revenue underspend to a SEND Reserve, as set out in paragraph 4.18.
- 2.10 Approves the transfer of £17.5m to the Covid Reserve, as set out in paragraph 4.3.
- 2.11 Approves the other uses of and contributions to Grant and Earmarked Reserves and Balances set out in paragraphs 4.20.
- 2.12 Notes the reallocation from the Financial Resilience Reserve (FRR) to General Fund Reserve as agreed by Cabinet on 10 November 2020 as set out in Appendix A paragraph 4.21.
- 2.13 Notes the transfer to the Delivery Plan Reserve of the balances on the Invest to Save Reserve and the Capital Fund Reserve as set out in paragraph 4.22
- 2.14 Approves the further transfer to the Delivery Plan Reserve from earmarked Policy Contingency Reserve as set out in paragraph 4.23.

- 2.15 Approves the use of £1.8m of the Delivery Plan Programme Management Reserve in 2021/22 that is proposed to be carried forwards from 2020/21 as set out in paragraph 4.24.
- 2.16 Approves the use of £15.5m of Improved Better Care Fund (IBCF) Reserves in 2021/22 that are proposed to be carried forwards from 2020/21 as set out in paragraph 4.25.
- 2.17 Approves the use of £12.1m of City Clean Up Reserves in 2021/22 that are proposed to be carried forwards from 2020/21 as set out in paragraph 4.26.
- 2.18 Approves the use of £2.5m of Council House Refurbishment Reserve in 2021/22 that are proposed to be carried forwards from 2020/21 as set out in paragraph 4.27.
- 2.19 Notes the resource allocations with Specific and General Policy Contingency as set out in paragraph 4.28.
- 2.20 Approves the use of £0.4m of General Policy Contingency in 2021/22 to fund improvements in Home to School Transport, as set out in paragraph 4.29.
- 2.21 Approve the financing of capital expenditure for 2020/21 as set out in Appendix A Annex B.
- 2.22 Approves the delegation of authority to the Director of Council Management to approve additional equity investments to InReach (Birmingham) Limited as set out in paragraph 4.30.
- 2.23 Approves additional investment to the HRA Housing Improvement Programme in 2021/22 as set out in paragraph 4.31.
- 2.24 Notes the Treasury Management Annual Report as set out in Appendix A Annex C.
- 2.25 Notes the Housing Revenue Account outturn position as set out in Appendix A Annex D.
- 2.26 Note the outturn position on the Collection Fund as set out in Appendix A Annex E.

### **3 Background**

- 3.1 On 25th February 2020, the Council agreed a net revenue budget for 2020/21 of £852.9m to be met by government grants, council tax and business rates.
- 3.2 The appendices of this report provide information about the 2020/21 outturn position of the Council, which will subsequently be incorporated into the Council's audited 2020/21 Statement of Accounts, which are statutorily due for publication by 30 September 2021. Audit Committee will consider for approval the draft statement of accounts at its meeting on 28 September 2021.

- 3.3 As Council's accounts are still subject to audit there may be further accounting entries or post balance sheet events that require a revision to the outturn for the year. The Director of Council Management will make any necessary changes, and will report any significant impact on the reported outturn position in a quarterly monitoring report

#### **4 Outturn**

- 4.1 The revenue Outturn is detailed in Appendix A. There is a **balanced position** after transferring **£17.5m** of Covid Grant to an earmarked Covid Reserve and transferring an underspend of **£78.7m** to reserves as set out in paragraphs 2.1 to 2.7. This is summarised in Table 1 in Appendix A.
- 4.2 There was a **£78.7m underspend** on the General Fund excluding Covid, principally from net underspends in directorates of £24.8m, corporate underspends of £5.0m, and the impact of a transfer of £48.9m of cost from redeployment of staff due to covid to be funded from the unringfenced government Covid grant. Before considering the £48.9m redeployment cost, there has been an overall improvement of £16.2m on the non Covid position reported to Cabinet at Quarter 3. The outturns for each directorate are detailed in Annexes A1-A8 of the attached outturn report.
- 4.3 There was a net Covid **underspend** of **£17.5m** after applying funding from the government in the form of £128.5m in unringfenced grant and reimbursement of sales fees and charges income losses of £20.7m. This underspend will be transferred to a Covid Reserve to meet the already emerging Covid financial pressures and risks in 2021/22.
- 4.4 Savings of **£21.0m** were delivered in 2020/21, which represent **77.6%** of the savings programme planned in the budget.
- 4.5 There is a balanced position in the Housing Revenue Account after a net recommended appropriation to reserves of £2.7m.
- 4.6 The Outturn position for Schools funded by Dedicated Schools Grant (DSG) will be reported in the Final Accounts.
- 4.7 The capital programme spend for 2020/21 was **£501.3m**, this is £382.9m below the planned expenditure of **£884.2m**. The variance is due to largely Covid related slippage of £386.7m along with a net overspend of £3.9m.
- 4.8 At 31st March 2021, the Council's total loan debt stood at **£3,162.3m** and **£193.6m** of investments were held. The Council also held investments of £93.6m as an accountable body. The Council did not breach any of its prudential limits. Treasury management costs totalled **£255.5m gross**, and £131.4m after recharges to other services, £0.1m below the budget of £131.5m.

- 4.9 The 2020/21 Council Tax outturn is a deficit of **£15.3m**, compared to a deficit of £8.4m forecast when setting the 2021/22 budget. The variation is mainly due to increases in the provision for bad debts .
- 4.10 The 2020/21 Business Rates outturn deficit was **£52.9m** compared with the £50.6m forecast when setting the 2021/22 budget.
- 4.11 The change in the net outturn position for Council Tax and Business Rates will not impact on the General Fund until 2022/23 and will be taken into account as part of the 2022/23 budget setting process.

### **Reserves**

- 4.12 It is proposed to transfer £2.0m of the revenue underspend to the Major Events Reserve to enhance the Council's flexibility to support Major Events when the opportunity arises.
- 4.13 It is proposed to transfer £12.1m of the revenue underspend to a City Clean Up Reserve to provide resources for activity to help clean up our City.
- 4.14 It is proposed to transfer £5.5m of the revenue underspend to the General Policy Contingency Reserve and release this sum into the 2021/22 General Policy Contingency Budget in 2021/22 by using £5.5m of reserves proposed to be carried forwards from 2020/21. This will provide extra risk cover in 2021/22.
- 4.15 It is proposed to transfer £10.0m of the revenue underspend to a Community Recovery Plan Reserve to provide resource for activity to help our communities to recover from the effects of Covid.
- 4.16 It is proposed to transfer £36.4m of the revenue underspend to the Budget Smoothing Reserve to provide flexibility in addressing the structural budget gap over the medium term.
- 4.17 It is proposed to transfer £2.5m of the revenue underspend to the Council House Refurbishment Reserve to fund revenue costs of the refurbishment in 2021/22.
- 4.18 It is proposed to transfer £2.0m of the revenue underspend to a SEND Reserve to set aside resources for Education and Skills to continue to invest in SEND improvement and respond to challenges raised through external revisits.
- 4.19 It is proposed to transfer the remaining £8.2m of the £78.7m underspend to the Delivery Plan Reserve.
- 4.20 Cabinet is asked to approve the other uses of and contributions to Reserves as set out in Appendix A paragraphs 2.36 to 2.42.
- 4.21 Cabinet is asked to note the reallocation from the Financial Resilience Reserve (FRR) to General Fund Reserve as agreed by Cabinet on 10 November 2020 as set out in Appendix A paragraph 2.44.

- 4.22 Cabinet is asked to note the reallocation being made of £49.9m from the Capital Fund earmarked revenue reserve to the Invest To Save Reserve in order to create the new Delivery Plan Reserve as set out in Appendix A paragraph 2.45. This was approved in the Financial Plan 2021 – 2025.
- 4.23 Cabinet is asked to approve the transfer to the Delivery Plan Reserve £1.5m of earmarked Policy Contingency Reserves that are no longer required, as set out in Appendix A paragraph 2.46.
- 4.24 Cabinet is asked to approve that £1.8m of the proposed Delivery Plan Programme Management Reserve is utilised in 2021/22. These funds were originally planned to be used in 2020/21, but it is now proposed that the reserves are used in 2021/22.
- 4.25 Cabinet is asked to approve that £15.5m of Improved Better Care Fund (IBCF) Reserves is utilised in 2021/22 to support programmes of work as agreed by the Council and Health partners.
- 4.26 Cabinet is asked to approve that £12.1m of City Clean Up Reserves is utilised in 2021/22 to help clean up our City.
- 4.27 Cabinet is asked to approve that £2.5m of Council House Refurbishment Reserve is utilised in 2021/22 to help refurbish the Council House.

### **Policy Contingency**

- 4.28 Cabinet is asked to note the following allocations in 2020/21 of Specific and General Policy Contingency approved by the Section 151 Officer under delegated authority as shown below.

<b>Use of</b>	<b>Reason</b>	<b>Value (£m)</b>	<b>Reference to Paragraph in Appendix A</b>
Specific Policy Contingency	Apprenticeship Levy	1.093	Annex A para 2.2
Specific Policy Contingency	Pension Fund Costs - Contingency for under recovery	1.239	Annex A para 2.2
Specific Policy Contingency	Modernisation Fund Other-Home to School Transport	0.575	Annex A para 2.2
Specific Policy Contingency	Short-term Council House Improvement	0.300	Annex A para 2.2
Specific Policy Contingency	Inflation Contingency	1.000	Annex A para 2.2
General Policy Contingency	Route to Zero	0.082	Annex A para 2.1

- 4.29 Cabinet is asked to approve the use of £0.4m of General Policy Contingency in 2021/22 to fund improvements in Home to School Transport. This is in line with the Cabinet decision of 15 December 2020.

### **InReach**

- 4.30 Cabinet is asked to delegate authority to the Director of Council Management to approve additional equity investments to InReach (Birmingham) Limited to ensure an optimum tax efficient funding structure is maintained, funded from corporate capital resources and subject to a full business case for each development being approved, noting that the total combined investments across



both equity and loans is to remain with the total aggregate limit of £100m, approved through the 18 October 2016 Cabinet Report 'Facilitating the Private Rented Sector Housing Programme'.

## **Housing**

- 4.31 Cabinet is asked to approve an additional £5.070m investment to the HRA Housing Improvement Programme in 2021/22 through an in-year HRA revenue contribution

## **5 Options considered and Recommended Proposal**

- 5.1 Directors, in striving to manage their budgets, have evaluated all the options available to them to deliver services within the budget set.

## **6 Consultation**

- 6.1 There is no consultation required on the financial outturn.

## **7 Risk Management**

- 7.1 The monitoring of the Council's budget and the identification of actions to address issues arising, as set out in this report, are part of the Council's arrangements for the management of financial issues.

## **8 Compliance Issues:**

### **8.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 8.1.1 The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.
- 8.1.2 The Financial Outturn gives a summary of the City Council's financial activity during 2020/21 and the financial position at 31 March 2021. The budget against which the outturn position is compared was initially set out in the City Council Financial Plan 2020-24 to the Council and has been revised throughout the year.
- 8.1.3 Total City Council revenue spend was budgeted at around £3 billion. This includes the General Fund, HRA, delegated Schools budgets, etc.
- 8.1.4 The General Fund net controllable budget was £852.9m (excluding benefit payments, HRA. Delegated schools budgets) with a savings requirement of £27.1m for 2020/21 (including savings achieved on a one-off basis in 2019/20). This outturn report builds on the budget monitoring reports to Cabinet throughout the year.

### **8.2 Legal Implications**

- 8.2.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring

of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

- 8.2.2** The Council is also utilising its power to invest for any purpose relevant to its functions under any enactment; or for the purposes of the prudent management of its financial affairs (s.12 Local Government Act 2003) in the report under section 4.30.

### **8.3 Financial Implications**

- 8.3.1 The Corporate Revenue and Capital Budget Monitoring documents attached give details of monitoring of service delivery within available resources.

### **8.4 Procurement Implications (if required)**

- 8.4.1 N/A

### **8.5 Human Resources Implications (if required)**

- 8.5.1 N/A

### **8.6 Public Sector Equality Duty**

- 8.6.1 There are no additional Equality Duty or Equality Analysis issues beyond any already assessed in the year to date. Any specific assessments needed shall be made by Directorates in the management of their services.

## **9 Background Documents**

- 9.1 City Council Financial Plan 2020-24 approved at Council 25th February 2020
- 9.2 Quarter 1 Financial Monitoring Report approved by Cabinet 21st July 2020
- 9.3 Quarter 2 Financial Monitoring Report approved by Cabinet 10 November 2020
- 9.4 Quarter 3 Financial Monitoring Report approved by Cabinet 9 February 2021

# **CORPORATE BUDGET MONITORING 2020/21 OUT-TURN REPORT**

**(year to 31<sup>st</sup> March 2021)**

## Revenue Budget Management Outturn Report

### 1. Executive Summary

- 1.1 The Council's net budget for 2020/21 is £852.9m. The General Fund revenue outturn position for 2020/21 shows a balanced position after transferring **£17.5m** of Covid Grant to an earmarked Covid Reserve to meet forecast Covid pressures in 2021/22 and transferring an underspend of **£78.7m** (Column E in table1) to a Budget Smoothing Reserve (£36.4m), the delivery plan reserve (£8.2m), a Community Recovery Plan Reserve (£10.0m), General Policy Contingency Reserve (£5.5m), the Council House Refurbishment Reserve (£2.5m), a City Clean Up Reserve (£12.1m), the Major Events Reserve (£2.0m), and SEND Reserve (£2.0m).
- 1.2 The Covid position (Column C in table 1) is after applying funding; £128.5m government grant, funding for income loss of £20.7m, and applying £48.9m of cost from the redeployment of staff.
- 1.3 The non-Covid net underspend of **£78.7m** (Column D in table1) is an improvement of £65.1m since Quarter 3 (Column D) position, largely resulting from the charging £48.9m of cost for staff redeployed against the covid government grant.
- 1.4 Of the £27.1m saving programme £21.0m of savings was delivered, representing 77.6% of the total and an improvement of £1.1m on quarter 3.
- 1.5 The Outturn position for Schools funded by Dedicated Schools Grant (DSG) will be reported in the Final Accounts.
- 1.6 There is a balanced position in the Housing Revenue Account after a net recommended appropriation to reserves of £2.7m.
- 1.7 The capital programme final outturn spend position for the 2020/21 financial year is £501.3m. This is £382.9m below the planned expenditure of £884.2m.
- 1.8 There are £285.9m additional requests for net contributions to reserves.(table 3 below)
- 1.9 The Council's accounts are still being prepared and are subject to audit. There may be further accounting entries or post balance sheet events that require a revision to the outturn for the year. The Director of Council Management will have authority to make necessary changes and will report any significant impact on the reported outturn position in a quarterly monitoring report.

### 2. Detailed Considerations

#### General Fund

- 2.1 The Council set a net budget of £852.9m for 2020/21 at its meeting on 25 February 2020. This net budget was after assuming savings of £27.1m, a savings programme of £22.1m plus a further £5.0m savings that were previously achieved on a one-off basis in 2019/20.

- 2.2 The General Fund revenue outturn position for 2020/21 shows a balanced position after transferring **£17.5m** of Covid Grant to an earmarked Covid Reserve to meet forecast Covid pressures in 2021/22 and transferring to the reserves set out in paragraphs 2.6 and 2.7 a total of **£78.7m** (Column E in table1).
- 2.3 The covid-19 position (Column C in table 1) is after applying funding; £128.5m government grant, funding for income loss of £20.7m, and applying £48.9m of cost from the redeployment of staff.
- 2.4 The non-Covid net underspend of **£78.7m** (Column D in table1) is an improvement of £65.1m since Quarter 3 (Column D) position, largely resulting from charging £48.9m of staff redeployed costs against the covid government grant.
- 2.5 The main Directorate non-covid underspends are in Adult Social Care of £8.9m, and Neighbourhoods of £7.9m, with corporate net underspends of £4.9m.
- 2.6 Cabinet are asked to approve the transfer of **£8.2m** of the non-covid underspend into the Delivery Plan Reserve to provide further resources for Delivery Plan investment. This was approved in principle by Cabinet on February 9<sup>th</sup> in the Quarter 3 report. The effect of this will be to increase the Delivery Plan Reserve from **£61.9m** to **£70.1m**.
- 2.7 Cabinet is also asked to approve the transfer of **£12.1m** of the underspend to a City Clean Up Reserve to provide funding to enhance the cleanliness of the City where improvements are most needed, **£2.0m** to the SEND Reserve to continue to invest in SEND improvement, **£2.0m** to the Major Events Reserve to enhance the Council's flexibility to support Major Events when the opportunity arises, **£36.4m** to a Budget Smoothing Reserve to provide flexibility in addressing the structural budget gap over the medium term, **£2.5m** to a Council House Refurbishment Reserve to fund revenue costs of the refurbishment in 2021/22, **£10.0m** to a Community Recovery Plan Reserve to provide resources for activity to help our communities to recover from the effects of Covid-19, and **£5.5m** to the General Policy Contingency Reserve to increase the general contingency available for 2021/22.

Table 1

Table 1:High Level Summary	A	B	C	D	E	F
	Current Budget	Outturn	Covid 19 Financial Impact Included	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend	Movement in Total Over/(Under) Spend From Q3**
Directorate	£m	£m	£m	£m	£m	£m
Inclusive Growth	106.405	126.593	22.115	(1.927)	20.188	(0.758)
Neighbourhoods	127.223	145.514	26.226	(7.935)	18.291	(11.209)
Digital & Cust Services	30.559	43.909	14.282	(0.932)	13.350	3.779
Education & Skills	278.502	284.020	7.217	(1.699)	5.518	(10.983)
Finance & Governance	16.495	22.012	7.248	(1.731)	5.517	(2.456)
Human Resources	6.900	6.685	0.008	(0.223)	(0.215)	(0.309)
Partnerships, Insight and Prevention	7.428	6.105	0.083	(1.406)	(1.323)	(3.198)
Adult Social Care	329.451	322.099	1.589	(8.941)	(7.352)	(19.199)
<b>Directorate Sub Total</b>	<b>902.963</b>	<b>956.937</b>	<b>78.768</b>	<b>(24.794)</b>	<b>53.974</b>	<b>(44.334)</b>
Corporate Budgets	(50.031)	(50.928)	4.147	(5.044)	(0.897)	(6.303)
Proposed School Meals Funding ***	0.000	0.000	0.000	0.000	0.000	6.400
Covid Funding	0.000	(128.519)	(128.519)	0.000	(128.519)	(44.241)
Income Loss Scheme Funding	0.000	(20.738)	(20.738)	0.000	(20.738)	1.200
<b>Corporate Subtotal</b>	<b>(50.031)</b>	<b>(200.185)</b>	<b>(145.111)</b>	<b>(5.044)</b>	<b>(150.155)</b>	<b>(42.944)</b>
<b>City Council General Fund</b>	<b>852.933</b>	<b>756.752</b>	<b>(66.343)</b>	<b>(29.838)</b>	<b>(96.181)</b>	<b>(87.278)</b>
Indirect Covid costs			48.872	(48.872)	0.000	
<b>City Council General Fund before transfers to reserves</b>	<b>852.933</b>	<b>756.752</b>	<b>(17.470)</b>	<b>(78.710)</b>	<b>(96.181)</b>	
<b>Transfers to :</b>						
Covid Reserve			17.470		17.470	
SEND Reserve				2.000	2.000	
Major Events Reserve				2.000	2.000	
Council House Refurbishment Reserve				2.500	2.500	
General Policy Contingency Reserve				5.500	5.500	
Delivery Plan Reserve				8.210	8.210	
Community Recovery Plan Reserve				10.000	10.000	
City Clean Up Reserve				12.144	12.144	
Budget Smoothing Reserve				36.356	36.356	
<b>City Council General Fund after transfers to reserves</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	

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

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

\*\*\* At outturn, grant funding was applied to cover School Meals funding, thus reducing gross Covid expenditure in Directorates.

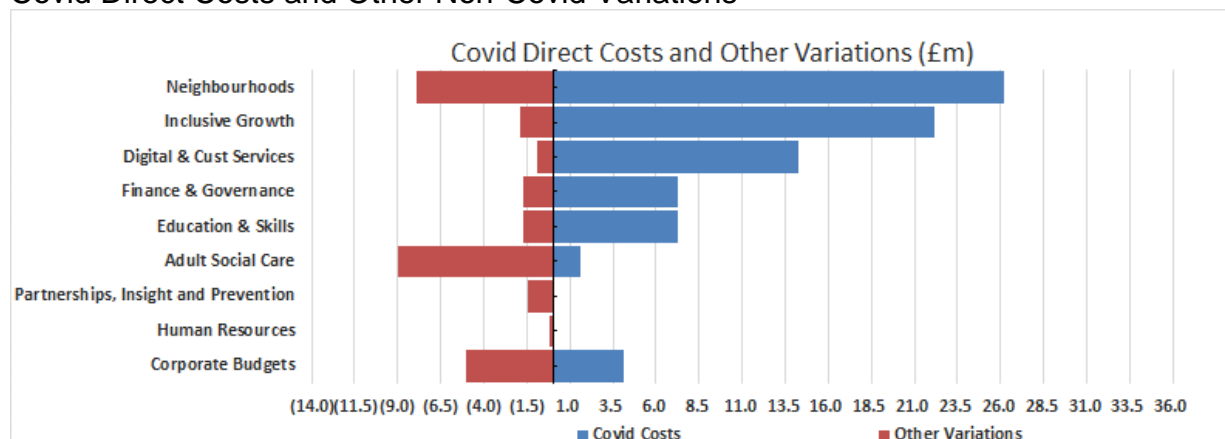
## Appendix A

## Section 1

Table 2

Table 2:High Level Summary	A	B	C	D	E	F	G	H	I	J	K
Directorate *	Current Budget	Outturn	Covid 19 Financial Impact Included	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend *	Covid 19 Financial Impact Included Q3	Over/(Under) spend Non Covid costs Q3	Total Over/(Under) Spend Q3	Movement Covid 19 cost from Q3	Movement in Non Covid cost From Q3	Movement in Total Over/(Under) Spend From Q3**
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Inclusive Growth	106.405	126.593	22.115	(1.927)	20.188	20.992	(0.046)	20.946	1.123	(1.881)	(0.758)
Neighbourhoods	127.223	145.514	26.226	(7.935)	18.291	32.000	(2.500)	29.500	(5.774)	(5.435)	(11.209)
Digital & Cust Services	30.559	43.909	14.282	(0.932)	13.350	9.854	(0.283)	9.571	4.428	(0.649)	3.779
Education & Skills	278.502	284.020	7.217	(1.699)	5.518	15.384	1.117	16.501	(8.167)	(2.816)	(10.983)
Finance & Governance	16.495	22.012	7.248	(1.731)	5.517	7.996	(0.023)	7.973	(0.748)	(1.708)	(2.456)
Human Resources	6.900	6.685	0.008	(0.223)	(0.215)	0.094	0.000	0.094	(0.086)	(0.223)	(0.309)
Partnerships, Insight and Prevention	7.428	6.105	0.083	(1.406)	(1.323)	1.999	(0.124)	1.875	(1.916)	(1.282)	(3.198)
Adult Social Care	329.451	322.099	1.589	(8.941)	(7.352)	24.547	(12.700)	11.847	(22.958)	3.759	(19.199)
<b>Directorate Sub Total</b>	<b>902.963</b>	<b>956.937</b>	<b>78.768</b>	<b>(24.794)</b>	<b>53.974</b>	<b>112.867</b>	<b>(14.559)</b>	<b>98.308</b>	<b>(34.099)</b>	<b>(10.235)</b>	<b>(44.334)</b>
Corporate Budgets	(50.031)	(50.928)	4.147	(5.044)	(0.897)	4.500	0.905	5.405	(0.353)	(5.949)	(6.303)
Proposed School Meals Funding	0.000	0.000	0.000	0.000	0.000	(6.400)	0.000	(6.400)	6.400	0.000	6.400
Covid Funding	0.000	(128.519)	(128.519)	0.000	(128.519)	(84.278)	0.000	(84.278)	(44.241)	0.000	(44.241)
Income Loss Scheme Funding	0.000	(20.738)	(20.738)	0.000	(20.738)	(21.938)	0.000	(21.938)	1.200	0.000	1.200
<b>Corporate Subtotal</b>	<b>(50.031)</b>	<b>(200.185)</b>	<b>(145.111)</b>	<b>(5.044)</b>	<b>(150.155)</b>	<b>(108.116)</b>	<b>0.905</b>	<b>(107.211)</b>	<b>(36.995)</b>	<b>(5.949)</b>	<b>(42.944)</b>
<b>City Council General Fund</b>	<b>852.933</b>	<b>756.752</b>	<b>(66.343)</b>	<b>(29.838)</b>	<b>(96.181)</b>	<b>4.751</b>	<b>(13.653)</b>	<b>(8.903)</b>	<b>(71.093)</b>	<b>(16.185)</b>	<b>(87.278)</b>
Financial Position as at Q3	852.933	844.030	4.751	(13.653)	(8.903)						
<b>Movement from previous Q3</b>	<b>0.000</b>	<b>(87.278)</b>	<b>(71.093)</b>	<b>(16.185)</b>	<b>(87.278)</b>						
<b>Movement from previous Q3 %</b>	<b>0.00%</b>	<b>(10.34)%</b>	<b>(1496.51)%</b>	<b>118.54%</b>	<b>980.37%</b>						

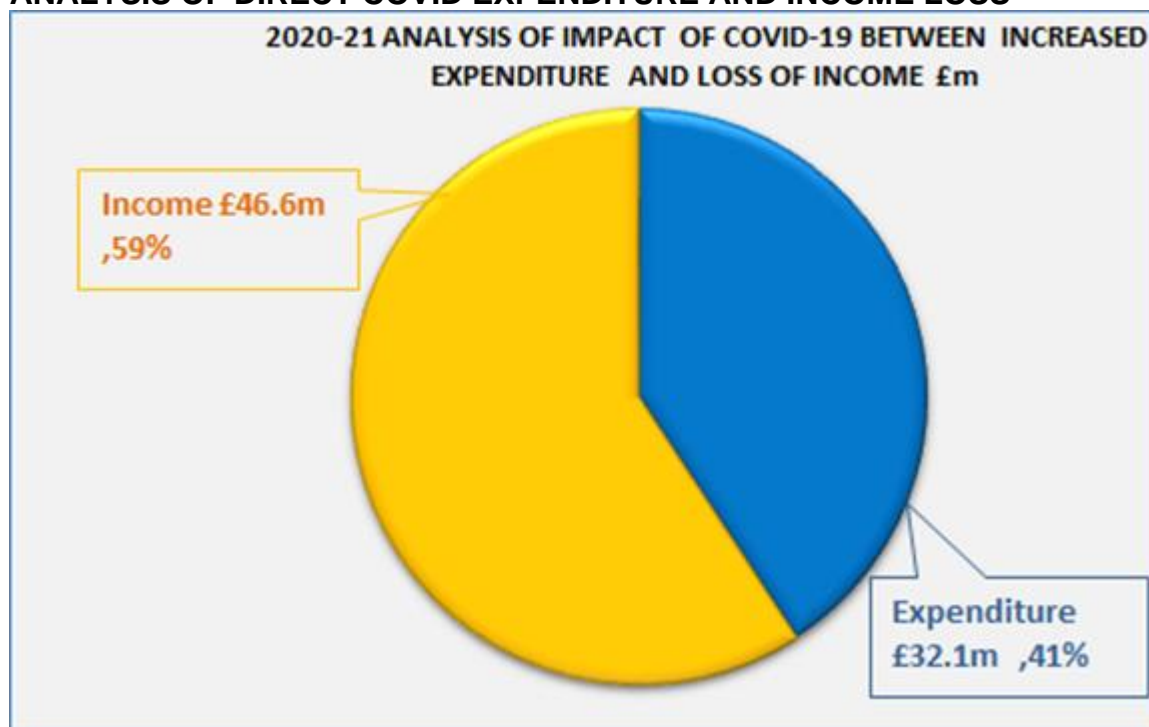
## Covid Direct Costs and Other Non-Covid Variations



## Covid-19 Major Incident Financial Impact

- 2.8 The Council received in £128.5m of un-ringfenced Covid-19 related grant funding from the government. The Council has claimed £20.7m from the government's income loss scheme where after 5% deductible, the council is compensated for 75p in every pound in sales, fees and charges losses due to Covid-19. The government also provided ring-fenced grants for additional reliefs and support schemes for which expenditure was made in accordance with the grant conditions and guidance.

## ANALYSIS OF DIRECT COVID EXPENDITURE AND INCOME LOSS



Note: Income represents a larger proportion of the total Covid cost than at Quarter 3 because more grant has been applied to reduce the overall covid expenditure.



- 2.9 In order to provide an accurate picture of the total financial cost of the pandemic, an exercise was undertaken at the end of the year to identify the indirect costs of the covid pandemic. Those indirect costs are made up of the proportions of staff time that was diverted to managing pandemic issues. Those costs total £48.9m and will be funded from the Government Grant.
- 2.10 Excluding this indirect cost, the gross financial impact of covid-19 has decreased by £34.5m compared to quarter 3. The main reasons for the decrease in the gross cost is the appropriate charging of £19.0m of directorate covid spend against specific Public Health Contain Outbreak Management grant funding, £5.6m to the Hardship Fund, and £4.4m to other specific grants, reducing the cost by £29.0m. There were also reductions in net costs of £5.5m, largely related to reductions for Adult Social Care. The summary below sets out the Covid-19 financial position.

	<b>Covid cost</b>
<b>Outturn Covid-19 financial position</b>	<b>£m</b>
Directorate covid overspend	78.768
Corporate budgets overspend	4.147
Indirect Covid Costs	48.872
<b>Total Covid-19 overspend</b>	<b>131.787</b>
Covid grants (tranches 1- 4)	128.519
Income compensation	20.738
<b>Total Covid income</b>	<b>149.257</b>
<b>Net surplus</b>	<b>(17.470)</b>
Contribution to reserve	17.470
<b>Net deficit</b>	<b>-</b>

- 2.11 A summary of the Outturn position for each directorate is set out in Table 3 below and detailed directorate commentaries are in Annexes A1-A8.

Directorate	Final Revised Budget	Outturn Position	Outturn Variation [+ over / - (under)]	Proposed Year End Transfers to / (from) reserves			In Year Variation (under) / over spend
	£m	£m	£m	Grant £m	Other £m	Total £m	£m
Neighbourhoods	127.223	139.590	12.367	3.770	2.154	5.924	18.291
Inclusive Growth	106.405	125.013	18.608	3.020	(1.440)	1.580	20.188
Education & Skills	278.502	280.986	2.484	2.376	0.658	3.034	5.518
Adult Social Care	329.451	303.746	(25.705)	18.353	0.000	18.353	(7.352)
Digital & Cust Services	30.559	30.752	0.193	2.662	10.495	13.157	13.350
Finance & Governance	16.495	20.769	4.274	0.081	1.162	1.243	5.517
Partnerships, Insight and Prevention	7.428	(19.199)	(26.627)	25.304	0.000	25.304	(1.323)
Human Resources	6.900	6.281	(0.619)	0.000	0.404	0.404	(0.215)
Directorate Subtotal	902.963	887.937	(15.026)	55.566	13.433	69.000	53.974
Corporate Subtotal *	(50.031)	(417.127)	(367.097)	(4.189)	221.131	216.942	(150.155)
City Council General Fund	852.933	470.810	(382.123)	51.378	234.565	285.942	(96.181)
Transfers to :							
Covid Reserve				0.000	17.470	17.470	17.470
SEND Reserve				0.000	2.000	2.000	2.000
Major Events Reserve				0.000	2.000	2.000	2.000
Council House Refurbishment Reserve				0.000	2.500	2.500	2.500
General Policy Contingency Reserve				0.000	5.500	5.500	5.500
Delivery Plan Reserve				0.000	8.210	8.210	8.210
Community Recovery Plan Reserve				0.000	10.000	10.000	10.000
City Clean Up Reserve				0.000	12.144	12.144	12.144
Budget Smoothing Reserve				0.000	36.356	36.356	36.356
Total City Council	852.933	470.810	(382.123)	51.378	330.745	382.123	0.000

2.12 Details of reserve requests are provided in Annex 10 and Cabinet are requested to approve the of uses of and contributions to reserves set out.

## Capital

2.13 The capital programme final outturn spend position for the 2020/21 financial year is £501.3m. This is £382.9m below the planned expenditure of £884.2m as shown in the table below:

	£m Previous Quarter 3	£m Qtr 4 Movements	£m Annual Total
<b>2020/21 Original Budget</b>	<b>710.091</b>	<b>0.000</b>	<b>710.091</b>
Change in budget	158.596	15.481	174.077
<b>2020/21 Revised Budget</b>	<b>868.687</b>	<b>15.481</b>	<b>884.168</b>
Less: Cumulative Slippage	(342.904)	(43.835)	(386.739)
Less: Forecast/actual (under) / overspends	(6.406)	10.282	3.876
<b>= Outturn (Expenditure in year)</b>	<b>519.377</b>	<b>(18.072)</b>	<b>501.305</b>

2.14 The City Council analyses the capital programme budget variations between:

- Changes in the timing of budgeted expenditure - where the expenditure is still required but takes place later than planned this is called **slippage** and shown in brackets, and acceleration if earlier than planned; and
- Underspends (shown in brackets) or overspends, which represent a decrease or increase in the total capital cost of a project, which may be over several years.

2.15 The 2020/21 Capital programme has full year slippage of **£386.7m** along with a net overspend of **£3.9m** as shown in the table above. Total Capital programme spend in 2020/21 was **£501.3m**.

2.16 It is important to note that no financial resources will be lost as a result of the slippage. The resources and planned expenditure will be “rolled forward” into future years.

### **Treasury Management**

2.17 At 31st March 2021, the Council’s total loan debt net of treasury investments stood at £3,162.3m, compared to net loan debt of £2,998.3m as at 31st March 2020.

2.18 The Council’s treasury investments held at 31st March 2021 were £193.6m. This was higher than originally planned due to receipt of COVID grants in advance from the Government. The Council also held investments of £93.6m as an accountable body.

2.19 Treasury management costs totalled £255.5m gross, and £131.4m after recharges to other services. This was £0.1m below the budget of £131.5m.

### **Housing Revenue Account**

2.22 The overall net surplus on the Housing Revenue Account has increased to **£2.7m**, an increase of £1.3m from the Quarter 3 forecast. This increases the HRA revenue reserve from £8.5m to **£11.2m** which is 4% of income. Further details are provided in Annex D of this report.

### **Collection Fund**

2.23. The Collection Fund collects business rates and council tax income and pays it over to the precepting bodies. Council tax and business rates income has been heavily impacted by Covid-19. At outturn, the Council’s share of the Collection Fund is reporting a deficit of £65.8m (£13.2m deficit for Council Tax and a £52.6m deficit for Business Rates). This compares with a forecast of £57.4m

(£7.3m deficit for Council Tax and a £50.1m deficit for Business Rates) at Quarter 3.

- 2.24. The main reasons for the increase in the deficit are increases in the bad debt provision of £7.2m for Council Tax and £8.1m for Business Rates, partially offset by a reduction in the provision for Business Rates appeals of £4.3m
- 2.25. The original deficit forecast has been taken into account in setting the 2021/22 budget, although the Government allowed local authorities to spread the forecast deficit over three years from 2021/22 to 2023/24 due to the exceptional circumstances in 2020/21. The increase in the deficit will be taken into account in setting the budget for 2022/23.
- 2.26. It should be noted that the Government has stated that local authorities will be compensated for 75% of the in-year loss in Collection Fund Income. The Council estimates that it will receive in the region of £23.5m based on the guidance issued by the Government. This will be spread over the three years from 2021/22 to 2023/24 to be set against the deficit related to 2020/21.
- 2.27. Full details are provided in Annex E of this report.

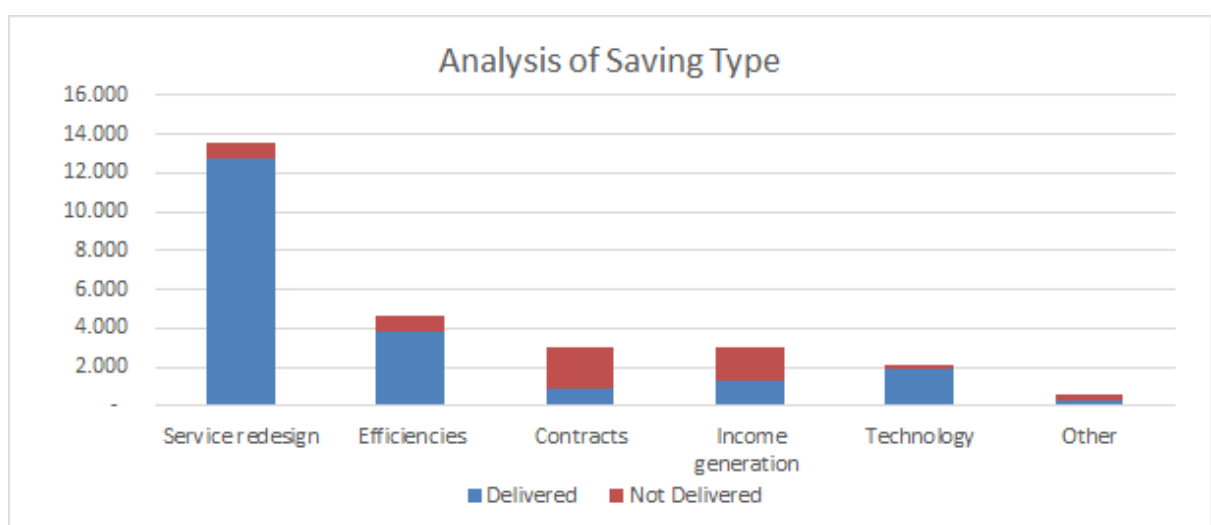
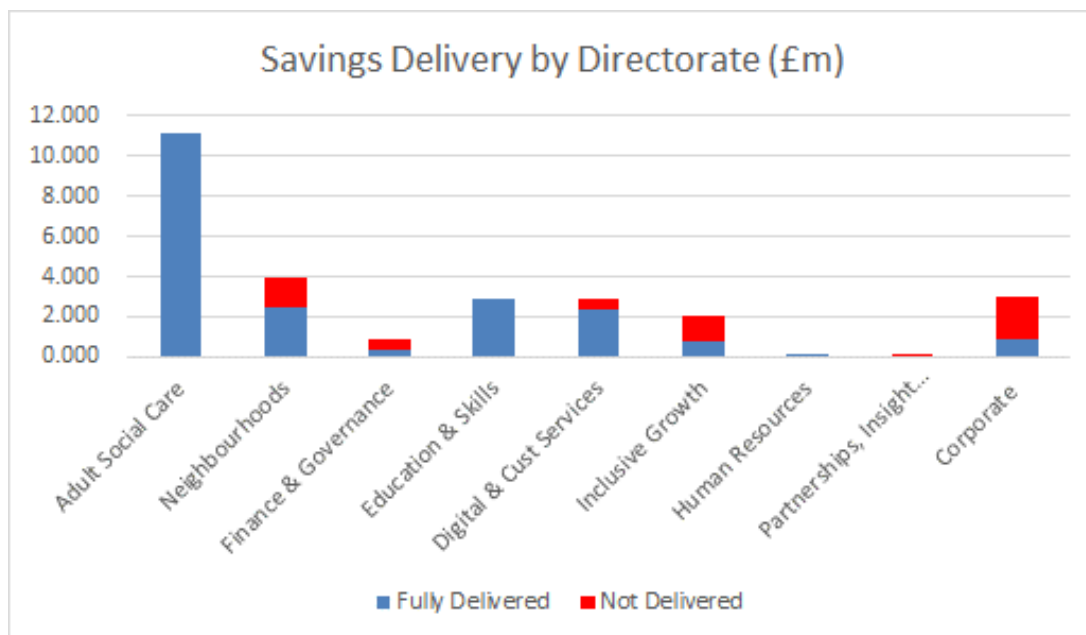
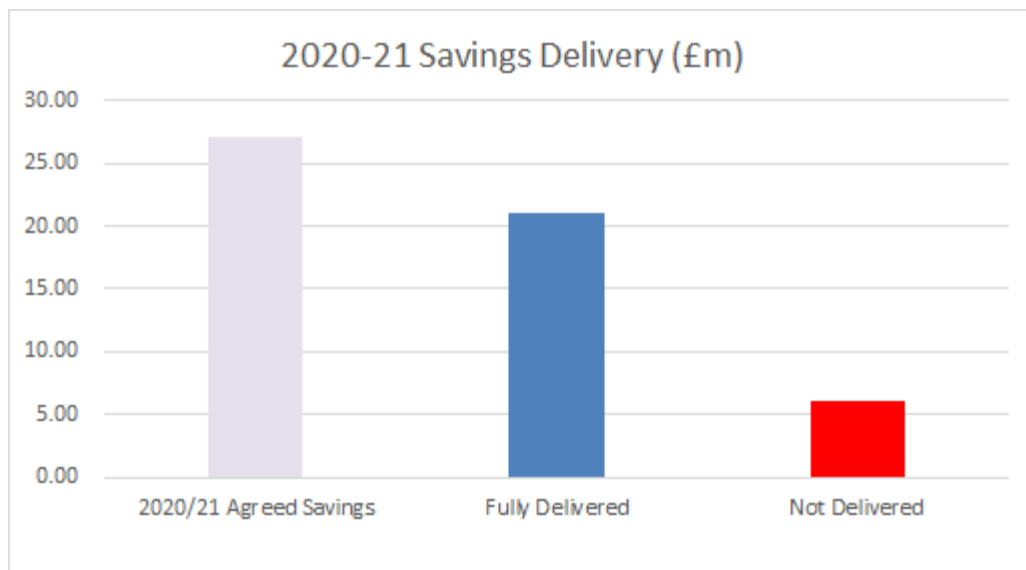
## Savings Programme

- 2.28. The **£27.1m** savings programme for 2020-21 (shown in the following charts) has out turned at **£21.0m (77.6%)** of the saving delivered. This is an improvement of £1.0m on the £20.0m at Quarter 3 largely due to saving targets that were at risk in Quarter 3 being delivered.
- 2.29. There are savings classed as not delivered of £4.0m which has seen a deterioration of £3.1m since quarter 3. This is largely due to Contract Savings of £2.1m considered at risk at Quarter 3 that has not been achieved in full.

Table 4

Directorate	Non-Delivery of Saving		Saving Delivered and on Track	Total Saving
	Delayed Because of Covid-19	Other Undeliverable		
	£m	£m	£m	£m
Neighbourhoods	0.716	0.795	2.464	3.975
Adult Social Care	0.000	0.000	11.172	11.172
Inclusive Growth	0.472	0.888	0.734	2.094
Education & Skills	0.000	0.000	2.877	2.877
Finance & Governance	0.120	0.400	0.358	0.878
Digital & Cust Services	0.508	0.000	2.376	2.884
Partnerships, Insight and Prevention	0.003	0.011	0.052	0.066
Human Resources	0.000	0.000	0.132	0.132
Corporate	2.140	0.000	0.860	3.000
<b>Total</b>	<b>3.959</b>	<b>2.094</b>	<b>21.025</b>	<b>27.078</b>

- 2.30. Covid-19 has impacted savings delivery. The key areas that are non-deliverable (those over £0.5m) are:
- **Neighbourhoods** has £1.5m savings that have not been 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 £0.9m has been delivered, leaving £2.1m as unachieved, largely due to Covid causing Directorates to reappraise their planned procurements.
  - **Finance & Governance** has £0.5m savings undelivered, mainly related to savings based on reducing external legal spend. These have been mitigated from general underspends, mainly from vacancies.
  - **Digital & Customer Services** has £0.5m savings unachieved mainly due to delays and potential income losses related to Covid-19.
  - **Inclusive Growth** has £1.4m savings that were not achieved, mainly due to delays and effects on income caused by Covid-19



2.31 Table 5 illustrates the movement between Quarter 3 and Outturn.

<b>Table 5 Movement in Delivery of the 2020-21 Saving Programme.</b>			
	<b>Full Delivery</b>	<b>At Risk</b>	<b>Not Delivered</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Outturn position	(21.025)	0.000	(6.053)
Quarter 3 Forecast	(19.956)	(4.209)	(2.913)
Movement (Increase)/ Decrease	(1.069)	4.209	(3.140)
Percentage Changes	5.4%	-100.0%	107.8%

## Reserves

- 2.32 The Council operates a policy of not using reserves unless they have been set aside for specific purposes and not using reserves to mitigate the requirement to make savings or meet on-going budget pressures, except in exceptional circumstances.
- 2.33 The main use of reserves relates to grant reserves where funding has been received prior to the requirement to spend the resource. The Council also has earmarked reserves where it has made a decision to set money aside to fund specific costs when they occur in later years.
- 2.34 The Council anticipated a net contribution of £18.4m to reserves in setting the 2020/21 budget and Cabinet subsequently approved the use of £1.1m of the Library of Birmingham Cyclical Maintenance Reserve in September 2020.
- 2.35 There was a net £28.2m of budgeted contributions to reserves that have not been made in 2020/21 due to Clean Air Zone income being delayed. At outturn the total net contribution to reserves is **£371.3m**. The largest contribution of which is £178.7m of Section 31 funding received from the Government to compensate for Business Rates relief in 2020/21 that will impact the Council in 2021/22. In overall terms reserves will increase from **£656.7m** at 31 March 2020 to **£1,028.0m** at 31 March 2021. The summary position is set out in Table 6 below with the detail contained in Annex 10.

Table 6: Reserves	Balance as at 31st March 2020	Original Budgeted (Use) / Contribution	Change approved in year	Original Budgeted Use / (Contribution) not processed	Changes Proposed at Outturn	Total Proposed (Use) / Contribution at Outturn	Recategorisation Proposed at Outturn	Proposed Outturn Balance at 31st March 2021
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate General Fund Balance	32.350	0.000	0.000	0.000	0.000	0.000	6.032	38.382
Delivery Plan Reserve (formerly Invest to Save)	24.482	(13.930)	0.000	0.000	8.210	(5.720)	51.333	70.096
<i>Financial Resilience Reserve Gross</i>	<i>103.061</i>	<i>(5.910)</i>	<i>0.000</i>	<i>0.000</i>	<i>10.000</i>	<i>4.090</i>	<i>(6.032)</i>	<i>101.119</i>
<i>Net Borrowing from Financial Resilience Reserve</i>	<i>(18.220)</i>	<i>1.275</i>	<i>0.000</i>	<i>0.000</i>	<i>5.082</i>	<i>6.357</i>	<i>0.000</i>	<i>(11.863)</i>
Financial Resilience Reserve Net	84.842	(4.635)	0.000	0.000	15.082	10.447	(6.032)	89.257
<b>General Reserves and Balances</b>	<b>141.674</b>	<b>(18.565)</b>	<b>0.000</b>	<b>0.000</b>	<b>23.292</b>	<b>4.727</b>	<b>51.333</b>	<b>197.734</b>
Other Corporate Reserves	153.746	(0.553)	(1.100)	0.000	308.303	306.650	(51.333)	409.062
Grant	270.459	10.465	0.000	0.076	37.094	47.635	0.000	318.094
Earmarked	44.745	27.057	0.000	(28.228)	13.433	12.262	0.000	57.007
Schools	40.537	0.000	0.000	0.000	0.000	0.000	0.000	40.537
Non Schools DSG	5.580	0.000	0.000	0.000	0.000	0.000	0.000	5.580
<b>Subtotal Other Reserves</b>	<b>515.067</b>	<b>36.969</b>	<b>(1.100)</b>	<b>(28.152)</b>	<b>358.830</b>	<b>366.547</b>	<b>(51.333)</b>	<b>830.281</b>
<b>Grand total</b>	<b>656.741</b>	<b>18.403</b>	<b>(1.100)</b>	<b>(28.152)</b>	<b>382.123</b>	<b>371.274</b>	<b>0.000</b>	<b>1,028.015</b>

## General Reserves and Balances

- 2.36 In line with the Financial Plan 2021-2025 it is proposed to transfer to the Financial Resilience Reserve (FRR) £10.0m that has been identified from the replacement of Direct Revenue Financing of Capital by increasing the Council's Capital Financing Requirement.
- 2.37 There is a need to borrow £1.3m from the Financial Resilience Reserve (FRR) to resource the cost resulting from Pension Fund timing differences.



2.38 As Pension Guarantees are no longer required £6.4m of borrowing from the FRR will be repaid.

2.39 It is proposed to transfer £8.2m of the £78.7m non covid underspend for the year to the newly created Delivery Plan Reserve (see paragraph 2.45).

### **Other Corporate Reserves**

2.40 Other Corporate net contributions to reserves of £308.3m largely relate to:

- £178.7m of Section 31 funding received from the Government to compensate for Business Rates relief in 2020/21 that will impact the Council in 2021/22.
- £36.4m from the outturn underspend to the Budget Smoothing Reserve to provide flexibility in addressing the structural budget gap over the medium term.
- £23.5m of Government Grant Funding for 75% of in year Collection Fund losses.
- £17.5m of unringfenced Government Grant funding to offset the impact of Covid-19 on the Council in 2021/22.
- £14.3m of Covid Grant Reserves held corporately and required in 2021/22.
- £13.8m contribution to Policy Contingency Reserves carrying forward in 2021/22 the underspend on the Modernisation Fund for Social Care.
- £12.1m from the outturn underspend to the City Cleaning Reserve to provide funding to enhance the cleanliness of the City where improvements are most needed.
- £11.9m from the use of Capital Receipts flexibility that will be used to fund service transformation in 2021/22.
- £10.0m from the outturn underspend to a Community Recovery Plan Reserve to provide resource for activity to help our communities to recover from the effects of Covid-19.
- £7.2m for funding received from Government to fund shortfall in Collection Fund in 2021/22 related to Hardship Fund reductions in Council Tax payments in 2020/21.
- £5.5m from the outturn underspend to the General Policy Contingency Reserve to increase the contingency for 2021/22.
- £4.7m to the Capital Fund that has been identified from the replacement of Direct Revenue Financing of Capital by increasing the Council's Capital Financing Requirement.
- £2.5m from the outturn underspend to the Council House Refurbishment Reserve to fund revenue costs of the refurbishment in 2021/22.
- £2.3m to Policy Contingency Reserves.
- £2.0m from the outturn underspend to SEND Reserve to set aside resources for Education and Skills to continue to invest in SEND improvement and respond to challenges raised through external revisit.
- £2.0m from the outturn underspend to the Major Events Reserve to enhance the Council's flexibility to support Major Events when the opportunity arises.

- £1.8m to fund programme management of the Delivery Plan in 2021/22.
- £1.0m returned to the Library of Birmingham Cyclical Maintenance Reserve which will be required in 2021/22 instead due to slippage.

Offset by:

- £38.7m use of unringfenced Government Grant funding received in 2019/20 to offset the impact of Covid-19 on the Council in 2020/21.

### **Grant Reserves**

2.41 The Council holds Grant Reserves for the unused element of grant support for which the conditions of the grant are expected to be met. At outturn, there is net £37.1m requested contribution to Grant Reserves to meet future years' expenditure. The net contribution includes a use of £18.5m required to cover PFI MRP costs held within Corporate budgets. All uses and contributions are in line with the Council's Reserves Policy.

### **Earmarked Reserves**

2.42 At outturn there are proposed net contributions of £13.4m to Earmarked Reserves in line with the Reserves Policy approved in the Financial Plan 2021-2025

2.43 Further details of all requested use of or contributions to Reserves at Outturn are provided in Annex 10.

### **Transfers between Reserves**

2.44 As agreed by Cabinet on 10 November 2020 a transfer of £6.0m is being made from the Financial Resilience Reserve to General Reserves to ensure that the General Fund Balance is 4.5% of the net budget.

2.45 A transfer is being made of £49.9m from the Capital Fund earmarked revenue reserve to the Invest To Save Reserve in order to create the new Delivery Plan Reserve as set out in the Financial Plan 2021 – 2025.

2.46 It is also proposed to transfer to the Delivery Plan Reserve £1.5m of earmarked Policy Contingency Reserves that are no longer required.

**List of Annexes**

- A1-8. Directorate Summaries**
- A9. Corporate Accounts Summary**
- A10. Reserves Requests**
- A11. Savings Programme**
- B. Capital Programme**
- C. Treasury Management**
- D. Housing Revenue Account (HRA)**
- E. Collection Fund**

## **Annex A1 Adult Social Care Directorate**

### **1. Summary**

At outturn, the Adult Social Care directorate is reporting an **underspend of £7.3m** which represents 2.2% of the net budget. This is an improvement of £19.2m from Quarter 3. The Outturn position is after recommended net transfers to reserves of £18.4m.

Covid costs totalling £1.6m are included in the outturn position, and there has been a £23.0m reduction since Quarter 3. Non-Covid costs have increased by £3.8m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over / (Under) Spend	Recommended Transfer to / (from) Reserves	In Year Variation over / (under) spend	Covid 19 Financial Impact Included	Variance net of Covid Costs	Month 9 Total Variation	Movement from month 9 over/(under) spend
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Director	20.437	20.678	0.241		0.241	0.000	0.241	0.714	(0.473)
Commissioning	25.454	14.160	(11.294)	11.446	0.152	0.000	0.152	(0.007)	0.159
Packages of Care	208.331	204.424	(3.907)	5.296	1.389	0.767	0.622	1.843	(0.454)
Community & Social Work Operations	75.229	65.241	(9.988)	0.033	(9.955)	0.000	(9.955)	(7.619)	(2.336)
Other	0.000	(0.757)	(0.757)	1.578	0.821	0.821	0.000	16.916	(16.095)
<b>Directorate</b>	<b>329.451</b>	<b>303.746</b>	<b>(25.705)</b>	<b>18.353</b>	<b>(7.352)</b>	<b>1.588</b>	<b>(8.941)</b>	<b>11.847</b>	<b>(19.199)</b>
Covid costs included			0.011	1.578	1.589			24.547	(22.958)
<b>Directorate net of Covid Costs</b>	<b>329.451</b>	<b>303.746</b>	<b>(25.716)</b>	<b>16.775</b>	<b>(8.941)</b>	<b>1.588</b>	<b>(8.941)</b>	<b>(12.700)</b>	<b>3.759</b>

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

### **2. Detailed Service Highlights – Non Covid-19**

**Commissioning (year end £0.2m overspend)** – This year end variation relates to an increase in Neighbourhood Network Scheme (NNS) costs of £0.5m, offset by overall reductions in third sector grant allocations. The movement from Quarter 3 of £0.2m is due to additional NNS costs being identified.

**Director – (year end £0.2m overspend)** - This year end variation relates to additional Interim Project resources to initiate the Preparation for Adulthood proof of concept, offset by underspends on IT and Winter Pressures funding. The movement from Quarter 3 of £0.5m is due to a reduction in anticipated costs relating to Winter Pressures activity.

**Community & Social Work Operations – (year end £10.0m underspend)** - The Directorate's Transformation Programme is now substantially complete with the roll-out of the Customer Journey (CJ) Restructure in September and the Early Intervention (EI) Programme in October and November in order to deliver existing planned sustainable savings.

Restructures relating to CJ and EI programmes have been completed this year, and both have delivered planned sustainable savings for this and future years. A £10.0m underspend has been achieved this year, £1.3m due to the early delivery of 2021/22 savings, £7.9m due to the phased reduction in the use of agency staff and delays in recruitment to vacancies within the EI programme, and £0.8m of additional backdated

income from Health in respect of Care Centre rent and service charges. This is a reduction of £2.3m from Quarter 3 related to EI vacancies and backdated income.

**Packages of Care – (year end £0.6m overspend)** – As a result of the Covid pandemic Health provided funding for hospital discharges between March 2020 and August 2020. This funding continued until individuals were reassessed and their ongoing care needs identified or up to 31<sup>st</sup> March at the latest.

Better Care Fund (BCF) Guidance requires that the Council pool additional costs/income arising from these placements through BCF and discussions have taken place with health colleagues to determine how any additional income could be carried forward to support system wide pressures. In line with Better Care Fund (BCF) guidance the Council has now pooled base budget costs in respect of Hospital Discharge Services including front line Early Intervention and intermediate care services. The impact on the packages of care budget has been additional Health income via the BCF pool of £13.8m. This has created a one-off underspend in year which it is proposed to be carried forward through the iBCF reserve and to be available in 2021/22 to support system wide business cases as part of the joint EI work with Health partners.

There has also been a significant reduction in older peoples residential and nursing placements in the year to date although since September numbers have been increasing in nursing and residential placements. However, this is offset by increases in the number of younger adults care packages.

The £6.3m increase from Quarter 3 relates to a £1.8m increase in the provision for bad debts due to delays in probate linked to additional deaths in year, increased reablement costs of £1.9m and increased package of care costs across younger adults services totalling £3.4m, offset by a £0.8m reduction in the Covid forecasts due to overlaps in the way certain services have been assumed/delivered.

### **3. Detailed Service Highlights – Covid-19**

Covid costs totalling £1.6m are included in the outturn, this is a reduction of £23.0m from Quarter 3 mainly due to:

- £1.5m costs in respect of Home from Hospital, NRPF and Food Provision transferred to corporate funding to maximise specific grant income,
- £10.8m costs transferred to Public Health Contain Outbreak Management Funding,
- £4.4m reduction in spend in respect of Support to the Care Market reflecting the maximisation of specific grants to Adults including Infection Control Fund, Rapid Testing and Workforce Capacity Fund,
- £4.1m reduction in PPE spend due Central Government taking over provision of PPE from late 2020, and
- £2.2m relating to reduced requirement for increased care package support to meet unmet need.

**Annex A2 Digital & Customer Services****1. Summary**

At outturn, the Digital & Customer Services directorate is reporting an **overspend of £13.4m** which represents 44% of the **£30.6m** net budget. This is a deterioration of £3.8m from Quarter 3. The outturn position is after recommended net transfers to reserves of £6.4m.

A major issue for the directorate was the impact of Covid-19. Covid costs totalling £14.3m are included in the outturn position. Since Quarter 3 Covid costs increased by £4.4m mainly due to IT & Digital Services (ITDS) covid equipment procurement and associated staff costs totalling £4.2m, Revenues and Benefits actual loss of income from Housing Benefit overpayment recovery increased by £0.7m this was partly offset by an improvement in the covid costs of £0.5m on customer services accounted for in the ITDS total. Non-Covid costs have decreased by £0.6m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over/ (under) spend	Recommended Transfer to / (from) Reserves	In Year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 Variation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Business Improvements	10.210	10.035	(0.175)	0.175	(0.000)	0.000	(0.000)	(0.260)	0.260
IT & Digital Services	13.827	18.047	4.220	1.829	6.049	6.976	(0.927)	2.800	3.249
Customer Services	4.367	4.369	0.002	0.164	0.166	0.171	(0.005)	0.642	(0.476)
Revenues & Benefits	1.979	4.847	2.868	4.267	7.135	7.135	0.000	6.389	0.746
Director of DC&S	0.176	0.176	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Directorate</b>	<b>30.559</b>	<b>37.474</b>	<b>6.915</b>	<b>6.435</b>	<b>13.350</b>	<b>14.282</b>	<b>(0.932)</b>	<b>9.571</b>	<b>3.779</b>
Covid costs included			14.282		14.282			9.854	4.428
<b>Directorate net of Covid Costs</b>	<b>30.559</b>	<b>37.474</b>	<b>(7.367)</b>	<b>6.435</b>	<b>(0.932)</b>	<b>14.282</b>	<b>(0.932)</b>	<b>(0.283)</b>	<b>(0.649)</b>

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

**2. Detailed Service Highlights – Non Covid-19****IT & Digital Services (year end £0.9m underspend)**

The IT & Digital service within D&CS has achieved an underspend of £0.9m. The underspend is mainly attributable to operational efficiencies coupled with successful contract negotiations coming in under budget.

**3. Detailed Service Highlights – Covid-19****IT & Digital Services (year end £7.0m Overspend)**

At Quarter 3 the service reported covid costs of £2.8m, since Quarter 3, additional covid costs in relation to IT equipment purchases and associated staff time totalling £4.2m were identified, resulting in the outturn overspend of £7m.

**Benefits Service (Year end £0.3m overspend and £3.2m income shortfall - £3.5m Total)**

At Quarter 3 the forecast for loss of income from Housing Benefit Overpayment recovery (HBO) was £2.3m with risk that a further £2.3m of income will be lost in Q4. The actual loss of income was better than expected at £3.2m against an income loss forecast of £4.6m. This means the service achieved around £16.1m of the £19.3m HBO budgeted income target.

**Revenues Service (Year End £3.7m income shortfall)**

The service achieved (£0.9m) of (£4.7m) budgeted income target due to covid related court closures, resulting in the £3.7m income loss charged to the Covid grant.

**Customer Services (Year End £0.2m Overspend)**

At Quarter 3, the Covid cost forecast of £0.7m for Customer service included technology costs already captured in the ITDS covid costs. The adjustment for these duplicated costs resulted in an improvement of (£0.5m) with Customer service incurring actual covid costs of £0.2m.

## **Annex A3 Education & Skills Directorate**

### **Outturn - Budget Monitoring Exception Report for Education & Skills Directorate**

At outturn, the Education & Skills directorate is reporting an **overspend** of **£5.5m** which represents 2.0% of the net budget. This is an improvement of £11.0m from Quarter 3. The Outturn position is after recommended net transfers to reserves of £2.1m.

The major issue for the directorate was the impact of Covid-19. Covid costs totalling £7.2m are included in the outturn position, which is a decrease of £8.2m since Quarter 3. Non-Covid costs have decreased by £2.8m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over/(under) spend	Recommended Transfer to / (from) Reserves	In year Variation over/(under) spend	Covid-19 Financial Impact Included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 Over / (Under) Spend
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Education & Early Years	8.882	8.371	(0.511)	0.187	(0.324)	0.244	(0.568)	0.187	(0.511)
Inclusion & SEND	29.244	31.328	2.084	0.050	2.134	1.361	0.773	1.794	0.339
Skills & Employability	25.946	23.991	(1.955)	1.797	(0.158)	0.983	(1.141)	1.253	(1.411)
Birmingham Childrens Trust	192.416	194.442	2.026	-	2.026	2.065	(0.039)	4.525	(2.500)
Strategic Leadership	19.508	21.089	1.580	0.100	1.680	2.564	(0.884)	8.741	(7.061)
Commissioning	2.505	2.665	0.160	-	0.160	-	0.160	-	0.160
Directorate	278.502	281.886	3.384	2.134	5.518	7.217	(1.699)	16.501	(10.983)
<i>Covid Costs Included</i>			<i>7.217</i>		<i>7.217</i>			<i>15.384</i>	<i>(8.167)</i>
Directorate Net of Covid Costs	278.502	281.886	(3.833)	2.134	(1.699)	7.217	(1.699)	1.117	(2.816)

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

### **1. Detailed Service Highlights – Non Covid-19**

#### **Education & Early Years (year end £0.6m underspend)**

This underspend relates to savings on employees and Service Level Agreement costs, partially offset by systems upgrade costs. The outturn position shows a decrease of £0.5m from Quarter 3 due to these additional staff savings and a delay to the completion of the systems upgrades.

#### **Inclusion & SEND (year end £0.8m overspend)**

The overspend in Inclusion and SEND has largely been due to pressures on Travel Assist of £0.6m, as a result of one-off costs relating to additional costs of interim staff and consultants to support transformation and systems implementation costs in 2020/21, as well as additional non-Covid costs that were initially difficult to accurately forecast. Patterns of spend in both the Summer and Autumn term were impacted by Covid, so it was not always easy to distinguish between the cost of new routes and inflationary demands. These demands were then also initially suppressed by Covid-led reductions in demand and then subsequent increases due to social distancing requirements. The latter has been met so far by additional grant. There have also been other more minor costs of £0.2m relating to increased pressures on SEND assessment and review services. The outturn position has increased from Quarter 3



by £0.5m as more certainty regarding demand and the need to invest in improvements crystallised.

**Children's Trust (year end £0.0m break even)**

The Trust is reporting a break even position, as pressures primarily around placement costs have largely been offset by underspends on pay and more income received than originally budgeted, alongside savings measures to manage demand and commission appropriate placements. This was a reduction of £1.0m on Quarter 3 as savings accrued and costs arising from coming out of lockdown were less than anticipated.

**Strategic Leadership (year end £0.9m underspend)**

This relates to £0.2m unspent on the contingency fund and underspends of £0.1m on employees and £0.4m on premature retirements costs and other minor variations of £0.2m. The movement from Quarter 3 (a further underspend of £0.5m) arose because the need to use contingencies (and to pick up retirement costs arising from savings restructures) did not arise.

**Skills & Employability (year end £1.1m underspend)**

There have been two areas (the Adult Education Service and the Library Service) where there have been reductions in costs, largely from reduced planned revenue building maintenance work accruing as a result of not opening up buildings (and also, therefore, less demand for temporary agency staff) as well as delayed improvements to accommodation. It is anticipated that these premises costs will still be incurred in 2021/22, as this is a temporary delay and so has not been reported as a Covid related variation. Whilst preparing forecasts at Quarter 3 it was envisaged that these costs would still be incurred (in Quarter 4), as this was prior to the subsequent lockdown

**2. Detailed Service Highlights – Covid-19****Education & Early Years (£0.2m income shortfall)**

This variance was caused by loss of rental income in Early Years relating to nursery premises let out to private providers and a shortfall in income generation around safeguarding services due to demand for training and associated services reducing as schools have been closed to most pupils. This was a minor change of £0.1m from Quarter 3.

**Inclusion & SEND (£1.4m income shortfall)**

This variation is the result of the following pressures:

- £0.1m relating to Travel Assist due to a shortfall in contributions to pupil transport (other Covid costs have been met from DfE grant).
- £0.6m loss of schools traded income in the Education Psychology service as the service has re-focussed on support for young people whilst in out of school settings.
- £0.7m loss of income relating to the provision of Access to Education services.

This is very minor overall variation of £0.1m compared with the Quarter 3 forecast.

**Children's Trust (£2.1m overspend)**

The year end position is an overspend of £2.1 million which has reduced by £1.4m since Quarter 3. The position has reduced from previous expectations as the Trust took a decision to reduce the amount of contingency accommodation needed and because most of the PPE costs have been met directly by the Council.

**Strategic Leadership (£2.5m overspend)**

The directorate has managed the majority of Covid costs centrally. The main reasons pressures have been as follows:

- £1.4m for the school meal voucher scheme that has not been subsequently covered by grant;
- £1.0m being the net cost of supporting the financial sustainability of early years and childcare providers, after using other grant funding streams

This is a variation of £6.6m since Quarter 3, largely as a result of using other grant funding streams to fund Covid activity, including Track & Trace funding (£1.3m) and the Hardship Fund (£1.8m for free school meals and £2.3m grants issued via Birmingham Children's Partnership). In addition, there was £1.2m less Early Years spend than was envisaged for Quarter 4 as more providers reopened.

**Skills & Employability (£1.0m income shortfall)**

This variance is caused by expected shortfalls in income resulting from Covid-19 as follows:

- £0.5m Libraries loss of income and Unique Venues Birmingham (UVB) profit share;
- £0.2m net loss of income from the Youth Service umbrella contract and other income generation which has been partly offset by additional income received from West Midlands Police;
- £0.3m loss of income from the non-delivery of income generating services in the Birmingham Adult Education Service (BAES).

**Annex A4 Finance and Governance Directorate****1. Summary**

At outturn, the Finance and Governance directorate is reporting an **overspend** of **£5.5m** which represents 33% of the net budget. This is an improvement of £2.5m since Quarter 3. The Outturn position is after recommended net transfers to reserves of £1.2m.

The major issue for the directorate remains the impact of Covid-19. Covid costs totalling £7.2m are included in the outturn position, and there has been a £0.7m decrease since Quarter 3. Non-Covid costs have decreased by £1.7m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over/ (under) spend	Recommended Transfer to / (from) Reserves	In year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 variation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Development & Commercial	(1.787)	4.361	6.148	0.471	6.619	6.536	0.083	8.410	(1.791)
Service Finance	8.665	7.374	(1.291)	0.639	(0.652)	0.541	(1.193)	(0.463)	(0.189)
City Solicitor	7.945	7.541	(0.404)	0.120	(0.284)	0.171	(0.455)	0.026	(0.310)
Birmingham Audit	1.672	1.492	(0.180)	0.014	(0.166)	0.000	(0.166)	0.000	(0.166)
<b>Directorate</b>	<b>16.495</b>	<b>20.768</b>	<b>4.273</b>	<b>1.244</b>	<b>5.517</b>	<b>7.248</b>	<b>(1.731)</b>	<b>7.973</b>	<b>(2.456)</b>
Covid costs included			7.248		7.248			7.996	(0.748)
<b>Directorate net of Covid Costs</b>	<b>16.495</b>	<b>20.768</b>	<b>(2.975)</b>	<b>1.244</b>	<b>(1.731)</b>	<b>7.248</b>	<b>(1.731)</b>	<b>(0.023)</b>	<b>(1.708)</b>

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

**2. Detailed Service Highlights –Non Covid-19****Development and Commercial (year end £0.1m overspend)**

- £0.1m overspend other minor variations. A £0.4m improvement since Quarter 3, the material change is £0.3m cost of staff time supporting a range of Covid activities including PPE procurement, shielded food distribution and testing now identified as Covid spend.

**Service Finance (year end £1.2m underspend)**

An improvement of £0.7m since Quarter 3, the major variations are:

- £0.6m underspend. Funding earmarked to support the transition of services in Service Finance will offset additional expenditure and income loss during transformation.
- £0.6m SAP development underspend due to reduced activity pending implementation of new Finance and HR ERP. This is a new variation since Quarter 3.

- £0.1m cost of staff time supporting Covid financial monitoring and reporting is now identified as Covid spend.

**City Solicitor (year end £0.4m underspend)**

The major variations are:

- £0.5m employee underspends. Vacancy savings are partly offset by agency costs.
- £0.1m overspend other minor variations, mitigated from employee underspends.

This is a £0.4m improvement from Quarter 3 arising from:

- £0.9m improvement in Legal Services income since Quarter 3, including £0.2m income loss identified as Covid related.
- £0.4m reduction in Legal Services employee underspend £0.6m at Quarter 3 to £0.2m at outturn to reflect additional agency costs.
- £0.1m underspend Local Government Elections to be appropriated to reserves to fund additional costs for Covid security measures in 2021/22.

**Birmingham Audit (year end £0.2m underspend)**

- £0.2m other minor variations, this is a new variation at month 11.

**3. Detailed Service Highlights – Covid-19****Development and Commercial (year end £6.5m income shortfall)**

- £2.9m Cityserve - loss of schools income, increased costs in emergency provision and supplier relief.
- £2.3m Outdoor Advertising - loss of commercial advertising income from outdoor digital advertising, lampposts, roundabouts and City Dressing.
- £0.8m Civic Catering - £2.5m loss of income from functions at Highbury Hall and the Council House and the closure of Pause cafes is partly offset by reducing expenditure by £1.7m, so that only unavoidable costs remain.
- £0.5m income loss BCL and City Cleaning.

This is a reduction in income loss of £1.3m since Quarter 3, mainly for Cityserve. The forecast £4.1m net loss for Cityserve at Quarter 3, based on an estimate of the impact of school closures and a fall in average levels of demand upon reopening, has reduced to a £2.9m actual loss at outturn.

**Service Finance (year end £0.5m overspend)**

- £0.5m various minor Covid variations. The material difference is the inclusion of £0.4m cost of Directorate staff time supporting a range of Covid activities including PPE procurement, shielded food distribution and testing as a new variation at Outturn.

**City Solicitor (year end £0.2m income shortfall)**

- £0.2m income shortfall, this is a new variation since Quarter 3.

## **Annex A5 Human Resources**

### **1. Summary**

At outturn, the Human Resources directorate is reporting a **£0.2m underspend**, which represents 3.8% of the net budget. This is an improvement of £0.3m since Quarter 3. The Outturn position is after recommended net transfers to reserves of £0.4m.

Covid costs have reduced by £0.1m since Quarter 3. Non-Covid costs have decreased by £0.2m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over/ (under) spend	Recommended Transfer to / (from) Reserves	In year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 variation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Schools	0.129	(0.626)	(0.755)	0.324	(0.431)	0.000	(0.431)	(0.200)	(0.231)
Human Resources	6.771	6.907	0.136	0.080	0.216	0.008	0.208	0.294	(0.078)
<b>Directorate</b>	<b>6.900</b>	<b>6.281</b>	<b>(0.619)</b>	<b>0.404</b>	<b>(0.215)</b>	<b>0.008</b>	<b>(0.223)</b>	<b>0.094</b>	<b>(0.309)</b>
Covid costs included			0.008		0.008			0.094	(0.086)
<b>Directorate net of Covid Costs</b>	<b>6.900</b>	<b>6.281</b>	<b>(0.627)</b>	<b>0.404</b>	<b>(0.223)</b>	<b>0.008</b>	<b>(0.223)</b>	<b>0.000</b>	<b>(0.223)</b>

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

### **2. Detailed Service Highlights – Non Covid-19**

#### **Schools (year end £0.4m underspend)**

- £0.4m underspend other minor variations. Mainly vacancy savings, this is a £0.2m improvement since Quarter 3.

#### **Human Resources (year end £0.2m overspend)**

A £0.1m improvement since Quarter 3, the major variations are

- Employee overspend of £0.6m for various projects including Apprentice Delivery/Succession Planning and Culture/Directorate Change. The net overspend has been mitigated by HR Schools vacancies.
- £0.4m underspend other minor variations.

### **3. Detailed Service Highlights – Covid-19**

£0.1m cost of HR Covid response activity is covered by Public Health Contain Outbreak Management Funding, representing the £0.1m reduction in the HR Covid overspend since Quarter 3.

## **Annex A6 Inclusive Growth Directorate**

### **1. Summary**

At outturn, the Inclusive Growth directorate is reporting an **overspend of £20.2m** which represents 19.0% of the net budget. This is an improvement of £0.8m from Quarter 3. The Outturn position is after proposed net transfers to reserves of £1.6m.

The major issue for the directorate remains the impact of Covid-19. Covid costs totalling £22.1m are included in the outturn position, and there has been a £1.1m increase since Quarter 3. Non-Covid underspend has increased by £1.9m since Quarter 3.

	Current Budget	Outturn	Outturn Variation over/ (under) spend	Recommended Transfer to/(from) Reserves	In Year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 variation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
P&D - City Centre, EZ	(0.865)	0.527	1.392	(1.525)	(0.133)	0.732	(0.865)	(0.107)	(0.026)
Transport & Connectivity	48.053	44.768	(3.285)	2.561	(0.724)	0.000	(0.724)	(0.465)	(0.259)
P&D - Strategy & BDI	5.339	5.199	(0.140)	(0.107)	(0.247)	0.000	(0.247)	(0.278)	0.031
Birmingham Property Services	(1.058)	4.866	5.924	2.048	7.972	7.383	0.589	8.651	(0.679)
Housing Development	0.413	0.604	0.191	(0.241)	(0.050)	0.000	(0.050)	0.040	(0.090)
Highways & Infrastructure	45.590	59.242	13.652	(1.156)	12.496	12.910	(0.414)	12.390	0.106
Inclusive Growth Director	8.933	9.806	0.873	0.000	0.873	1.090	(0.217)	0.715	0.158
Other Funds - Holding Accounts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Directorate</b>	<b>106.405</b>	<b>125.013</b>	<b>18.608</b>	<b>1.580</b>	<b>20.188</b>	<b>22.115</b>	<b>(1.927)</b>	<b>20.946</b>	<b>(0.758)</b>
Covid costs included			22.115		22.115			21.022	1.093
<b>Directorate Net of Covid costs</b>	<b>106.405</b>	<b>125.013</b>	<b>(3.507)</b>	<b>1.580</b>	<b>(1.927)</b>	<b>22.115</b>	<b>(1.927)</b>	<b>(0.076)</b>	<b>(1.851)</b>

**Covid Costs:** The costs to the Directorate budget are included above alongside being separately reported corporately.

### **2. Key Service Highlights Non Covid-19**

#### **Property Services - £0.6m deficit (improvement of £1.2m from Quarter 3)**

- £0.2m shortfall in capital receipts from ring-fenced commercial assets whereby revenue benefit from capital receipts of £0.2m (no change from Quarter 3);
- £0.7m underspends arising from fall out of Working For The Future Portfolio prudential borrowing of (improvement of £0.1m from Quarter 3);
- Balanced budget commercial portfolio and central administration buildings (CAB) expenditure i.e. business rates and repairs and maintenance, but savings in utility costs balance (improvement of £0.4m from Quarter 3);
- £0.3m deficit on Property Services core services comprising:
  - £1.1m employee underspends arising from vacant posts (increase of £0.1m from Quarter 3);
  - £1.2m deficit in recharge and external income (increase of £0.2m from Quarter 3);
  - £0.2m use of external professional services (increase of £0.2m from Quarter 3).

- £0.8m shortfall in invoiced rent and service charges (reduction of £1m from Quarter 3 due to new lettings and backdated rent).

**Planning & Development; City Centre, Enterprise Zone - £0.9m surplus (improvement of £0.2m from Quarter 3)**

- £0.6m underspend arising from vacant Planning posts (no change);
- £0.3m additional Pre-application income (increase of £0.2m from Quarter 3).

**Transportation & Connectivity - £0.7m surplus (improvement of £0.2m from Quarter 3)**

- £0.7m underspend arising from staff vacancies and improved income recovery from time recharges since Quarter 3.

**Planning & Development; Strategy & Business Development & Innovation) - £0.2m surplus (reduction of £0.1m from Quarter 3)**

- £0.2m underspend arising from staff vacancies net of income loss.

**Highways & Infrastructure - £0.4m surplus (no change from Quarter 3)**

- £0.4m underspend arising from staff vacancies.

**Director; Inclusive Growth - £0.2m surplus (improvement of £0.3m from Quarter 3)**

- £0.2m Other Minor Variations.

### **3. Detailed Service Highlights – Covid-19**

**Planning & Development City Centre, EZ - £0.7m deficit (increase of £0.1m from Quarter 3)**

- £0.7m Planning Applications income pressure due to impact of Covid.

**Property Services - £7.4m deficit (increase of £0.6m from Quarter 3)**

- £4.2m Commercial Property rental income and £0.6m service charges related to provision for non-recovery due to impact of Covid (decrease of £0.1m from Quarter 3);
- £0.5m Commercial Property Rental Income growth non-delivery due to impact of Covid;
- £0.8m Commercial Property Rental income reduction due to termination of lease at West Car Park NEC as a result of Covid (increase of £0.8m from Quarter 3);
- £0.3m Public Hubs savings non-delivery due to impact of Covid;
- £1.0m City Council has agreed to defer full repayment of 2020/21 loan repayment default due to impact of Covid on borrowing entity's resources (improvement of £0.1m from Quarter 3).

**Highways & Infrastructure - £12.9m deficit (no change from Quarter 3)**



- £3.6m On-Street Parking income under-recovery due to impact of Covid (£0.2m increase from Quarter 3);
- £6.7m Off-Street Parking income under-recovery due to impact of Covid (£0.2m increase from Quarter 3);
- £1.8m Civil Parking Enforcement income under-recovery due to impact of Covid (£0.2m improvement from Quarter 3);
- £0.8m Local Car Parking income under-recovery due to impact of Covid (no change from Quarter 3);
- Temporary highways works costs to facilitate social distancing measures for safer pedestrian movement to reduce risk of Covid spread -balanced budget (improvement of £0.2m from Quarter 3 due to application of grant funding).

**Inclusive Growth; Director - £1.1m deficit (increase of £0.4m from Quarter 3)**

- £0.4m hand cleaning dispensers and soap for Council buildings due to impact of Covid (increase of £0.1m from Quarter 3).
- £0.4m staff time directed to Covid activities (for staff whose salaries are funded through time-recovery i.e. charging projects) (increase of £0.2m from Quarter 3).
- £0.3m of miscellaneous costs (increase of £0.1m from Quarter 3).



## **Annex A7 Neighbourhoods Directorate**

### **1. Summary**

At the end of Month 12, the Neighbourhoods directorate is reporting an outturn **overspend** of **£18.3m**. Of this, £26.2m is Covid-19 related and £7.9m underspend is outside of Covid-19. This represents an improvement of £11.2m from Quarter 3 (£5.8m Covid-19 related due to additional Test and Trace funding and a £5.4m underspend outside of Covid-19). The Outturn position is after recommended net transfers to reserves of £5.9m.

	Current Budget	Outturn	Outturn Variation over/ (under) spend	Recommended Transfer to / (from) Reserves	In Year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 Variation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Street Scene	79.557	84.972	5.415	1.836	7.251	8.692	(1.441)	10.300	(3.049)
Housing General Fund	10.267	9.458	(0.809)	0.096	(0.713)	0.697	(1.410)	3.600	(4.313)
Neighbourhoods	19.795	21.051	1.256	5.230	6.486	10.508	(4.022)	8.300	(1.814)
Regulation & Enforcement	1.153	6.971	5.818	(0.655)	5.163	6.329	(1.166)	7.200	(2.037)
Business Support	16.450	17.136	0.686	(0.583)	0.103	0.000	0.103	0.100	0.003
<b>Directorate</b>	<b>127.222</b>	<b>139.588</b>	<b>12.366</b>	<b>5.924</b>	<b>18.290</b>	<b>26.226</b>	<b>(7.936)</b>	<b>29.500</b>	<b>(11.210)</b>
Covid costs included			26.226		26.226			32.000	(5.774)
<b>Directorate net of Covid Costs</b>	<b>127.222</b>	<b>139.588</b>	<b>(13.860)</b>	<b>5.924</b>	<b>(7.936)</b>	<b>26.226</b>	<b>(7.936)</b>	<b>(2.500)</b>	<b>(5.436)</b>

### **2. Detailed Service Highlights –Non Covid-19**

#### **Street Scene (year end £1.4m underspend)**

The Street Scene service is projecting pressures totalling £6.5m offset by mitigations of £7.9m giving a net underspend of £1.4m. The main pressures include £1.3m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life, income pressure within Trade Waste of £1.5m.

The main mitigation is an underspend of £4.3m on borrowing costs due to delays in procurement of the new fleet. Out of a total of 76 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021. There is a £1.0m underspend due to delays in implementing the Love Your Street and Waste Enforcement schemes, and Waste Disposal has delivered an underspend of £1.0m due to reduced category 1,2 and 3 being presented for disposal. There is an additional £1.6m of income generated from the sale of electricity and surplus capacity at the Waste Disposal plant.

Since Quarter 3 the service has delivered an additional net underspend £1.1m primarily due to reduced category 1,2 and 3 being presented for disposal resulting in an underspend of £1.0m. It was confirmed in March that additional income of £0.8m had been received from the sale of excess capacity at the waste disposal plant and from electricity generation over previous forecasts. As a result, the service is able to contribute £0.7m into the reserve for Reservoirs and Parks Pools Works Programme

Further to the variances outlined above, the service is reporting pressure of £0.5m on the bad debt provision following reduced collection following suspension of the auto issuing of reminders earlier in the year. Debt collection activity has resumed and progress will be monitored. A contribution of £0.7m has been allocated into the reserve for Reservoirs and Parks Pools Health & Safety Works Programme, Fleet Garage income has seen a reduction of £0.6m due to smaller customer base and a savings pressure of £0.6m due to delays in the implementation of the service redesign.

### **Housing General Fund (year end £1.4m underspend)**

Outside of Covid-19 the service is reporting an underspend of £1.4m. This is primarily down to savings on the temporary accommodation budget of £1.1m with reductions in charges levied by Bed and Breakfast providers and cost reductions within PSL. In addition to this, there is a saving of £1.2m through the removal of void rent charges to the HRA within the dispersed portfolio. Posts have been held vacant pending the introduction of a new prevention and early intervention service model which will deliver significant savings going forward. As a result, the workforce budget is projecting a one-of underspend of £1.0m. This is partially offset by additional pressure of £1.0m due to March 2021 expenditure being accrued for as per audit recommendations and in effect recognising 13 months of spend this year. Since Quarter 3 the position has improved by £0.6m due to agreed property loss charges for dispersed properties no longer being charged to the HRA.

A report proposing the way forward on Selective Licensing was presented to December 2020 Cabinet approving that consultation can commence. Delays in progressing the scheme have resulted in a pressure of £0.5m against the income target in 2020/21.

As part of the external audit of the 2019/20 accounts the auditors raised concern over the underlying level of debt within temporary accommodation, and the basis for determining the level of bad debt provision, and asked for a recalculation using an alternative basis. Following completion of the audit, this year's calculation has been recalculated on the revised basis resulting in an increase of £0.5m and additional pressure on the budget. Arrears levels are under review.

### **Neighbourhoods (year end £4.0m underspend)**

The service is projecting an underspend of £4.0m outside of Covid-19. This is primarily due to £1.0m underspend generated within the Health and Wellbeing service reflecting reduced staffing and premises related costs and an underspend of £1.2m in employees due to holding vacant posts pending the implementation of a new operating model. Recognition of the £1.0m Health & Wellbeing underspend and an increase in staffing underspend to £1.2m account for the improvement of £1.9m from Quarter 3.

The service is reporting a £0.5m underspend in major events following the cancellation of events. There is a wider underspend of £0.9m across non-pay areas

including prudential borrowing costs, below inflation grant payments and savings in running costs due to closure of community centres.

### **Regulation and Enforcement (year end £1.2m underspend)**

The service underspent by £1.2m due mainly to additional income of £1.5m generated within the Bereavement Service following additional demand throughout the year. The increased activity in quarter 4 within the Bereavement Service accounts for the improvement of £1.9m since Quarter 3.

## **3. Detailed Service Highlights – Covid-19**

### **Street Scene (£8.7m overspend)**

The main variances relate to loss of income, additional PPE expenditure and workforce pressures. Income losses of £4.8m include £2.9m in fleet, trade waste, garden and bulky waste and £1.9m in parks. Delays in progressing the Street Scene redesign whilst in emergency Covid-19 operations have resulted in pressure of £3.1m through additional agency staff costs and non-delivery of the saving target this year. Additional safety measures to protect staff and citizens have cost £2.5m and the prolonged shut down of the ERF generated additional cost of £0.5m through diverting waste to landfill.

£2.4m has been funded through Test & Trace income, this relates to additional safety measures.

### **Housing General Fund (£0.7m overspend)**

The major costs associated with Covid-19 are due to additional accommodation and support for rough sleepers, food packages and exit strategy which is a total of £2.3m. There is a further £2.3m due to the increase in demand from homelessness and domestic violence cases, reduced capacity required to adhere to social distancing at Bushmere Hostel and the limited scope to move people on from temporary accommodation due to lockdown

£3.9m has been funded through Test & Trace income, this relates to additional costs to accommodate rough sleepers, reduction in capacity at Hostels to allow for social distancing and increase demand for temporary accommodation.

### **Neighbourhoods (£10.5m overspend)**

Neighbourhoods Services has seen £1.8m loss of income from the closure of leisure and wellbeing facilities, £7.6m supplier relief claims from external leisure contractors and Birmingham Museums Trust and £0.6m loss of income from the closure of Community Centres.

### **Regulation & Enforcement (£6.3m overspend)**

Within Bereavement Services there has been additional costs and security at cemeteries of £0.8m. Additional Mortuary provision through the Regional Mortuary and Sutton New Hall facilities has cost £3.3m. Loss of income at Markets of £1.0m due to initial closure and ongoing effects on footfall and popularity, offset by reduced cleaning costs for the period of closure.

There has been a loss of income of £0.7m within the Register Office, City Centre Management of £0.1m and Pest Control of £0.2m. Additional costs at Coroners Court of £0.2m for additional officers and court premises.

£0.060m has been funded through Test & Trace grant in relation to the Coroners service.

## **Annex A8 Partnerships, Insight and Prevention**

### **1. Summary**

At outturn, the Partnerships, Insight and Prevention directorate is reporting an **underspend** of **£1.3m** which represents 18% of the net budget. This is an improvement of £3.2m from Quarter 3. The Outturn position is after recommended net transfers to/from reserves of £25.2m.

Covid costs totalling £0.1m are included in the outturn position, and there has been a £1.9m reduction since Quarter 3. Non-Covid costs have decreased by £1.3m since Quarter 3.

	Current Budget	Outturn	Outturn Over/ (Under) spend	Recommended Transfer to/(from) Reserves	In Year Variation over/ (under) spend	Covid-19 Financial Impact included	Variance net of Covid Costs	Month 9 Total Variation	Movement from Month 9 Variation
	£m	£m	£m	£m	£m	£m	£m		£m
Communication & Marketing	1.434	1.246	(0.188)	0.000	(0.188)	0.000	(0.188)	(0.124)	(0.064)
Public Health and Equalities	0.001	(25.278)	(25.279)	25.278	(0.001)	0.000	(0.001)	0.000	(0.001)
Assistant Chief Exec	3.454	2.833	(0.621)	0.165	(0.456)	0.041	(0.497)	1.999	(2.455)
Community Safety Strategy	2.539	2.109	(0.430)	(0.248)	(0.678)	0.042	(0.720)	0.000	(0.678)
<b>Directorate</b>	<b>7.428</b>	<b>(19.090)</b>	<b>(26.518)</b>	<b>25.195</b>	<b>(1.323)</b>	<b>0.083</b>	<b>(1.406)</b>	<b>1.875</b>	<b>(3.198)</b>
Covid costs included			0.083		0.083			1.999	(1.916)
<b>Directorate net of Covid Costs</b>	<b>7.428</b>	<b>(19.090)</b>	<b>(26.601)</b>	<b>25.195</b>	<b>(1.406)</b>	<b>0.083</b>	<b>(1.406)</b>	<b>(0.124)</b>	<b>(1.282)</b>

**Covid Costs:** The costs and financial risks to the Directorate budget are included above alongside being separately reported corporately.

### **2. Detailed Service Highlights –Non Covid-19**

The following services are reporting underspends totalling £1.4m mainly from vacancies due to the delay, because of Covid, in implementing restructures. This is an improvement of £1.3m compared to the forecast underspend of £0.1m reported at Quarter 3 because of further delay in implementing these restructures:

**Communications** – year end underspend of £0.2m compared to £0.1m at Quarter 3.

**Assistant Chief Exec** – year end underspend of £0.5m compared to nil at Quarter 3.

**Community Safety Strategy** - year end underspend of £0.7m compared to nil at Quarter 3.

### **3. Key Service Highlights –Covid-19**

Covid costs are £0.1m, this is a reduction of £1.9m to that reported at Quarter 3 due to some expenditure now being funded from the Covid Hardship Fund and Test & Trace.

### **Annex A9 Corporate Accounts**

The following sets out the position on corporate costs:

<b>Corporate Accounts Outturn</b>	<b>£m</b>
Equal Pay Costs	3.427
Under achievement of Contract savings	2.140
Under-recovery of Pension Costs	1.804
Provision for support for subsidiary companies	1.500
Cost of Pay Award above budgeted inflation rate	0.910
Policy Contingency	(6.110)
Release of Corporate Bad Debt Provision	(3.200)
Balance Sheet Management	(2.173)
Other	(1.157)
Provision for Allowances no longer required	(1.134)
Underspend related to borrowing cost not required	(0.904)
Treasury Management	(0.147)
<b>Sub-total Non-Covid costs</b>	<b>(5.044)</b>
Covid-19 Corporate costs due to shortfall in dividend income	4.147
<b>Total Corporate Costs</b>	<b>(0.897)</b>

#### **1. Variations**

The underspend of £0.9m on the budget includes:

##### **Non-Covid (£5.0m) underspend**

- Changes in regulations led to a cost to the General Fund for Equal Pay of £3.4m.
- The Council had a target to make savings on contracts. Covid-19 caused services to reappraise their planned procurements. This had the effect of reducing the procurement savings that could be made by £2.1m.
- There was an under-recovery of pension costs of £1.8m. This is after the release of £1.2m of Specific Policy Contingency, as described in paragraph 2.2 below.
- The Council has had to increase the provision in its accounts for Acivico, one of its subsidiary companies by £1.5m.
- The pay award of 2.75% was 0.25% greater than budgeted costing £0.9m.
- An underspend of £6.1m on Policy Contingency, described in paragraph 2.4.
- The additional bad debt provision of £3.2m created in 2019/20 to cover potential increases in bad debts due to the economic consequences of Covid-19 has been released as directorates have now increased their own bad debt provisions to cover this risk.
- An underspend of £2.2m following a review of the Balance Sheet
- £1.2m of other net underspends have been identified.
- A provision of £1.1m is no longer required.
- An underspend of £0.9m from a budgeted repayment of borrowing no longer required.

## **2. Policy Contingency**

### **2.1 Release of General Policy Contingency**

The release of £0.1m of General Policy Contingency to fund the Route to Zero (R20) project has not been required and this will be carried forward in Policy Contingency Reserves.

### **2.2 Release of Specific Policy Contingency**

The Gateway and Related Financial Approvals Framework requires approval from the Section 151 Officer, in conjunction with the Leader and the Chief Executive, to release funds from Specific Policy Contingency.

Cabinet on 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. The Section 151 Officer has approved the following releases of Specific Policy Contingency in 2020/21:

- £1.2m to fund part of the under recovery of Pension costs.
- £1.1m to fund almost all of the Apprenticeship Levy.
- £1.0m for inflation that now will be carried forward into 2021/22 see 2.4 below.
- £0.6m Modernisation Fund-Other to fund improvements to Home to School Transport. This is line with the Cabinet decision of 15 December 2020.
- £0.3m to fund short term improvements in the Council House.

### **2.3 Policy Contingency Reserves**

There is a proposed transfer to reserves of £15.3m from Policy Contingency for approved funding which will enable projects to be carried out in later years, relating to the following:

- Modernisation Fund-Social Care £13.8m
- Modernisation Fund-Social Care re slippage against allocated Policy Contingency £0.4m
- Inflation Contingency £1.0m
- Route to Zero (R20) £0.1m

There is a proposed transfer from reserves of £0.1m to fund projects, relating to the following:

- CCTV Decommissioning £0.1m

### **2.4 Policy Contingency Outturn**

After these proposed transfers to and from Policy Contingency Reserve, there is a net underspend on Policy contingency of £6.1m as set out in the table below:

<b>Name of Policy Contingency</b>	<b>Amount of Overspend/ (Underspend) £m</b>
Loss of Income from Car Park Closures	(0.252)
National Living Wage	(0.365)
Superannuation - Auto-enrolment Pension Fund	(0.300)
Inflation	(2.753)
Highways Maintenance	(0.500)
Modernisation Fund - Other	(1.290)
Corporate Funding for ODP	(0.129)
Policy contingency allocated not required	(0.185)
General Policy Contingency	(0.336)
<b>Total Policy Contingency Underspend</b>	<b>(6.110)</b>



**Annex A10 Reserves Requests**

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn

Directorate making request	Reserve	Reason for request	Budget Approved Period 9* £m	Changes Proposed at Outturn £m	(Use) /Contribution at Outturn £m
Corporate	Financial Resilience Reserve	Budgeted use to fund changes in MRP	(5.910)		(5.910)
Corporate	Financial Resilience Reserve	Budgeted Net Repayments to FRR	1.275		1.275
Corporate	Financial Resilience Reserve	Savings from DRF switching transferred to FRR		10.000	10.000
Corporate	Financial Resilience Reserve	Borrowing from FRR related to Pension Fund timing differences		(1.305)	(1.305)
Corporate	Financial Resilience Reserve	Repayment of Borrowing from FRR for Pension Guarantees no longer required		6.388	6.388
Corporate	Delivery Plan Reserve (formerly Invest to Save)	Budgeted Borrowing	(13.930)		(13.930)
Corporate	Delivery Plan Reserve (formerly Invest to Save)	Part of Underspend transferred to Delivery Plan Reserve		8.210	8.210
	<b>Subtotal (Use of)/Contribution to General Reserves</b>		<b>(18.565)</b>	<b>23.292</b>	<b>4.727</b>
Corporate	Corporate Major Events Reserve	Part of Underspend transferred to new reserve to support Major Events		2.000	2.000
Corporate	City Clean Up Reserve	Part of Underspend transferred to new reserve to support City Clean Ups		12.144	12.144
Corporate	General Policy Contingency Reserve	Part of Underspend transferred to General Policy Contingency in 2021/22		5.500	5.500
Corporate	SEND/Inspection Reserve	Part of Underspend transferred to new reserve to set aside resources for Education and Skills to continue to invest in SEND improvement and respond to challenges raised through external inspection		2.000	2.000
Corporate	Council House Refurbishment Reserve	Part of Underspend transferred to Council House Refurbishment Reserve in 2021/22		2.500	2.500
Corporate	Community Recovery Plan Reserve	Part of Underspend transferred to Community Recovery Plan Reserve in 2021/22		10.000	10.000
Corporate	Budget Smoothing Reserve	Part of Underspend transferred to Budget Smoothing Reserve in 2021/22		36.356	36.356
Corporate	Income Compensation re Collection Fund	Funding due from Government to compensate for exceptional Collection Fund losses due to Covid-19		23.484	23.484
Corporate	Covid 19 Hardship Fund Reserve	Covid Grant carried forward to 2021/22		3.499	3.499
Corporate	Local Restrictions Support Grant Reserve	Covid Grant carried forward to 2021/22		1.772	1.772
Corporate	Additional Restrictions Support Grant Reserve	Covid Grant carried forward to 2021/22		9.013	9.013
Corporate	Capital Fund	Savings from DRF switching transferred to Capital Fund		4.730	4.730
Corporate	Capital Receipts Flexibility Reserve	Savings made from the use of Capital Receipts Flexibility Reserve to support the budget in 2021/22		11.934	11.934
Corporate	Policy Contingency-Modernisation Fund-Social Care	To fund modernisation projects in 2021/22		13.800	13.800
Corporate	Policy Contingency-Inflation	contribution to Policy Contingency Reserves from inflation contingency that was not required in 2020/21 but will be required in 2021/22		1.000	1.000
Corporate	Section 31 Grant Reserve	Funding received from Government to compensate for Business Rates refunds announced by the Government		178.661	178.661
Corporate	Section 31 Covid Hardship Payments Reserve	Payments received from Government to fund shortfall in Collection Fund in 2021/22 related to Hardship Fund reductions in Council Tax payments		7.184	7.184
Corporate	Delivery Plan Programme Management Reserve	To fund Programme Management in 2021/22		1.810	1.810
Corporate	Lease Smoothing Reserve	Contribution to leasing reserve set up to cover technical accounting charges in future years		0.019	0.019
Inclusive Growth	Policy Contingency-Invest to Improve Fund- Route to Zero (R20)	To fund project in 2020/21 from reserve carried forwards		(0.036)	(0.036)
Education & Skills	Policy Contingency-Modernisation Fund-Social Care	Slippage in Early Years expenditure funded from Policy Contingency in 2020/21 carried forwards		0.428	0.428
Finance & Governance	Policy Contingency-Additional Interim Staff	Slippage in expenditure funded from Policy Contingency in 2020/21 carried forwards		0.750	0.750
Inclusive Growth	Policy Contingency-Invest to Improve Fund- Route to Zero (R20)	Slippage in expenditure funded from Policy Contingency in 2020/21 carried forwards		0.082	0.082
Partnerships, Insight & Prevention	Policy Contingency-Invest to Improve Fund-CCTV Decommissioning	To fund project in 2020/21 from reserve carried forwards		(0.093)	(0.093)
Partnerships, Insight & Prevention	Policy Contingency-Covid-19 funding	To fund project in 2020/21 from reserve carried forwards		(0.016)	(0.016)
Corporate	Covid-19 Local Authority Support Grant	Use of Government Grant received in 2019/20 to fund expenditure related to Covid-19 in 2020/21		(38.744)	(38.744)
Corporate	Covid-19 Local Authority Support Grant	Government Grant received in 2020/21 to fund expenditure related to Covid-19 in 2021/22		17.470	17.470
Education & Skills	Library of Birmingham Cyclical Maintenance Reserve	It was planned to use £1.1m in 2020/21, however £1.056m of the cost has slipped to 2021/22	(1.100)	1.056	(0.044)
Corporate	Other Net Uses of Corporate Reserves		(0.553)		(0.553)
	<b>Subtotal (Use of)/Contribution to Corporate Reserves</b>		<b>(1.653)</b>	<b>308.303</b>	<b>306.650</b>
Inclusive Growth	Underpayments & Disputed Sum Reserve	Funds required for delivery of Highways PFI contract and match-funding for future DfT bids for structures grant	5.371	(17.745)	(12.374)
Inclusive Growth	Tame Valley Viaduct A38 Aston Expressway	Funding for Tame Valley Viaduct capital scheme	14.829	(0.260)	14.369
Inclusive Growth	Highways Commuted Sums	Advance payment from third parties to meet ongoing annual highway maintenance liabilities of newly adopted highway assets resulting from developments etc.	(0.003)	0.339	0.336
Inclusive Growth	BCRI Monitoring	Grant received in advance brought forward to be used to fund later years expenditure	0.000	(0.006)	(0.006)
Inclusive Growth	SUMPS UP	Grant received in advance brought forward to be used to fund later years expenditure	0.000	(0.028)	(0.028)
Inclusive Growth	Clean Air Zone	Grant received in advance brought forward to be used to fund later years expenditure	0.000	(0.317)	(0.317)
Inclusive Growth	Climate KIC	Grant received in advance brought forward to be used to fund later years expenditure	0.000	(0.031)	(0.031)
Inclusive Growth	Unlocking Social and Economic Innovative Together project (USE-IT)	New funding received in year to fund project	0.000	0.193	0.193
Inclusive Growth	COSAFE Project	Project spend not materialised due to Covid required in future years, so carried forwards to 2021/22	(0.002)	0.002	0.000
Inclusive Growth	Section 106 Grant Reserves	S106 funding of transport projects	0.000	(1.383)	(1.383)
Inclusive Growth	CIL - City Wide Projects	CIL received in year to fund future project costs	0.000	0.841	0.841
Inclusive Growth	CIL - Other	CIL received in year to fund future project costs	0.000	0.207	0.207
Inclusive Growth	Clean Air Zone Grant Allocation	Grant in year underspend due to delay in implementation of the CAZ. Required in future years	(3.756)	2.584	(1.172)
Inclusive Growth	Easyrights Reserve	Grant received in advance bfwd to be used to fund later years expenditure	0.000	(0.073)	(0.073)
Inclusive Growth	Boosting Action on Surface Water	Unspent Grant required for Project Completion in 2021/22	0.000	0.027	0.027
Inclusive Growth	E Cycle Extension Grant	Grant received in advance bfwd to be used to fund later years expenditure	0.000	0.199	0.199

## Appendix A

## Annex A10 Reserves Requests

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9*	Changes Proposed at Outturn	Proposed (Use) /Contribution at
			£m	£m	£m
Adult Social Care	Syrian Refugee Programme	Funding received in 2020/21 for use in future years	0.000	1.140	1.140
Adult Social Care	Better Care Fund (BCF) and Improved BCF	BCC support to the Early Intervention and Discharge to Assess programmes of work going forward into 2021/22 post Covid.	0.000	5.296	5.296
Adult Social Care	Improved Better Care Fund (Projects)	Nil, no reserve	(5.912)	0.000	(5.912)
Adult Social Care	Improved Better Care Fund (carry forward)	BCF support to the Early Intervention and Discharge to Assess programmes of work going forward into 2021/22 as agreed with CCG / BCC partners.	0.000	10.184	10.184
Adult Social Care	Controlling Migration Fund (CMF)	Reduction in originally budgeted use of reserves. This programme has now ended.	(0.530)	0.180	(0.350)
Adult Social Care	PURE - ESF	Funding received in 2020/21 will be used in 2021/22	0.000	0.018	0.018
Adult Social Care	Rapid Rehousing Pathway	To fund Project expenditure 2020/21	0.000	(0.018)	(0.018)
Adult Social Care	Rough Sleeping Initiative	To fund Project expenditure 2020/21	0.000	(0.185)	(0.185)
Adult Social Care	Crowd Funder	Funding received in 2020/21 for use in 2021/22	0.000	0.083	0.083
Adult Social Care	Out of Hospital Care	Funding received in 2020/21 for use in 2021/22	0.000	0.028	0.028
Adult Social Care	Crowd Funder-Changing Futures	Funding received in 2020/21 for use in 2021/22	0.000	0.015	0.015
Adult Social Care	Community Discharge Grant	Funding received in 2020/21 for use in 2021/22	0.000	0.033	0.033
Adult Social Care	Clinical & Extremely Vulnerable (CEV) Covid Grant	Funding received in 2020/21 for use in 2021/22	0.000	0.800	0.800
Adult Social Care	Emergency Assistance Grant (EAG) Covid	Funding received in 2020/21 for use in 2021/22	0.000	0.377	0.377
Adult Social Care	Infection Control Fund (ICF) Covid	Funding received in 2020/21 for use in 2021/22	0.000	0.402	0.402
Neighbourhoods	Historic England Grant Moseley Rd Pool	Moseley Baths to be used in future years for repairs		0.007	0.007
Neighbourhoods	- HLS Sutton	Grant funding to be used in future years		0.016	0.016
Neighbourhoods	- HLS Grasslands	Grant funding to be used in future years		0.043	0.043
Neighbourhoods	- HLS Lickes	Grant funding to be used in future years		0.010	0.010
Neighbourhoods	Modern Slavery	To fund Project expenditure 2020/21	0.000	(0.047)	(0.047)
Neighbourhoods	Controlling Migration Fund	To fund Project expenditure 2020/21	0.000	(0.277)	(0.277)
Neighbourhoods	Illegal Money Lending Reserve	Ring fenced grant agreed with HM Treasury to use in future years initiatives	0.000	0.064	0.064
Neighbourhoods	Section 106 Grant Reserves	To fund specific section 106 projects in the Directorate	0.000	(0.584)	(0.584)
Neighbourhoods	Section 106 Place Directorate-The Greet Inn Warwick Road	To fund specific section 106 projects in the Directorate	0.000	(0.002)	(0.002)
Neighbourhoods	Section 106 Place Directorate-Manor House Play Area	To fund specific section 106 projects in the Directorate	0.000	(0.002)	(0.002)
Neighbourhoods	S106 Parks Various	To fund specific section 106 projects in the Directorate	0.000	0.848	0.848
Neighbourhoods	Regional Intelligence Team	Grant funding to be used in future years	0.000	0.021	0.021
Neighbourhoods	Access Programme	To fund Project expenditure 2020/21	0.000	(0.148)	(0.148)
Neighbourhoods	New Burdens	To fund Project expenditure 2020/21	0.000	(0.048)	(0.048)
Neighbourhoods	Housing Assistance Payment Grant	To fund Project expenditure 2020/21	0.000	(0.025)	(0.025)
Neighbourhoods	High Rise Cladding Survey	To fund Project expenditure 2020/21	0.000	(0.016)	(0.016)
Neighbourhoods	Supported Housing Oversight Pilot	Grant activity has slipped into 2021/22 and MHCLG has agreed for underspend to be used in 2021/22 to complete project	0.000	0.657	0.657
Neighbourhoods	COVID Compliance	Value of grant unspent at year end to fund expenditure in 2021/22	0.000	0.042	0.042
Neighbourhoods	National Leisure Recovery Fund	Government funding to support the reopening of leisure facilities operated by external contractors in 2021/22	0.000	2.965	2.965
Neighbourhoods	Sousse Memorial	Grant from Foreign & Commonwealth Office to fund memorial at Cannon Hill Park in future years	0.000	0.226	0.226
Neighbourhoods	Environment Agency - Natural Rivers	Grant from environment agency to fund revenue expenditure in 2021/22	0.000	0.020	0.020
Education & Skills	Section 106 Reserves	Use of reserves to support school capacity.	0.000	(0.413)	(0.413)
Education & Skills	Strategic Libraries	Grant funding received in 2020/21, project activity delayed due to Covid-19 therefore funding required in future years.	0.000	0.177	0.177
Education & Skills	Rev Grant Lifelong Learning skills fund agency	BAES are funded from grant and fees and there is an agreement that any underspend will be appropriated to reserves.	0.000	1.217	1.217
Education & Skills	LACES	Funding to cover additional staffing to support Virtual School Head to be used in 2021/22	0.000	0.077	0.077
Education & Skills	Library of Birmingham	Additional funding received from National Archives for new archive responsibility. Responsibility was transferred late in 2020/21 so funding was not spent in year.	0.000	0.035	0.035
Education & Skills	Lozells Youth Provision	Use of funding received from the West Midlands PCC to support the reduction of serious organised crime and improve community cohesion within Lozells.	0.000	0.037	0.037
Education & Skills	ERDF Funding Project Plus	ERDF funding for Small Business Support received in 2020/21, project activity delayed due to Covid-19 and projects slipped into 2021/22.	0.000	0.168	0.168
Education & Skills	Youth Promise Plus (YPP)	Due to Covid expenditure has been delayed & funding is required to meet DWP targets.	0.000	0.155	0.155
Education & Skills	Emergency Assistance Grant (EAG)	EAG funding was received in 2020-21 and £100k will be paid to Birmingham Voluntary Service Council in 2021-22 to support the emergency food and fuel assistance programme for children and families to approximately June 2021.	0.000	0.100	0.100
Education & Skills	Holiday Activity Fund (HAF)	The holiday activities and food programme funding is to provide healthy food and enriching activities to disadvantaged children in the Easter, summer and Christmas holidays in 2021.	0.000	0.823	0.823
Finance & Governance	WMP Grant - Resilience Team	Carry Forward of WMP Grant Income		0.081	0.081
Partnerships, Insight & Prevention	Public Health	To meet future Public Health recommissioning costs and liabilities.	1.536	7.797	9.333
Partnerships, Insight & Prevention	INLOGOV	To fund Project expenditure 2020/21	0.000	(0.019)	(0.019)
Partnerships, Insight & Prevention	Prevent - counter extremism	To fund Project expenditure 2020/21	0.000	(0.001)	(0.001)
Partnerships, Insight & Prevention	EU migration fund	Underspend of grant carried forward to fund scheme in 2021/22	(0.342)	0.024	(0.318)
Partnerships, Insight & Prevention	Community Safety Strategy - BCSP	To fund Project expenditure 2020/21	0.000	(0.059)	(0.059)
Partnerships, Insight & Prevention	Community Safety Strategy - BCSP	To fund Project expenditure 2020/21	0.000	(0.103)	(0.103)
Partnerships, Insight & Prevention	City Board - Citizen Engagement & Visioning Project	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.074	0.074
Partnerships, Insight & Prevention	Public Health - Test and Trace	Underspend of grant carried forward to fund scheme in 2021/22	0.000	15.718	15.718
Partnerships, Insight & Prevention	Public Health - Community Champions	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.440	0.440
Partnerships, Insight & Prevention	EUSS Grant	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.030	0.030
Partnerships, Insight & Prevention	Brexit WMCA funding	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.080	0.080
Partnerships, Insight & Prevention	Public Health - Operation Eagle	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.102	0.102
Partnerships, Insight & Prevention	Public Health - Rough Sleepers Grant	Underspend of grant carried forward to fund scheme in 2021/22	0.000	1.013	1.013
Partnerships, Insight & Prevention	Public Health - Fast Track Cities	Underspend of grant carried forward to fund scheme in 2021/22	0.000	0.207	0.207
Digital & Customer Services	Self Isolation Payments Grant	Carry forward of Social Isolation payments grant (ring fenced) into 21/22	0.000	2.662	2.662
Various	Other Net (Uses) of/Contributions to Grant Reserves		(0.450)	0.000	(0.450)
	<b>Subtotal (Use of)/Contribution to Grant Reserves</b>		<b>10.541</b>	<b>37.094</b>	<b>47.635</b>



## Appendix A

## Annex A10 Reserves Requests

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9*	Changes Proposed at Outturn	Proposed (Use) /Contribution at Outturn
			£m	£m	£m
Inclusive Growth	Highways Commuted Sums	In Year Commuted Sums received to be applied in future years	(0.001)	0.001	0.001
Inclusive Growth	Bus Lane Enforcement Equipment Renewal (TVV)/Ring-fenced Income	In Year surplus to reserves to fund agreed schedule of capital projects in future years.	0.000	(1.990)	(1.990)
Inclusive Growth	Fire Insurance (old CO-OP Building)	Use of Fire damage insurance proceeds re. the Co-op building at Jennens Road earmarked for rebuilding works as part of Eastside Locks development.	0.000	(1.500)	(1.500)
Inclusive Growth	Joint Venture Contribution		0.000	(0.000)	(0.000)
Inclusive Growth	Speed Camera	Enforcement income received in year to Fund Equipment/Mtce and disposals in future years - Use of relates to increased costs due to expansion of the system	(0.027)	0.047	0.020
	General Maintenance Tenants	This is tenant funding identified under the Landlord and Tenancy Act and has to be accounted for in an annual commercial property service charge review.	0.000	0.315	0.315
Inclusive Growth	Grand Central Reserve	Funding held towards ongoing CPO valuation issues and development problems	0.000	0.117	0.117
Inclusive Growth	Graduate Hub	Use of reserve to fund Graduate Hub costs in 2021/22	0.000	(0.241)	(0.241)
Inclusive Growth	Invest to Save - Central Admin Buildings	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.177	0.177
Inclusive Growth	Invest to Save - Commercial Property - Investment Strategy	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.196	0.196
Inclusive Growth	Invest to Save -Public Hubs	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.200	0.200
Inclusive Growth	Invest to Save - Work Place Parking Levy	Timing difference in expenditure funded by borrowing from ITS Reserve	0.000	0.195	0.195
Inclusive Growth	Health & Safety Surveys Reserve	To fund Health & Safety Surveys in future years	0.000	1.043	1.043
Education & Skills	Youth Promise Plus - Delivery Costs	As required to meet funding to meet grant conditions, a net drawdown of £3k is needed in 2020/21 to meet this. The remaining balance in reserves is for use as Match Funding in future years.	0.000	(0.003)	(0.003)
Education & Skills	Youth Promise Plus - Match Funding	EU requires 50% match funding to meet grant conditions, an additional reserve of £23k is required for use as Match Funding in future years.	0.000	(0.023)	(0.023)
Education & Skills	LOB - Archives Development Fund	Covid 19 has meant that planned expenditure did not take place due to the closure of the Library, so reserve has been carried forwards to 2021/22	(0.087)	0.033	(0.054)
Education & Skills	School Improvement Grant	The school improvement, monitoring and brokering grant was received in 2020-21 and will be used to fund planned commitments in 2021/22.	0.000	0.601	0.601
Education & Skills	Wellbeing Grant	Wellbeing grant to be spent across academic year 2020/21.	0.000	0.050	0.050
Digital & Customer Services	Benefits Service Transformation	To fund transformation within the Benefits Service in response to grant changes + carry fwd of £700k DWP grant received in advance.	0.000	0.791	0.791
Digital & Customer Services	Housing Benefit Subsidy Reserve	To fund subsidy variations and future increases in bad debt write offs and provision	0.000	5.861	5.861
Digital & Customer Services	Revenues NNDR Revaluations & Project Developments	To fund delayed costs re legal cost, business revaluation costs and future increases in bad debt write offs also includes burdens funding to assist with catch up of processing of payments in arrears.	0.000	1.751	1.751
Digital & Customer Services	Customer Services Access Strategy Programme Project Support	Carry fwd of underspend relating to slippage of the Brum 3 programme	0.000	0.247	0.247
Digital & Customer Services	ITDS Business Enablement Programme Slippage	Carry Forward of ITDS Business Enable Programme (BEP) underspend relating to slippage of programme costs due to covid related delays	0.000	1.669	1.669
Digital & Customer Services	Business Improvement re Complaints	To Fund delayed cost relating the customer complaints Programme		0.175	0.175
Human Resources	Corporate HR-JEQ Project	Delay in some elements of the programme have meant slippage to 2021/22	0.000	0.080	0.080
Human Resources	Schools HR IT Reserve	Delay in ERP development has resulted in moving implementation to 21/22	(0.324)	0.324	0.000
Neighbourhoods	SERCO Pension Guarantee	Repayment of outstanding Pension Guarantee balance	0.000	1.705	1.705
Neighbourhoods	Manor Farm Park Barn	Use of reserve to fund capital expenditure in 2020/21	0.000	(0.022)	(0.022)
Neighbourhoods	Proceeds of Crime Act (POCA) - Illegal Money Lending Team	To fund community & crime prevention projects ringfenced under the Act	0.000	(0.249)	(0.249)
Neighbourhoods	Proceeds of Crime Act (POCA) - Trading Standards	To fund community & crime prevention projects ringfenced under the Act	0.000	0.023	0.023
Neighbourhoods	Hackney Carriages	Ring fenced deficit to be recovered from fees in future years	0.000	(0.547)	(0.547)
Neighbourhoods	BMT Loan Guarantee	Repayment of BMT loan	0.000	0.102	0.102
Neighbourhoods	Licensing Entertainment/General	Ring fenced deficit to be recovered from fees in future years	0.000	(0.169)	(0.169)
Neighbourhoods	Major Events (Subvention)	Appropriation from reserve to fund events costs in 2020/21 and appropriation to reserve for funding received in advance	0.000	0.205	0.205
Neighbourhoods	Leisure Facilities Refurbishment Works	To fund refurbishment works in future years	0.000	0.000	0.000
Neighbourhoods	Maintenance of Bereavement Infrastructure Assets	Contribution to major works on crematoriums done on a three year cycle (Intended to be annual contributions)		0.160	0.160
Neighbourhoods	Localisation - Post COVID Recovery	Reserve to assist the essential post covid community recovery program to enable and enhance stability capacity building and support recovery		0.102	0.102
Neighbourhoods	Local Grants Vol Organisations/Leader's Portfolio Funding	Approved grants to Vol Bodies which are to be paid over 2 years, will be appropriated in 2021/22. Projects from Leaders initiatives monies slipped into 2021/22		0.844	0.844

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9*	Changes Proposed at Outturn	Proposed (Use) /Contribution at Outturn
			£m	£m	£m
Finance & Governance	Unidentified Income	£1.1m requested appropriation from the reserve draws down the unidentified income balances from 2019/20, carried forward into 2020/21 to allow this income to be claimed as per existing practice. £0.9m is then requested to be carried forwards into 2021/22.	0.000	(0.244)	(0.244)
Finance & Governance	Local Election Costs	To fund full election costs in 2021/22	0.300	0.120	0.420
Finance & Governance	Insurance Reserves	To fund legal fees incurred in 2020/21	2.000	(1.119)	0.881
Finance & Governance	Audit - POCA Reserve	Recovery of POCA in 2020/21 carried forwards to 2021/22. This is ring-fenced funding that can only be spent on anti-fraud activity.	(0.005)	0.044	0.039
Finance & Governance	Finance Birmingham Loan Contingency	In keeping with the nature of this reserve, any in-year surpluses or in-year impairments are transferred to/from this reserve to support transactions associated with the portfolio.	0.000	0.354	0.354
Finance & Governance	ERP System Temporary Reserve	Delays to the Programme in order to pay contractual commitments to SOCITM, Egress and Evosys and SAP archiving.	(1.016)	1.921	0.905
Finance & Governance	Procurement Training Reserve	Funding to procure Category Management Training	0.000	0.150	0.150
Finance & Governance	Audit - PWC	Planned use of reserves to fund service review. Activity deferred from 2019-20 due to Covid restrictions.	0.005	(0.030)	(0.025)
Finance & Governance	Procurement Transport Strategy	Draw down funding to cover employee costs incurred in 2020/21. Reserve was created to reflected revised phasing of spend compared to original invest to save funding provided.	0.000	(0.034)	(0.034)
Various	Other Net (Uses) of/Contributions to Earmarked Reserves		(2.016)		(2.016)
<b>Subtotal (Use of)/Contribution to Earmarked Reserves</b>			<b>(1.171)</b>	<b>13.433</b>	<b>12.262</b>
Education & Skills	Non-Schools Dedicated Schools Grant (DSG)	Carry forward of DSG Grant	0.000	0.000	0.000
<b>Subtotal Non Schools DSG</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Education & Skills	School's Reserves	Net increase in Schools Carry Forward balances	0.000	0.000	0.000
Education & Skills	DSG-High Needs	Borrowing from Schools Balances related to High Needs	0.000	0.000	0.000
<b>Subtotal School's Reserves</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total (Use of)/Contribution to Reserves</b>			<b>(10.849)</b>	<b>382.123</b>	<b>371.274</b>

\* Note this includes budgeted uses and contributions that were not carried out due it no longer being appropriate to do so

**Annex A11 Savings Programme**

			2020/21		
Directorate:	Savings Reference	Savings Description	Budgeted Saving (£m)	Savings Delivered	Savings Not Delivered
Adult Social Care	HW4 17+ / AD002 18+ /	Effective and efficient workforce	(1.518)	(1.518)	0.000
Adult Social Care	MYR1 16+ / AD001 18+ / MIA7 16+ / HW317 / AD007 18+ /	Adult Packages of Care	(9.366)	(9.366)	0.000
Adult Social Care	AD005 18+	Corporate Director	(0.070)	(0.070)	0.000
Adult Social Care	CC104 19+	Commercialisation	(0.218)	(0.218)	0.000
		<b>Total Savings in Financial Plan</b>	<b>(11.172)</b>	<b>(11.172)</b>	<b>0.000</b>
		<b>One-off savings</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
		<b>Total Savings Adult Social Care</b>	<b>(11.172)</b>	<b>(11.172)</b>	<b>0.000</b>
Digital & Customer Services	CC1 17+ CC23 16+ / E23 16+	Implementation of ICT & D strategy to reduce spend on core IT infrastructure and development projects	(0.810)	(0.810)	0.000
Digital & Customer Services	SS008 18+	Customer Services Team	(0.088)	(0.088)	0.000
Digital & Customer Services	WOC1	Allocation of Workforce Savings	(0.183)	(0.183)	0.000
Digital & Customer Services	DCS001 20+	Brum Account - Phase 3	(0.135)	(0.135)	0.000
Digital & Customer Services	DCS006 20+	Brum Account Payments	(0.024)	(0.024)	0.000
Digital & Customer Services	DCS008 20+	Consolidation of support services into Customer Services and Business Support	(0.060)	(0.060)	0.000
Digital & Customer Services	DCS009 20+	Cease handling planning queries at the corporate contact centre and make all enquiries online only	(0.060)	(0.060)	0.000
Digital & Customer Services	DCS010 20+	Implementation of SMS and Customer Payment Journey for the Revenues Service	(0.015)	(0.015)	0.000
Digital & Customer Services	DCS011 20+	Application Platform Modernisation	(0.505)	(0.405)	(0.100)
Digital & Customer Services	DCS013 20+	Corporate voice and mobile telephony rationalisation.	(0.033)	(0.033)	0.000
Digital & Customer Services	DCS014 20+	Utilisation of corporate Microsoft Enterprise Agreement	(0.400)	(0.400)	0.000
Digital & Customer Services	DCS015 20+	ITDS Organisation Structure Review	(0.200)	0.000	(0.200)
Digital & Customer Services	DCS016 20+	Contract Supplier Review and Rationalisation	(0.150)	(0.150)	0.000
Digital & Customer Services	DCS020 20+	Renewal of bulk printing contract including Revenues and Be	0.000	0.000	0.000
Digital & Customer Services	DEBT COLL 20+	Debt Collection Costs	(0.208)	0.000	(0.208)
Digital & Customer Services	CC104 19+	Commercialisation	(0.013)	(0.013)	0.000
		<b>Total Savings in Financial Plan</b>	<b>(2.884)</b>	<b>(2.376)</b>	<b>(0.508)</b>
		<b>One-off savings</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
		<b>Total Savings Digital &amp; Customer Services</b>	<b>(2.884)</b>	<b>(2.376)</b>	<b>(0.508)</b>
Education & Skills	P22 16+	Early Years	(0.981)	(0.981)	0.000
Education & Skills	PFS	Corporate funding of pension fund strain	0.002	0.002	0.000
Education & Skills	CC104 19+	Commercialisation	(0.040)	(0.040)	0.000
Education & Skills	PL126 19+	Review of managerial arrangements across the Directorate	(0.031)	(0.031)	0.000
Education & Skills	PL130 19+	Service	(0.004)	(0.004)	0.000
Education & Skills	ESS008 20+	Generation of income from legal process training to provided to schools and alternative providers; and fees payable from education providers for advice and guidance following Ofsted outcomes. This proposal relates to the General Fund only (Education Welfare Service teams)	(0.020)	(0.020)	0.000
Education & Skills	ESS010 20+	Education Infrastructure	(0.137)	(0.137)	0.000
Education & Skills	ESS011 20+	Service redesign (General Fund only)	(0.052)	(0.052)	0.000
Education & Skills	ESS013 20+	School & Governor Support - fully traded service	(0.050)	(0.050)	0.000
Education & Skills	ESS014 20+	Development of a traded service to sit alongside (and complement) the required service delivery to meet statutory duties.	(0.019)	(0.019)	0.000
Education & Skills	ESS015 20+	SENDIASS Income	(0.020)	(0.020)	0.000
Education & Skills	ESS019 20+	Birmingham Careers Service - Employee reduction	(0.050)	(0.050)	0.000
Education & Skills	ESS026 20+	Savings in the Children Trust budget from initiatives on the supply and demand side for services which will generate savings from 2021/22 onwards.	0.000	0.000	0.000
		<b>Total Savings in Financial Plan</b>	<b>(1.402)</b>	<b>(1.402)</b>	<b>0.000</b>
		<b>Savings delivered on a one-off basis in 2019/20</b>			
Education & Skills	CC002 18+	Efficiency Target	(0.563)	(0.563)	0.000
Education & Skills	WOC1	Allocation of Workforce Savings	(0.283)	(0.283)	0.000
Education & Skills	CY109 19+	Management Review and Structure	(0.164)	(0.164)	0.000
Education & Skills	EC104 19+	Employment and Skills Cross Directorate Rationalisation	(0.036)	(0.036)	0.000
Education & Skills	CC104 19+	CC104 19+ Commercialisation	(0.429)	(0.429)	0.000
		<b>One-off savings</b>	<b>(1.475)</b>	<b>(1.475)</b>	<b>0.000</b>
		<b>Total Savings Education &amp; Skills</b>	<b>(2.877)</b>	<b>(2.877)</b>	<b>0.000</b>

## Appendix A

## Annex A11 Savings Programme

		2020/21			
Directorate:	Savings Reference	Savings Description	Budgeted Saving (£m)	Savings Delivered	Savings Not Delivered
Finance & Governance	CC23 16+	Reduction in costs relating to the SAP investment plan	(0.050)	(0.050)	0.000
Finance & Governance	FG001 18+ / FG002 18+ /	City Finance	(0.090)	(0.090)	0.000
Finance & Governance	WOC1	Allocation of Workforce Savings	(0.185)	(0.185)	0.000
Finance & Governance	PFS	Corporate funding of pension fund strain	0.063	0.063	0.000
Finance & Governance	CC104 19+	Commercialisation	(0.137)	(0.017)	(0.120)
Finance & Governance	FG101A 19+	Delivery of further efficiency savings following the	(0.100)	0.000	(0.100)
Finance & Governance	FG102 19+	Reduced external legal spend	(0.100)	0.000	(0.100)
Finance & Governance	ESS022 20+	Reduced external legal spend	(0.049)	(0.049)	0.000
		<b>Total Savings in Financial Plan</b>	<b>(0.648)</b>	<b>(0.328)</b>	<b>(0.320)</b>
		<b>Savings delivered on a one-off basis in 2019/20</b>			
Finance & Governance	FG102 19+ CF	Reduced external legal spend	(0.200)	0.000	(0.200)
Finance & Governance	SS002 17+ CF	Corporate Procurement Services	(0.030)	(0.030)	0.000
		<b>One-off savings</b>	<b>(0.230)</b>	<b>(0.030)</b>	<b>(0.200)</b>
		<b>Total Savings Finance &amp; Governance</b>	<b>(0.878)</b>	<b>(0.358)</b>	<b>(0.520)</b>
Human Resources	WOC1	Allocation of Workforce Savings	(0.074)	(0.074)	0.000
Human Resources	HR105 19+	Apprenticeship Levy – one provider of all training and administration	(0.023)	(0.023)	0.000
Human Resources	HR107 19+	Post implementation of ERP system	0.000	0.000	0.000
Human Resources	HRS001 20+	Deletion of part-time vacancy. Amalgamation of two management posts, in Health and Safety and Occupational Health to be one management post.	(0.035)	(0.035)	0.000
		<b>Total Savings in Financial Plan</b>	<b>(0.132)</b>	<b>(0.132)</b>	<b>0.000</b>
		<b>Total Savings Human Resources</b>	<b>(0.132)</b>	<b>(0.132)</b>	<b>0.000</b>
Inclusive Growth	JS4A	Reduce West Midlands Combined Authority Transport Levy	0.001	0.001	0.000
Inclusive Growth	SN9A NEW	Civil parking Enforcement	(0.010)	(0.010)	0.000
Inclusive Growth	WOC1	Allocation of Workforce Savings	(0.195)	(0.195)	0.000
Inclusive Growth	CC104	Commercialisation	(0.090)	(0.090)	0.000
Inclusive Growth	EC016 18+/EC103A 19+	Property Strategy/Commercial Income Growth	(0.472)	0.000	(0.472)
Inclusive Growth	EC103B	Operational Hub Programme	(0.322)	0.000	(0.322)
		<b>Total Savings in Financial Plan</b>	<b>(1.088)</b>	<b>(0.294)</b>	<b>(0.794)</b>
Inclusive Growth	SN35 16+ CF	Expansion of City Centre on-street parking, concessions and restrictions	(0.463)	(0.154)	(0.309)
Inclusive Growth	CC26 16+CF	Council administrative buildings reduction	(0.536)	(0.286)	(0.250)
Inclusive Growth	Inreach	Inreach	(0.007)	0.000	(0.007)
		<b>One-off savings</b>	<b>(1.006)</b>	<b>(0.440)</b>	<b>(0.566)</b>
		<b>Total Savings Inclusive Growth</b>	<b>(2.094)</b>	<b>(0.734)</b>	<b>(1.360)</b>
Neighbourhoods	SN21 16+	Removal of universal superloos	0.000	0.000	0.000
Neighbourhoods	WOC1a	Allocation of Workforce Savings - Street Scene	(0.292)	0.000	(0.292)
Neighbourhoods	PFS	Corporate funding of pension fund strain	0.032	0.032	0.000
Neighbourhoods	PL126a 19+	Review of managerial arrangements Street Scene	(0.158)	0.000	(0.158)
Neighbourhoods	PL128 19+	Garden and bulky waste fees and charges review	(0.150)	(0.150)	0.000
		<b>Total Street Scene</b>	<b>(0.568)</b>	<b>(0.118)</b>	<b>(0.450)</b>
Neighbourhoods	£0.601m	Temporary Accommodation - B&B cost saving	(0.601)	(0.601)	0.000
Neighbourhoods		<b>Total Housing General Fund</b>	<b>(0.601)</b>	<b>(0.601)</b>	<b>0.000</b>
Neighbourhoods	WOC1c	Allocation of Workforce Savings - Neighbourhoods	(0.065)	(0.065)	0.000
Neighbourhoods	PL104 19+	Transfer management of community centres to third parties	(0.030)	(0.030)	0.000
Neighbourhoods	PL118 19+	Reduction in grant to the Active Wellbeing Society	(0.108)	0.000	(0.108)
Neighbourhoods	PL126c 19+	Review of managerial arrangements Neighbourhoods	(0.025)	(0.025)	0.000
Neighbourhoods		<b>Total Neighbourhoods</b>	<b>(0.228)</b>	<b>(0.120)</b>	<b>(0.108)</b>
Neighbourhoods	PL126d 19+	Review of managerial arrangements Reg & Enforcement	(0.169)	(0.169)	0.000
Neighbourhoods	WOC1d	Allocation of Workforce Savings - Reg & Enforcement	(0.124)	(0.118)	(0.006)
Neighbourhoods		<b>Total Regulation &amp; Enforcement</b>	<b>(0.293)</b>	<b>(0.287)</b>	<b>(0.006)</b>
		<b>Total Savings in Financial Plan</b>	<b>(1.690)</b>	<b>(1.126)</b>	<b>(0.564)</b>

Directorate:	Savings Reference	Savings Description	2020/21		
			Budgeted Saving (£m)	Savings Delivered	Savings Not Delivered
		<b>Savings delivered on a one-off basis in 2019/20</b>			
Neighbourhoods	PL003 18+	Parks and Nature Conservation	(0.200)	0.000	(0.200)
Neighbourhoods	PL126a 19+CF	Review of managerial arrangements Street Scene	(0.158)	0.000	(0.158)
Neighbourhoods	PL129 19+CF	Parks Fees and Charges Review	(0.180)	0.000	(0.180)
Neighbourhoods	SN45 16+ CF	Disposal of unwanted/under utilised parks land (8 acres	(0.200)	0.000	(0.200)
		<b>Total Street Scene</b>	<b>(0.738)</b>	<b>0.000</b>	<b>(0.738)</b>
Neighbourhoods	£0.417m	Temporary Accommodation - B&B cost saving	(0.417)	(0.417)	0.000
		<b>Total Housing General Fund</b>	<b>(0.417)</b>	<b>(0.417)</b>	<b>0.000</b>
Neighbourhoods	SN26 16+	Discontinue Non Framework Contract at Health and Wellbeing Centres	(0.047)	(0.047)	0.000
Neighbourhoods	PL112 19+	Redesign of Birmingham BID Support	(0.055)	(0.055)	0.000
Neighbourhoods	PL126c 19+CF	Review of managerial arrangements Neighbourhoods	(0.056)	(0.056)	0.000
Neighbourhoods		<b>Total Neighbourhoods</b>	<b>(0.158)</b>	<b>(0.158)</b>	<b>0.000</b>
Neighbourhoods	PL126d 19+CF	Review of managerial arrangements Reg & Enforcement	(0.169)	(0.169)	0.000
Neighbourhoods	PL127 19+	Bereavement Services Fees and Charges Review	(0.594)	(0.594)	0.000
Neighbourhoods	SN24 16+ CF	Provide above ground mausoleums and vaults	(0.209)	0.000	(0.209)
Neighbourhoods		<b>Total Regulation &amp; Enforcement</b>	<b>(0.972)</b>	<b>(0.763)</b>	<b>(0.209)</b>
		<b>One-off savings</b>	<b>(2.285)</b>	<b>(1.338)</b>	<b>(0.947)</b>
		<b>Total Savings Neighbourhoods</b>	<b>(3.975)</b>	<b>(2.464)</b>	<b>(1.511)</b>
Partnerships, Insight and Prevention	WOC1	Allocation of Workforce Savings	(0.039)	(0.028)	(0.011)
Partnerships, Insight and Prevention	CC104 19+	Commercialisation	(0.003)	0.000	(0.003)
Partnerships, Insight and Prevention	PL113 19+	Phased reduction of salaried staffing at the Hall of Memory to be replaced with appropriate voluntary staffing	(0.008)	(0.008)	0.000
		<b>Total Savings in Financial Plan</b>	<b>(0.050)</b>	<b>(0.036)</b>	<b>(0.014)</b>
Partnerships, Insight and Prevention	CC002 18+	CC002 18+ Efficiency Target	(0.016)	(0.016)	0.000
		<b>One-off savings</b>	<b>(0.016)</b>	<b>(0.016)</b>	<b>0.000</b>
Partnerships, Insight and Prevention		<b>Total Savings Partnerships, Insight and Prevention</b>	<b>(0.066)</b>	<b>(0.052)</b>	<b>(0.014)</b>
Corporate	FGS003 20+	Procurement Savings Opportunity Assessment	(3.000)	(0.860)	(2.140)
		<b>Total Savings in Corporate</b>	<b>(3.000)</b>	<b>(0.860)</b>	<b>(2.140)</b>
		<b>Grand Total savings</b>	<b>(27.078)</b>	<b>(21.025)</b>	<b>(6.053)</b>

## **Annex B Capital**

### **1.0 Overview**

- 1.1 The capital programme final outturn spend position for the 2020/21 financial year is £501.3m. This is £382.9m below the planned expenditure of £884.2m as shown in the table below:

	<b>£m Previous Quarter 3</b>	<b>£m Qtr 4 Movements</b>	<b>£m Annual Total</b>
<b>2020/21 Original Budget</b>	<b>710.091</b>	<b>0.000</b>	<b>710.091</b>
Change in budget	158.596	15.481	174.077
<b>2020/21 Revised Budget</b>	<b>868.687</b>	<b>15.481</b>	<b>884.168</b>
Less: Cumulative Slippage	(342.904)	(43.835)	(386.739)
Less: Forecast/actual (under) / overspends	(6.406)	10.282	3.876
<b>= Outturn (Expenditure in year)</b>	<b>519.377</b>	<b>(18.072)</b>	<b>501.305</b>

- 1.2 The City Council analyses the capital programme budget variations between:
- 1.2.1 Changes in the timing of budgeted expenditure - where the expenditure is still required but takes place later than planned this is called slippage and shown in brackets, and acceleration if earlier than planned; and
- 1.2.2 Underspends (shown in brackets) or overspends, which represent a decrease or increase in the total capital cost of a project, which may be over several years.
- 1.3 The 2020/21 Capital programme projected slippage of £(342.9)m and an underspend of £(6.4)m for the year at Quarter 3. Details can be found in the Quarter 3 Corporate Monitoring Report presented to Cabinet on 9<sup>th</sup> February 2021. Further slippage of £(43.8)m and an overspend of £10.3m are now being reported as the final outturn for 2020/21. This means that full year slippage is £(386.7)m along with a net overspend of £3.9m as shown in the table above. Total Capital programme spend in 2020/21 was £501.3m.
- 1.4 It is important to note that no financial resources will be lost as a result of the slippage. The resources and planned expenditure will be “rolled forward” into future years.

### **2. Reasons for variations**



- 2.1 Annex B1 summarises the capital expenditure for 2020/21 by Directorate. It also shows the variations since Quarter 3 against the final budget, this is in addition to what has been reported previously.

Annex B2 provides details of the budget changes between Quarter 3 and year end and describes the reasons for the major variations.

- 2.2 The cumulative variance against budget for the 2020/21 financial year is £(382.8)m, made up of £(386.7)m slippage and an overspend of £3.9m. Total capital programme spend was £501.3m. Many projects during the 2020/21 financial year have been affected by Covid 19, ranging from a temporary complete cessation of works to the redesign of schemes due to delays in delivery once works recommenced as social distancing rules were adhered to.
- 2.3 The reasons for these variations have been reported in quarterly financial monitoring reports to Cabinet throughout the year and the major variations are summarised here as follows:

**2.4 Education and Skills. Total directorate variation of £ 5.9m. The main variances are as follows:**

- 2.4.1 **Basic Need Additional School Places – A variation of £9.7m** made up of £8.7m of accelerated projects and a £1m overspend, key variances are:
- 2.4.2 The Skilts relocation project; the good weather over the winter period allowed projects to progress quicker than previously planned as there was no downtime on site resulting in an acceleration of £4.1m and this project being handed over earlier than originally planned.
- 2.4.3 Turves Green Girls and Eden Girls school projects have progressed quicker than anticipated resulting in an additional £2.6m and £2m acceleration respectively.
- 2.4.4 The Basic Need programme is funded through a specific Department for Education grant. It should be noted that there are no adverse financial implications and capital funding will be accelerated to match this expenditure.
- 2.4.5 The remaining reported overspend of £1m relates to additional capital spend in schools to be funded by Section 106 reserves and in-year revenue funding.

**2.5 Neighbourhoods. Total directorate variation of (£36.4m). The main variances are as follows:**

- 2.5.1 **Waste Management - Slippage of £(14.7)m.** The works at Perry Barr Depot have slipped due to the impact of Covid 19 on the programme and delays in the submission of the planning application (submitted February 2021) having led to a delay in the start date.
- 2.5.2 Covid 19 has affected the delivery of the new waste vehicles with approximately only half being delivered before April 2021. The remaining

vehicles will be delivered by June 2021. This has resulted in £(5.9)m slipping into the 2021/22 financial year. There is also slippage at the Tyseley Energy Recycling Facility plant works due to the site being closed for a period of time as a result of Covid 19. The delayed works have been re-scheduled and will now be implemented in 2021/22

- 2.5.3 Parks & Nature Conservation - Slippage of £(10.3)m.** Covid 19 has resulted in slippage across various sites. As well impacting on the delivery of new grounds maintenance vehicles. The service has also delayed further purchases of vehicles whilst it embeds its processes.
- 2.5.4 Housing Improvement Programme - A variance of £10.4m.** This programme consists of a number of projects and this variance is made up of an overspend of £6.8m which will be funded by underspends in the Housing Other Programmes budget and an increase in revenue contributions from the Housing Revenue Account (HRA). There is also an acceleration of spend of £3.6m. In light of additional needs and funding identified, approval is sought to fund £5.1m investment on the HRA Housing Investment Programme through HRA revenue contributions in 2021/22.
- 2.5.5** The main variances in this programme are as follows:
- 2.5.6** The overspend is due to an increase in spend of £2.1m 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 and door entry projects along with reallocating other HRA Budgets (increase in revenue contributions and from the Adaptations budget). There have also been changes within the overall programme, funded mainly through realignments and from the adaptations budget such as increases to windows, kitchens, bathrooms, communal decorations and environmental works of £1.3m and structural investigations of £1.0m, offset by reductions in the heating and structural investment budgets.
- There is also slippage within the sprinkler programme due to a judicial review at Canterbury and Salisbury Towers and a Leaseholder challenge at Bakeman House.
- 2.5.7 Housing Redevelopment - Slippage of £(13.2)m.** This has occurred as a result of a number of reasons including, delays bringing forward further sites becoming increasingly challenging, responding to changing legislation and policy and approvals taking longer. There have been contract signing delays, procurement has been carried out successfully through Covid 19 but finalising contracts has taken longer due to increased due diligence as a result of Covid 19 and the impact of Brexit. Work on site has progressed but been slower than originally anticipated because of distancing impacting on labour levels. There have also been delays with utilities, services and the Environment Agency which have resulted in delays to projects, with worse case examples experiencing delays of six to twelve months. Brexit is now impacting on start dates and costs because of shortages in key materials causing price rises or materials being unavailable. The acquisitions programme suffered as contractors withdrew during negotiations possibly due to an uncertainty about Brexit, the impact of Covid 19 impacting people's decisions and there was a lack of available properties in the target areas.

There has also been slippage on the Clearance Programme due to rehousing delays.

**2.6 Inclusive Growth Directorate. Total directorate variation of (£291.5m). The main variances are as follows:**

- 2.6.1 Planning & Development: Paradise Circus slippage of £(13.9)m** due to three main factors. An agreement of variation to the original building contract to now include above ground construction works (not funded by the Enterprise Zone (EZ)) which has meant a re-programming of the EZ funded element of works causing slippage against the original plan. The effect of the 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.
- 2.6.2 Housing Development: InReach slippage £(1.2m)** - This budget was to provide equity and loan funding to InReach, a wholly owned company of the Council, for housing redevelopment. The Brasshouse scheme did not proceed. The £1.2m slippage relates to equity investment into the Council's wholly owned company, InReach, to support the Key Hill development. This report seeks approval to make the equity investment in 2021/22.
- 2.6.3 Major Projects £(18.8)m and Transport Connectivity Programme slippage of £(54.4)m** has occurred across a number of transport schemes, including Dudley Road £(2.7)m slippage, which has been redesigned for greater non-motor use, and greater cycling, walking and bus usage. The redesign has changed the scheme and is awaiting approval from the Department of Transport (DfT).  
Wharfedale Bridge has £(2.6)m slippage. This scheme is currently being delivered by Network Rail and has been put on hold. The slippage relates to a BCC contribution to Network Rail to widen the bridge.  
Tame Valley has slippage of £(3.4)m mainly due to delays procurement and the award of contract which may be further impacted by Covid 19 regarding the availability of resources and material within the supply chain. The provisional funding allocation from the Department for Transport will be confirmed once a full business case has been approved. (Note - DfT remains supportive of this project).  
Air Quality slippage of £(36.7)m. This is mainly due to the Clean Air Zone (CAZ) operational date being postponed until June 2021. Despite this delay there has been a focus to complete as much of the work as soon as possible. The CAZ mitigations budget has been reprofiled as a result of the later expected start of the CAZ with most of the expenditure now expected in the 2021/22 financial year.
- 2.6.4 Property Strategy slippage of £(62.9)m.** The whole budget of £62.9m has been slipped into future years. External consultants were appointed to seek out appropriate avenues to invest and have reviewed the commercial portfolio and made recommendations in terms of asset disposals to support the investment fund. Opportunities, however, to acquire new properties are totally

dependent on the right opportunities coming to market and no acquisitions have been made this year so the budget will slip into future years.

- 2.6.5 Perry Barr Residential Scheme (PBRs) slippage of £(137.2)m.** A detailed review of all costs and anticipated income generation from the PBRs commenced following the decision in August 2020 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 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 Summer 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 19 impacts to the end of the 2020/21 financial year, resulting in anticipated slippage to future years of £137.2m.

**2.7 Corporate Capital Programmes. Total variation of (£31.4m). The main variances are as follows:**

- 2.7.1 Contingency: Slippage of £(27.1)m** 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.

**2.8 Commonwealth Games 2022. Total variation of (£17.8m). The main variances are as follows:**

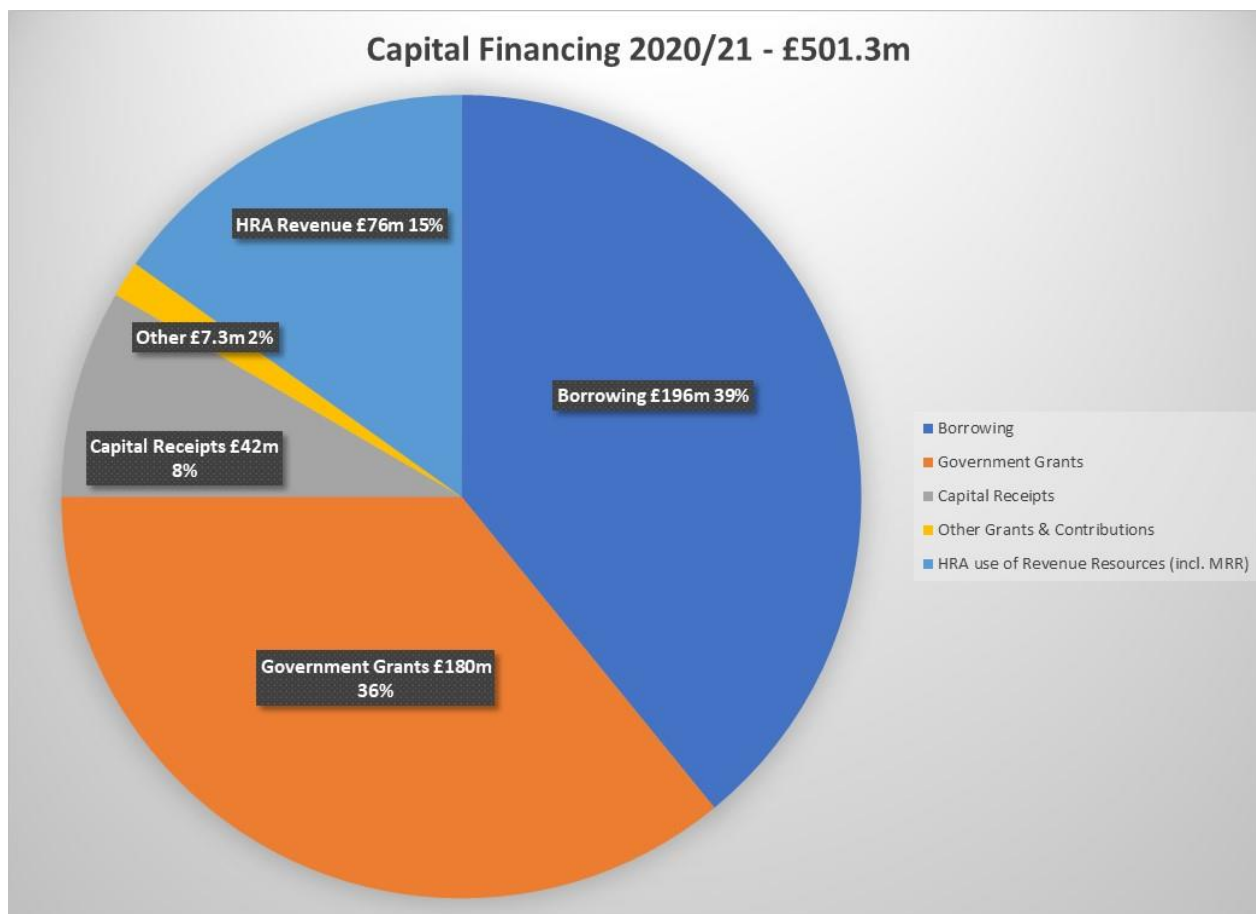
- 2.8.1 Alexander Stadium slippage of £(11.8)m.** Expenditure has been reprofiled between financial years to reflect updated cashflow forecasts from the main contractor taking into account the impacts of Covid 19 and the subsequent requirement to re sequence elements of the construction programme to 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.

**3 Financing of Capital Expenditure**

- 3.1** The proposed financing arrangements in respect of the City Council capital expenditure in 2020/21 of £501.3m are summarised in the table and graph below:

Financing method	£m
Borrowing	195.977
Government Grants	180.095
Capital Receipts	41.994
Other Grants and Contributions	7.290
HRA use of Revenue Resources (incl. MRR)	75.949

<b>Total financing</b>	<b>501.305</b>
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- 1.2 The Budget 2020+ included a strategy to maximise the availability of capital receipts to fund equal pay liabilities, and to use the Government's capital receipts flexibility to meet the cost of eligible projects generating revenue savings. Accordingly, borrowing where possible has been used to finance the outturn capital programme in place of capital receipts, in order to make receipts available for equal pay and the capital receipts flexibility.
- 3.3 Actual prudential borrowing of £196.0m is less than the £368.8m originally planned in the Financial Plan 2020-2024. This is due largely to slippage in the capital programme described above and in previous corporate monitoring reports. Monitoring of the full prudential indicators at outturn is set out in Annex 5 to the Treasury Management annual report (Annex C).

# CAPITAL

# ANNEX B

Annex B1

<b>Capital Outturn as at 31st March 2021</b>						
<b>Capital Expenditure 2020/21 by Directorate</b>						
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
	<b>2020/21</b>	<b>New</b>	<b>2020/21</b>	<b>Previously</b>	<b>Further</b>	<b>2020/21</b>
	<b>Quarter 3</b>	<b>Schemes</b>	<b>Quarter 4</b>	<b>Reported</b>	<b>Variation</b>	<b>Outturn</b>
	<b>Approved</b>	<b>&amp;</b>	<b>Revised</b>	<b>Variation</b>	<b>Quarter 4</b>	
	<b>Budget</b>	<b>Resources</b>	<b>Budget</b>			
			<b>(a+b)</b>			<b>(c+d+e)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adult Social Care</b>	<b>14.286</b>	<b>0.000</b>	<b>14.286</b>	<b>(5.105)</b>	<b>1.032</b>	<b>10.213</b>
<b>Education &amp; Skills</b>	<b>72.784</b>	<b>0.000</b>	<b>72.784</b>	<b>0.000</b>	<b>5.881</b>	<b>78.665</b>
<b>Neighbourhoods</b>						
Neighbourhood Other	46.127	0.000	46.127	(23.263)	(4.298)	<b>18.566</b>
Housing Revenue Account	114.919	0.000	114.919	(8.553)	(0.255)	<b>106.111</b>
<b>Total Neighbourhoods Directorate</b>	<b>161.046</b>	<b>0.000</b>	<b>161.046</b>	<b>(31.816)</b>	<b>(4.553)</b>	<b>124.677</b>
<b>Inclusive Growth</b>						
Planning & Development	45.191	0.188	45.379	(12.936)	(0.548)	<b>31.895</b>
Transportation	109.245	0.000	109.245	(64.138)	(9.074)	<b>36.033</b>
Highways	3.961	0.000	3.961	(1.640)	(0.893)	<b>1.428</b>
Housing Development	1.218	0.000	1.218	0.000	(1.218)	<b>0.000</b>
Property Services	344.484	0.000	344.484	(178.604)	(22.455)	<b>143.425</b>
<b>Total Inclusive Growth Directorate</b>	<b>504.099</b>	<b>0.188</b>	<b>504.287</b>	<b>(257.318)</b>	<b>(34.188)</b>	<b>212.781</b>
<b>Finance &amp; Governance</b>	<b>40.063</b>	<b>15.293</b>	<b>55.356</b>	<b>(32.262)</b>	<b>(3.549)</b>	<b>19.545</b>
<b>Digital &amp; Customer Services</b>	<b>10.580</b>	<b>0.000</b>	<b>10.580</b>	<b>(1.397)</b>	<b>(1.525)</b>	<b>7.658</b>
<b>Commonwealth Games</b>	<b>65.579</b>	<b>0.000</b>	<b>65.579</b>	<b>(21.412)</b>	<b>3.599</b>	<b>47.766</b>
<b>Assistant Chief Executive</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>	<b>0.000</b>	<b>(0.250)</b>	<b>0.000</b>
	<b>868.687</b>	<b>15.481</b>	<b>884.168</b>	<b>(349.310)</b>	<b>(33.553)</b>	<b>501.305</b>

**CAPITAL OUTTURN 2020/21 - BUDGET CHANGES (QUARTER 4)****Annex B2**

Ref.	Quarter 3 Budget £m	Quarter 4 Budget £m	Change £m
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**ADULT SOCIAL CARE DIRECTORATE****Adult Care & Health**

Property Schemes	0.364	0.364	0.000
Adults IT	0.980	0.980	0.000
Independent Living	12.942	12.942	0.000
<b>Total Adult Social Care Directorate</b>	<b>14.286</b>	<b>14.286</b>	<b>0.000</b>

**EDUCATION AND SKILLS DIRECTORATE****Education & Early Years**

Devolved Capital Allocation to Schools	3.861	3.861	0.000
School Condition Allocations	13.021	13.021	0.000
Basic Need - Additional School Places	53.713	53.713	0.000
Other Minor Schemes - Schools	0.013	0.013	0.000
EarlyYrs&Childcare	0.136	0.136	0.000
IT Investment	0.576	0.576	0.000
<b>Total Education &amp; Early Years</b>	<b>71.320</b>	<b>71.320</b>	<b>0.000</b>

**Skills & Employability**

Adult Ed & Youth	1.270	1.270	0.000
Birmingham Libraries	0.194	0.194	0.000
<b>Total Skills &amp; Employability</b>	<b>1.464</b>	<b>1.464</b>	<b>0.000</b>

**Total Education and Skills Directorate**

<b>72.784</b>	<b>72.784</b>	<b>0.000</b>
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**NEIGHBOURHOODS DIRECTORATE****Street Scene**

Waste Management Services	27.794	27.794	0.000
Parks & Nature Conservation	12.137	12.137	0.000
<b>Total Street Scene</b>	<b>39.931</b>	<b>39.931</b>	<b>0.000</b>

**Housing Services**

Housing Options Service	0.064	0.064	0.000
Private Sector Housing	0.979	0.979	0.000

**Housing Revenue Account**

Housing Improvement Programme	73.562	73.562	0.000
Redevelopment	30.662	30.662	0.000
Other Programmes	10.695	10.695	0.000
<b>Total Housing Revenue Account</b>	<b>114.919</b>	<b>114.919</b>	<b>0.000</b>

**Total Housing Services**

<b>115.962</b>	<b>115.962</b>	<b>0.000</b>
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**Neighbourhoods**

Community, Sport & Events	1.141	1.141	0.000
Neighbourhoods	0.030	0.030	0.000
Cultural Development	0.611	0.611	0.000
<b>Total Neighbourhoods</b>	<b>1.782</b>	<b>1.782</b>	<b>0.000</b>

**Regulation & Enforcement**

Bereavement	0.249	0.249	0.000
Markets Services	0.300	0.300	0.000
Environmental Health	0.000	0.000	0.000
Mortuary/Coroners	2.733	2.733	0.000

Illegal Money Lending	0.089	0.089	0.000
<b>Total Regulation &amp; Enforcement</b>	<b>3.371</b>	<b>3.371</b>	<b>0.000</b>
<b>Total Neighbourhoods Directorate</b>	<b>161.046</b>	<b>161.046</b>	<b>0.000</b>
<b><u>INCLUSIVE GROWTH DIRECTORATE</u></b>			
<b><u>Planning &amp; Development</u></b>			
<b>Major Projects</b>			
Enterprise Zone - Paradise Circus	28.123	28.123	0.000
Enterprise Zone - Site Development & Access	0.000	0.000	0.000
Enterprise Zone - Connecting Economic Opportunities	0.293	0.293	0.000
Enterprise Zone - Smithfield	0.031	0.031	0.000
Enterprise Zone - Southside Public Realm	2.442	2.442	0.000
Enterprise Zone - LEP Investment Fund	0.000	0.000	0.000
Enterprise Zone - HS2-Interchange Site	0.000	0.000	0.000
EZ Phase II - HS2 Station Environment	1.210	1.210	0.000
EZ Phase II - HS2 Site Enabling	0.000	0.000	0.000
EZ Phase II - Local Transport Improvements	0.000	0.000	0.000
EZ Phase II - Metro Extension to E Bham/Solihull	0.000	0.000	0.000
EZ Phase II - Social Infrastructure	0.000	0.000	0.000
EZ Capitalised Interest	1.160	1.160	0.000
Jewellery Quarter Cemetery	0.520	0.520	0.000
Unlocking Housing Sites	3.459	3.459	0.000
Life Sciences	0.973	0.973	0.000
Other (Major Projects)	1.902	1.902	0.000
<b>Total Major Projects</b>	<b>40.113</b>	<b>40.113</b>	<b>0.000</b>
<b>ERDF</b>	<b>2.973</b>	<b>2.973</b>	<b>0.000</b>
<b>Public Realm</b>	<b>1.091</b>	<b>1.279</b>	<b>0.188</b>
<b>Infrastructure</b>	<b>0.014</b>	<b>0.014</b>	<b>0.000</b>
<b>Grants/Loans Programme</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>
<b>Total Planning &amp; Development</b>	<b>45.191</b>	<b>45.379</b>	<b>0.188</b>
<b><u>Housing Development</u></b>			
In Reach	1.218	1.218	0.000
CWG-Sale To In Reach	0.000	0.000	0.000
<b>Total Housing Development</b>	<b>1.218</b>	<b>1.218</b>	<b>0.000</b>
<b><u>Transport Connectivity</u></b>			
<b>Major Schemes</b>			
Ashted Circus	0.199	0.199	0.000
Metro Extension	0.100	0.100	0.000
Iron Lane	4.990	4.990	0.000
Minworth Unlocking	0.000	0.000	0.000
Battery Way Extension	0.322	0.322	0.000
Longbridge Connectivity	0.303	0.303	0.000
A457 Dudley Road	5.839	5.839	0.000
Journey Reliability	0.705	0.705	0.000
Tame Valley Phase 2 & 3	4.544	4.544	0.000
Selly Oak New Road Phase 1B	3.278	3.278	0.000
Wharfdale Bridge	2.683	2.683	0.000
Snow Hill Station	5.884	5.884	0.000
Other (Major Schemes)	3.385	3.385	0.000
<b>Total Major Schemes</b>	<b>32.232</b>	<b>32.232</b>	<b>0.000</b>
Inclusive & Sustainable Growth	13.632	13.632	0.000



Walking & Cycling	4.423	4.423	0.000
Local Measure	0.000	0.000	0.000
Infrastructure Dev	1.203	1.203	0.000
Air Quality & Climate	52.154	52.154	0.000
Emergency Active Travel Fund	5.585	5.585	0.000
Transportation & highways Funding Strategy	0.000	0.000	0.000
Section 278/S106	0.016	0.016	0.000
<b>Total Transport Connectivity</b>	<b>109.245</b>	<b>109.245</b>	<b>0.000</b>
<b><u>Highways Infrastructure</u></b>			
Safer Routes to Schools	0.339	0.339	0.000
Network Integrity and Efficiency	1.794	1.794	0.000
S106 & S278 Schemes	0.125	0.125	0.000
Road Safety	0.991	0.991	0.000
District Schemes	0.712	0.712	0.000
<b>Total Highways Infrastructure</b>	<b>3.961</b>	<b>3.961</b>	<b>0.000</b>
<b><u>Property Services</u></b>			
Attwood Green Parks	0.059	0.059	0.000
AttwoodGreen-Holloway Head Playing Field	0.015	0.015	0.000
Attwood Green–Woodview Community Centre	0.089	0.089	0.000
Council House Major Works	0.675	0.675	0.000
Bham Crisis Centre-Nursery Extenson	0.001	0.001	0.000
Lee Bank Business Centre	0.000	0.000	0.000
Highbury Hall Essential Works	0.701	0.701	0.000
Property Strategy	62.957	62.957	0.000
Perry Barr Residential Scheme	279.987	279.987	0.000
<b>Total Property Services</b>	<b>344.484</b>	<b>344.484</b>	<b>0.000</b>
<b>Total Inclusive Growth Directorate</b>	<b>504.099</b>	<b>504.287</b>	<b>0.188</b>
<b><u>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</u></b>			
ICT & Digital	10.580	10.580	0.000
<b>Total Digital &amp; Customer Services Directorate</b>	<b>10.580</b>	<b>10.580</b>	<b>0.000</b>
<b><u>FINANCE &amp; GOVERNANCE DIRECTORATE</u></b>			
<b><u>Development &amp; Commercial</u></b>			
Gateway/Grand Central Residual Costs	5.233	5.233	0.000
Capital Loans & Equity	1.991	1.991	0.000
<b>Total Development &amp; Commercial</b>	<b>7.224</b>	<b>7.224</b>	<b>0.000</b>
<b><u>Corporately Held Funds</u></b>			
Revenue Reform Projects	5.234	20.527	15.293
Corporate Capital Contingency	27.113	27.113	0.000
<b>Total Corporately Held Funds</b>	<b>32.347</b>	<b>47.640</b>	<b>15.293</b>
SAP Investments	0.492	0.492	0.000
<b>Total Finance &amp; Governance Directorate</b>	<b>40.063</b>	<b>55.356</b>	<b>15.293</b>
<b><u>ASSISTANT CHIEF EXECUTIVE DIRECTORATE</u></b>			
Public Health	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><u>COMMONWEALTH GAMES 2022</u></b>			
CWG Alexander Stadium	37.134	37.134	0.000
CWG Organising Cttee	28.445	28.445	0.000
<b>Total Commonwealth Games 2022</b>	<b>65.579</b>	<b>65.579</b>	<b>0.000</b>
<b>Total Capital Programme</b>	<b>868.687</b>	<b>884.168</b>	<b>15.481</b>

FG1



**CAPITAL OUTTURN 2020/21 - BUDGET MOVEMENTS (QUARTER 4) - COMMENTARY**

Ref	Project / Programme	2020/21		
		Reported Quarter 4	Reported Quarter 3	Movement Since Quarter 3
FG1	Revenue Reform Projects - further projects identified during 2020/21 which meet the criteria for the Flexible Use of Capital Receipts, as approved by Full Council in February 2021.	20.527	5.234	15.293

CAPITAL OUTTURN 2020/21 - OUTTURN VARIATIONS (QUARTER 4)

		2020/21 Outturn						
	Ref.	Current Budget £m	2020/21 Outturn £m	Quarter 4 Variation £m	Quarter 3 Variation £m	Movement Since Quarter 3 £m	(Slippage) / Acceleration £m	Overspend / (Underspend) £m
<b>ADULT SOCIAL CARE DIRECTORATE</b>								
<b>Adult Care &amp; Health</b>								
Property Schemes		0.364	0.088	(0.276)	(0.169)	(0.107)	(0.107)	0.000
Adults IT		0.980	0.248	(0.732)	(0.400)	(0.332)	(0.332)	0.000
Independent Living	AS1	12.942	9.877	(3.065)	(4.536)	1.471	1.471	0.000
<b>Total Adult Social Care Directorate</b>		<b>14.286</b>	<b>10.213</b>	<b>(4.073)</b>	<b>(5.105)</b>	<b>1.032</b>	<b>1.032</b>	<b>0.000</b>
<b>EDUCATION AND SKILLS DIRECTORATE</b>								
<b>Education &amp; Early Years</b>								
Devolved Capital Allocation to Schools	ES1	3.861	2.466	(1.395)	0.000	(1.395)	(1.395)	0.000
School Condition Allocations		13.021	12.358	(0.663)	0.000	(0.663)	(6.160)	5.497
Basic Need - Additional School Places	ES2	53.713	63.393	9.680	0.000	9.680	8.704	0.976
Other Minor Schemes - Schools		0.013	0.000	(0.013)	0.000	(0.013)	(0.013)	0.000
EarlyYrs&Childcare		0.136	0.136	0.000	0.000	0.000	0.000	0.000
IT Investment		0.576	0.093	(0.483)	0.000	(0.483)	(0.483)	0.000
Children's Trust Accomodation		0.000	0.119	0.119	0.000	0.119	0.119	0.000
<b>Total Education &amp; Early Years</b>		<b>71.320</b>	<b>78.565</b>	<b>7.245</b>	<b>0.000</b>	<b>7.245</b>	<b>0.772</b>	<b>6.473</b>
<b>Skills &amp; Employability</b>								
Adult Ed & Youth	ES3	1.270	0.000	(1.270)	0.000	(1.270)	(1.270)	0.000
Birmingham Libraries		0.194	0.100	(0.094)	0.000	(0.094)	(0.094)	0.000
<b>Total Skills &amp; Employability</b>		<b>1.464</b>	<b>0.100</b>	<b>(1.364)</b>	<b>0.000</b>	<b>(1.364)</b>	<b>(1.364)</b>	<b>0.000</b>
<b>Total Education and Skills Directorate</b>		<b>72.784</b>	<b>78.665</b>	<b>5.881</b>	<b>0.000</b>	<b>5.881</b>	<b>(0.592)</b>	<b>6.473</b>
<b>NEIGHBOURHOODS DIRECTORATE</b>								
<b>Street Scene</b>								
Waste Management Services	NB1	27.794	13.101	(14.693)	(13.443)	(1.250)	(1.114)	(0.136)
Parks & Nature Conservation	NB2	12.137	1.875	(10.262)	(7.124)	(3.138)	(3.094)	(0.044)
<b>Total Street Scene</b>		<b>39.931</b>	<b>14.976</b>	<b>(24.955)</b>	<b>(20.567)</b>	<b>(4.388)</b>	<b>(4.208)</b>	<b>(0.180)</b>
<b>Housing Services</b>								
Housing Options Service		0.064	0.048	(0.016)	0.000	(0.016)	(0.057)	0.041
Private Sector Housing		0.979	0.191	(0.788)	(0.594)	(0.194)	(0.194)	0.000
<b>Housing Revenue Account</b>								
Housing Improvement Programme	NB3	73.562	83.925	10.363	4.694	5.669	3.565	2.104
Redevelopment	NB4	30.662	17.480	(13.182)	(7.824)	(5.358)	(5.296)	(0.062)
Other Programmes		10.695	4.706	(5.989)	(5.423)	(0.566)	(0.097)	(0.469)
<b>Total Housing Revenue Account</b>		<b>114.919</b>	<b>106.111</b>	<b>(8.808)</b>	<b>(8.553)</b>	<b>(0.255)</b>	<b>(1.828)</b>	<b>1.573</b>
<b>Total Housing Services</b>		<b>115.962</b>	<b>106.350</b>	<b>(9.612)</b>	<b>(9.147)</b>	<b>(0.465)</b>	<b>(2.079)</b>	<b>1.614</b>
<b>Neighbourhoods</b>								
Community, Sport & Events		1.141	0.292	(0.849)	(0.983)	0.134	(0.113)	0.247
Neighbourhoods		0.030	0.017	(0.013)	0.000	(0.013)	(0.013)	0.000
Cultural Development		0.611	0.737	0.126	1.000	(0.874)	(0.874)	0.000
<b>Total Neighbourhoods</b>		<b>1.782</b>	<b>1.046</b>	<b>(0.736)</b>	<b>0.017</b>	<b>(0.753)</b>	<b>(1.000)</b>	<b>0.247</b>
<b>Regulation &amp; Enforcement</b>								
Bereavement		0.249	0.064	(0.185)	0.000	(0.185)	(0.185)	0.000
Markets Services		0.300	0.476	0.176	0.000	0.176	0.000	0.176
Mortuary/Coroners	NB5	2.733	1.704	(1.029)	(2.119)	1.090	1.090	0.000
Illegal Money Lending Team		0.089	0.061	(0.028)	0.000	(0.028)	(0.028)	0.000
<b>Total Regulation &amp; Enforcement</b>		<b>3.371</b>	<b>2.305</b>	<b>(1.066)</b>	<b>(2.119)</b>	<b>1.053</b>	<b>0.877</b>	<b>0.176</b>
<b>Total Neighbourhoods Directorate</b>		<b>161.046</b>	<b>124.677</b>	<b>(36.369)</b>	<b>(31.816)</b>	<b>(4.553)</b>	<b>(6.410)</b>	<b>1.857</b>
<b>INCLUSIVE GROWTH DIRECTORATE</b>								
<b>Planning &amp; Development</b>								
<b>Major Projects</b>								
Enterprise Zone - Paradise Circus	IG1	28.123	14.181	(13.942)	(12.815)	(1.127)	(1.127)	0.000
Enterprise Zone - Eastside Locks		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Enterprise Zone - Connecting Economic Opportunities		0.293	0.318	0.025	0.099	(0.074)	(0.074)	0.000
Enterprise Zone - Smithfield Fees		0.031	0.000	(0.031)	0.000	(0.031)	(0.031)	0.000
Enterprise Zone - Southside Public Realm	IG2	2.442	1.064	(1.378)	0.000	(1.378)	(1.378)	0.000
EZ Phase II - HS2 Station Environment		1.210	1.085	(0.125)	(0.093)	(0.032)	(0.032)	0.000
EZ Phase II - Site Enabling		0.000	0.544	0.544	0.000	0.544	0.544	0.000
EZ Capitalised Interest	IG3	1.160	4.663	3.503	(0.295)	3.798	3.798	0.000
Jewellery Quarter Cemetery		0.520	0.461	(0.059)	0.000	(0.059)	(0.059)	0.000
Unlocking Housing Sites		3.459	3.255	(0.204)	0.000	(0.204)	0.000	(0.204)
Life Sciences		0.973	0.006	(0.967)	(0.865)	(0.102)	(0.102)	0.000
Other (Major Projects)		1.902	2.792	0.890	1.383	(0.493)	(0.585)	0.092
Property Investment/Business Growth ERDF	IG4	2.973	1.739	(1.234)	0.000	(1.234)	(1.234)	0.000
<b>Total Major Projects</b>		<b>43.086</b>	<b>30.108</b>	<b>(12.978)</b>	<b>(12.586)</b>	<b>(0.392)</b>	<b>(0.280)</b>	<b>(0.112)</b>
<b>Public Realm</b>		<b>1.279</b>	<b>0.388</b>	<b>(0.891)</b>	<b>(0.350)</b>	<b>(0.541)</b>	<b>(0.523)</b>	<b>(0.018)</b>
<b>Infrastructure</b>		<b>0.014</b>	<b>0.000</b>	<b>(0.014)</b>	<b>0.000</b>	<b>(0.014)</b>	<b>0.000</b>	<b>(0.014)</b>
<b>Grants/Loans Programme</b>		<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Minor Projects</b>		<b>0.000</b>	<b>0.399</b>	<b>0.399</b>	<b>0.000</b>	<b>0.399</b>	<b>0.000</b>	<b>0.399</b>
<b>Total Planning &amp; Development</b>		<b>45.379</b>	<b>31.895</b>	<b>(13.484)</b>	<b>(12.936)</b>	<b>(0.548)</b>	<b>(0.803)</b>	<b>0.255</b>
<b>Housing Development</b>								
In Reach	IG5	1.218	0.000	(1.218)	0.000	(1.218)	(1.218)	0.000
<b>Total Housing Development</b>		<b>1.218</b>	<b>0.000</b>	<b>(1.218)</b>	<b>0.000</b>	<b>(1.218)</b>	<b>(1.218)</b>	<b>0.000</b>
<b>Transport Connectivity</b>								
<b>Major Schemes</b>								
Ashted Circus		0.199	0.074	(0.125)	(0.049)	(0.076)	(0.076)	0.000
Metro Extension		0.100	0.239	0.139	0.050	0.089	0.089	0.000
Iron Lane		4.990	2.941	(2.049)	(1.271)	(0.778)	(0.778)	0.000
Battery Way Extension		0.322	0.082	(0.240)	0.000	(0.240)	(0.240)	0.000
Longbridge Connectivity		0.303	0.079	(0.224)	(0.153)	(0.071)	(0.071)	0.000
A457 Dudley Road		5.839	3.162	(2.677)	(2.339)	(0.338)	(0.338)	0.000
Journey Reliability		0.705	0.043	(0.662)	(0.194)	(0.468)	(0.468)	0.000
Tame Valley Phase 2 & 3		4.544	1.159	(3.385)	(3.172)	(0.213)	(0.213)	0.000
Selly Oak New Road Phase 1B		3.278	2.632	(0.646)	(0.228)	(0.418)	(0.418)	0.000
Wharfdale Bridge		2.683	0.001	(2.682)	(2.578)	(0.104)	(0.104)	0.000
Snow Hill Station		5.884	2.121	(3.763)	(3.645)	(0.118)	(0.118)	0.000
Other (Major Schemes)		3.385	0.925	(2.460)	(2.552)	0.092	0.092	0.000
<b>Total Major Schemes</b>		<b>32.232</b>	<b>13.458</b>	<b>(18.774)</b>	<b>(16.131)</b>	<b>(2.643)</b>	<b>(2.643)</b>	<b>0.000</b>
Inclusive & Sustainable Growth		13.632	1.901	(11.731)	(10.868)	(0.863)	(0.863)	0.000
Walking & Cycling		4.423	1.738	(2.685)	(1.776)	(0.909)	(0.909)	0.000

Local Measure		0.000	(0.006)	(0.006)	0.000	(0.006)	(0.006)	0.000
Infrastructure Dev		1.203	1.187	(0.016)	0.000	(0.016)	(0.016)	0.000
Air Quality & Climate	IG6	52.154	15.453	(36.701)	(31.846)	(4.855)	(4.855)	0.000
Emergency Active Travel Fund		5.585	2.005	(3.580)	(3.525)	(0.055)	(0.055)	0.000
Section 278/S106		0.016	0.297	0.281	0.008	0.273	0.273	0.000
<b>Total Transport Connectivity</b>		<b>109.245</b>	<b>36.033</b>	<b>(73.212)</b>	<b>(64.138)</b>	<b>(9.074)</b>	<b>(9.074)</b>	<b>0.000</b>
<b>Highways Infrastructure</b>								
Safer Routes to Schools		0.339	0.197	(0.142)	(0.035)	(0.107)	(0.107)	0.000
Network Integrity and Efficiency		1.794	0.789	(1.005)	(0.586)	(0.419)	(0.419)	0.000
S106 & S278 Schemes		0.125	0.006	(0.119)	(0.081)	(0.038)	(0.038)	0.000
Road Safety		0.991	0.393	(0.598)	(0.487)	(0.111)	(0.111)	0.000
Flood Management		0.712	0.043	(0.669)	(0.451)	(0.218)	(0.218)	0.000
<b>Total Highways Infrastructure</b>		<b>3.961</b>	<b>1.428</b>	<b>(2.533)</b>	<b>(1.640)</b>	<b>(0.893)</b>	<b>(0.893)</b>	<b>0.000</b>
<b>Property Services</b>								
Attwood Green Parks		0.059	0.000	(0.059)	0.000	(0.059)	(0.059)	0.000
AttwoodGreen-Holloway Head Playing Field		0.015	0.000	(0.015)	0.000	(0.015)	(0.015)	0.000
Attwood Green-Woodview Community Centre		0.089	0.000	(0.089)	0.000	(0.089)	(0.089)	0.000
Council House Major Works		0.675	0.000	(0.675)	0.000	(0.675)	(0.675)	0.000
Bham Crisis Centre-Nursery Extenson		0.001	0.001	0.000	0.000	0.000	0.000	0.000
Lee Bank Business Centre		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highbury Hall Essential Works		0.701	0.677	(0.024)	0.000	(0.024)	(0.024)	0.000
Property Strategy		62.957	0.000	(62.957)	(62.958)	0.001	0.001	0.000
Perry Barr Residential Scheme	IG7	279.987	142.748	(137.239)	(115.646)	(21.593)	(21.593)	0.000
<b>Total Property Services</b>		<b>344.484</b>	<b>143.426</b>	<b>(201.058)</b>	<b>(178.604)</b>	<b>(22.454)</b>	<b>(22.454)</b>	<b>0.000</b>
<b>Total Inclusive Growth Directorate</b>		<b>504.287</b>	<b>212.782</b>	<b>(291.505)</b>	<b>(257.318)</b>	<b>(34.187)</b>	<b>(34.442)</b>	<b>0.255</b>
<b>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</b>								
ICT & Digital	DCS1	10.580	7.658	(2.922)	(1.397)	(1.525)	(1.525)	0.000
<b>Total Digital &amp; Customer Services Directorate</b>		<b>10.580</b>	<b>7.658</b>	<b>(2.922)</b>	<b>(1.397)</b>	<b>(1.525)</b>	<b>(1.525)</b>	<b>0.000</b>
<b>FINANCE &amp; GOVERNANCE DIRECTORATE</b>								
<b>Development &amp; Commercial</b>								
Gateway/Grand Central Residual Costs		5.233	0.056	(5.177)	(5.158)	(0.019)	(0.019)	0.000
Capital Loans & Equity		1.991	2.736	0.745	0.000	0.745	(0.491)	1.236
<b>Total Development &amp; Commercial</b>		<b>7.224</b>	<b>2.792</b>	<b>(4.432)</b>	<b>(5.158)</b>	<b>0.726</b>	<b>(0.510)</b>	<b>1.236</b>
<b>Corporately Held Funds</b>								
Revenue Reform Projects	FG1	20.527	16.290	(4.237)	0.000	(4.237)	(4.237)	0.000
Corporate Capital Contingency		27.113	0.000	(27.113)	(26.613)	(0.500)	(0.500)	0.000
<b>Total Corporately Held Funds</b>		<b>47.640</b>	<b>16.290</b>	<b>(31.350)</b>	<b>(26.613)</b>	<b>(4.737)</b>	<b>(4.737)</b>	<b>0.000</b>
SAP Investments		0.492	0.462	(0.030)	(0.491)	0.461	0.000	0.461
Other		0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Finance &amp; Governance Directorate</b>		<b>55.356</b>	<b>19.544</b>	<b>(35.812)</b>	<b>(32.262)</b>	<b>(3.550)</b>	<b>(5.247)</b>	<b>1.697</b>
<b>ASSISTANT CHIEF EXECUTIVE DIRECTORATE</b>								
Community Safety & Emergency Planning		0.250	0.000	(0.250)	0.000	(0.250)	(0.250)	0.000
<b>Total Assistant Chief Executive Directorate</b>		<b>0.250</b>	<b>0.000</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	CWG1	37.134	25.325	(11.809)	(19.001)	7.192	7.192	0.000
CWG Organising Cttee	CWG2	28.445	22.441	(6.004)	(2.411)	(3.593)	(3.593)	0.000
<b>Total Commonwealth Games 2022</b>		<b>65.579</b>	<b>47.766</b>	<b>(17.813)</b>	<b>(21.412)</b>	<b>3.599</b>	<b>3.599</b>	<b>0.000</b>
<b>Total Capital Programme</b>		<b>884.168</b>	<b>501.305</b>	<b>(382.863)</b>	<b>(349.310)</b>	<b>(33.553)</b>	<b>(43.835)</b>	<b>10.282</b>



## CAPITAL OUTTURN 2020 21 - OUTTURN VARIATIONS (QUARTER 4) - COMMENTARY

### ADULT SOCIAL CARE DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
AS1	<b>Independent Living</b> - The programme of major works and adaptations to service users' homes 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 has, therefore, occurred. The service ran at a relatively normal rate towards the end of the financial year which has resulted in a reduction of £1.471m in the previously reported slippage figure. Although 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 during 2020/21 which cannot be reversed. There will be no impact on the funding of the scheme as the Disabled Facilities Grant can be utilised next year.	(3.065)	(4.536)	1.471

### EDUCATION AND SKILLS DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
ES1	<b>Devolved Capital Allocation to Schools</b> - This relates to slippage across a number of local authority maintained schools. Spend is informed by individual school decisions and schools can carry forward their allocation for up to 3 years.	(1.395)	0.000	(1.395)
ES2	<b>Basic Need Additional School Places</b> - The Skilts relocation project has progressed faster than anticipated resulting in an acceleration of £4.1m and will be handed over earlier than originally planned. The good weather over the winter period has allowed projects to progress quicker as there was no downtime on site. Turves Green Girls and Eden Girls projects were progressed quicker than anticipated resulting in an additional £2.6m and £2m acceleration respectively. It should be noted that there are no adverse financial implications and capital funding will be accelerated to match this expenditure.  The Basic Need programme is funded through a specific Department for Education grant.  The remaining reported overspend of £0.980m relates to additional capital spend in schools to be funded by Section 106 reserves and in-year revenue funding.	9.680	0.000	9.680
ES3	<b>Adult Education &amp; Youth</b> - The purchase of the freehold interest in Aston Learning Centre by South & City College has been delayed. The purchase is anticipated to be completed by the end of Quarter 1 of the new financial year.	(1.270)	0.000	(1.270)

### NEIGHBOURHOODS DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
NB1	<b>Waste Management Services</b> - Slippage across various projects in the Waste Service. Mainly in relation to the Depot Redevelopment projects at Lifford Lane and Montague Street.	(14.693)	(13.443)	(1.250)
NB2	<b>Parks &amp; Nature Conservation</b> - Slippage across various sites within the Parks Service including (£2.160)m for Grounds Maintenance vehicles. This is due to the Service wanting to embed processes before committing to purchase further specialist vehicles.	(10.262)	(7.124)	(3.138)

<b>NB3</b>	<b>HRA - Housing Improvement Programme</b> - This covers various programmes of work. There has been slippage of £3.494m mainly on the Sprinkler System Programme due to a judicial review and leaseholder issues; Door Replacement due to obtaining Q mark standard following a change in guidance post Grenfell. Accelerated spend of £7.059m has occurred mainly on the Fire Protection Programme; the Kitchen & Bathroom Programme; Structural Investments; Central Heating; Rewiring for CAT 2 work requiring immediate action following on from the Test and Inspect Programme and other minor variations. In addition there is an overspend of £2.104m mainly within the Fire Protection Programme due to revised insulation specifications regarding the age and condition of the materials; Door Entry Programme due to additional Health & Safety works; Window Replacement due to increased material costs on high rise blocks; additional Environmental works funded by the revenue Housing Liaison and Aerial Budgets and other minor underspends of (£0.062m). The net acceleration & slippage of £3.565m and overspend of £2.104m have been funded by an increased revenue contribution from the HRA.	10.363	4.694	5.669
<b>NB4</b>	<b>HRA - Redevelopment</b> - Slippage of (£5.5m) for the BMHT programme, offset by acceleration of £1.5m on a number of projects. The slippage emanates for the following reasons 1. Delays bringing forward sites because increasingly they are challenging, responding to changing legislation and policy and approvals take longer. 2. Contract signing delays - procurement has been carried out successfully through Covid/ new homeworking but getting contracts signed has taken longer because of new caution around terms and conditions caused by Covid and the impact of Brexit with people becoming more risk adverse and looking to protect themselves. 3. Work on site has progressed but slower because of distancing impacting on labour levels. 4. Delays from Utilities, Services and the Environment Agency have resulted in push back on projects with examples of 6 to 12 month delays at worst. 5. Brexit, now is impacting on start on sites because of shortages in key materials causing price hikes or becoming available. 6. The acquisitions programme suffered as people withdrew during negotiations possibly due to an uncertainty about Brexit, the impact of Covid19 impacting people's decisions and there was a lack of available properties in the target areas. Further slippage of (£1.3m) for the Clearance Programme due to rehousing delays; Delays due to Covid 19 on property acquisitions and Baverstock Academy; Tender delays at Alfred / Beach Road; delay in final accounts at Heath House and various other minor schemes.	(13.182)	(7.824)	(5.358)
<b>NB5</b>	<b>Mortuary / Coroners</b> - Accelerated spend of £1.280m due to refurbishment and internal works at the Coroners Court accelerating in the last quarter. A revised FBC has been approved and additional £400k added to the 21/22 budget	(1.030)	(2.119)	1.089

#### INCLUSIVE GROWTH DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
<b>IG1</b>	<b>Enterprise Zone - Paradise Circus</b> - Slippage due to work being pushed back to be delivered later in the period to ensure safe work areas for the steel workers and block work to commence after March 2021.	(13.942)	(12.815)	(1.127)
<b>IG2</b>	<b>Enterprise Zone - Southside Public Realm</b> - Slippage due to complexities and issues associated with completion of works procurement exercise. This delayed the FBC's completion/decisions resulting in delay to contract award and start date of the works. The contract is due to be signed in May 2021.	(1.378)	0.000	(1.378)
<b>IG3</b>	<b>Enterprise Zone - Capitalised Interest</b> - Interest on Enterprise Zone borrowing is capitalised during the asset construction period, and is dependant on the level of works carried out to date. 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.	3.503	(0.295)	3.798
<b>IG4</b>	<b>Property Investment / Business Growth ERDF</b> - Slippage of £(1.234)m - Both schemes have now been extended to 2023 following Cabinet approval in April 2020 & slippage is due to the investment plan being affected by Covid 19.	(1.234)	0.000	(1.234)
<b>IG5</b>	<b>Housing Development - InReach</b> - Equity investment into InReach to facilitate further developments has slipped pending internal approvals. This report seeks approval for this equity investment.	(1.218)	0.000	(1.218)
<b>IG6</b>	<b>Air Quality &amp; Climate</b> - the majority of the further slippage (£3.356m) relates to the delivery of the Clean Air Zone (CAZ) infrastructure, road signage and IT to support cameras which will occur in the new financial year. Works are progressing and will complete prior to the go-live date of 1st June 2021. The remaining slippage of £1.499m relates to minor variations across a number of projects.	(36.701)	(31.846)	(4.855)

<b>IG7</b>	<b>Perry Barr Residential Scheme</b> - The greater slippage from Q3 projection is due to delays in expenditure in relation to the relocation of the NX bus depot (£8.9m) dependent on receipt of claims from NX. A34 Highways works expenditure was lower than anticipated at year-end (£6.0m) as activities were reshuffled to reflect COVID restrictions, but completion timescales remain unchanged. Other slippage includes land assembly (£2.1m) due to protracted negotiations with existing owners and the consequential impacts on professional fees and capitalised interest charges (£2.2m).	(137.239)	(115.646)	(21.593)
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#### DIGITAL & CUSTOMER SERVICES DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
<b>DCS1</b>	<b>ICT &amp; Digital</b> - Netfurther slippage of (£1.525m) due mainly to the effects of Covid (£0.881m) on the Brum Account, Insight and Corporate Voice Telephony Schemes. Slippage of (£0.584m) on the Application Platform Modernisation scheme is accounted for due to the migration out of the data centre, requiring less hardware initially (both legacy and new hardware) to support the exit at this stage. It is expected that this budget will be utilised in the next financial year to support the final configuration of the new data centres along with the exit of the existing 3 Capita data centres. This position is being constantly reviewed based on real world utilisation of the new infrastructure following go live and in line with 'the final hardware order' in the project schedule.	(2.922)	(1.397)	(1.525)

#### FINANCE & GOVERNANCE DIRECTORATE

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
<b>FG1</b>	<b>Revenue Reform Projects</b> - Minor slippages ave occurred across a number of the transformational schemes. These will continue into the next financial year along with the capital receipts funding	(4.237)	0.000	(4.237)

#### COMMONWEALTH GAMES 2022

Ref	Major capital variations and associated key issues	2020/21		
		Reported Quarter 4 £m	Reported Quarter 3 £m	Movement Since Quarter 3 £m
<b>CWG1</b>	<b>Alexander Stadium</b> - The reduced slippage between Q3 and Outturn is due to better than anticipated progress being made on site in relation to steelworks and concrete pouring despite ongoing COVID restrictions.	(11.809)	(19.001)	7.192
<b>CWG2</b>	<b>Organising Committee</b> - the increased slippage is due to the budgeted contingency of £4.972m not being utilised in 2020/21. This will be carried over to future years as delivery of key projects continues. This slippage has been offset by accelerated capital expenditure by WM Police / Organising Committee within the overall multi-year funding envelope. This expenditure is not directly controllable by the Council, but managed within overall CWG cash limits.	(6.004)	(2.411)	(3.593)

**Annex C Treasury Management****TREASURY MANAGEMENT ANNUAL REPORT****1. Outline**

This report reviews the results of the full financial year as well as providing quarter 4 monitoring information in line with normal quarterly management reporting. The most significant elements of treasury management activity during 2020/21 were:

- At 31st March 2021, the Council's total loan debt net of treasury investments stood at £3,162.3m, compared to net loan debt of £2,998.3m as at 31st March 2020.
- The Council's treasury investments held at 31st March 2021 were £193.6m. This was higher than originally planned due to receipt of COVID grants in advance from the Government. The Council also held investments of £93.6m as accountable body.
- The Council did not breach any of its prudential limits set under the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance.
- Treasury management costs totalled £255.5m gross, and £131.4m after recharges to other services. This was £0.1m below the budget of £131.5m.



**2. Background**

- 2.1 The Council, like all local authorities, is permitted by government to finance capital investment and day to day cash flows from borrowing, in accordance with the prudential borrowing system. The Council's net loan debt at 31st March 2021 stood at £3,162.3m (excluding accountable body investments). This report reviews how the debt and associated investments were managed during the financial year 2020/21.
- 2.2 The Council has adopted CIPFA's Code of Practice for Treasury Management in the Public Services which includes the requirement to present a treasury management annual report.
- 2.3 Loans and investments are shown at nominal value unless otherwise indicated, consistent with budget and monitoring reports and the Prudential Indicators. The basis of accounting in the Financial Accounts is different in some cases where required by proper accounting practices.

**3. The objective of treasury management**

- 3.1 CIPFA defines the objective of Treasury Management as "the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks". In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise return. This requires a balance to be struck when borrowing, between:
- The security offered by long term fixed rate funding
  - The expected cost of short term and variable rate funding, compared with long term funding
- 3.2 When investing surplus funds, the emphasis should be on the security of capital invested rather than maximising the rate of return.

**4. Financial markets during 2020/21**

- 4.1 The financial year to March 2021 was dominated by the spread of the coronavirus pandemic, as the world tried to manage the balancing act of containing the transmission of the virus through lockdown measures and keeping the economy going through unprecedented government stimulus measures.

- 4.2 UK economic growth fell sharply by 19.8% in the first quarter before rebounding in the next 2 quarters; the final quarter of 2020/21 is expected to show a decline due to the national lockdown. The Bank of England maintained Bank Rate at 0.1% throughout the year but raised the possibility of using negative rates should the economic position deteriorate. However, the approval of COVID vaccines in the UK and their subsequent rollout, and the last minute Brexit trade deal agreed by the 31 December 2020 deadline, mean that the economic outlook has improved.
- 4.3 The US economy rebounded by 33.4% in the second quarter of 2020/21 with the recovery driven by major government stimulus packages totalling over \$5 trillion. This includes the \$1.9 trillion stimulus package signed off by new president Joe Biden who replaced Donald Trump following US elections in January 2021. The European Union also continued their stimulus policies with the base rate maintained at 0% and the asset purchase scheme increased to €1.85 trillion and extended to March 2022.
- 4.4 The global monetary and fiscal stimulus measures have helped to support equity markets as they recovered following the initial decline in the first quarter of 2020/21. Treasury yields in the US and the UK remained low until the improved economic outlook in the final quarter caused government bonds to sell off and yields to rise sharply, on expectations for higher inflation.
- 4.5 Credit Risk Default Swaps (CDS) for banks, an indicator of credit risk, recovered to pre-pandemic levels following their sharp rise at the start of 2020/21. However, the ratings agency Moody's downgraded the UK sovereign credit rating which impacted the credit outlook for local government and other UK institutions.
- 4.6 An element of credit risk remains for UK financial institutions as they continue to recover from the economic slowdown; the Council has kept its investment counterparty list under constant review, supported by the advice it received from its treasury management advisor, Arlingclose. Risks to the Council's investments were relatively low as it invests in mainly liquid AAA rated money market funds.

## **5. Treasury strategy and activities during the year**

- 5.1 The Council's treasury management strategy for 2020/21, included as part of the Financial Plan 2020-24, was approved by City Council on 25 February 2020.
- 5.2 The Council's actual net loan debt at 31st March 2021 was £3,162.3m compared to the expected net loan debt at the time of the Original Budget in February 2020 of £3,791.8m. Actual net loan debt was lower due to slippage in capital expenditure and the receipt of COVID support grants during the year. This meant that additional long term loans taken during the year only amounted to £65m compared to the planned assumption of £415m. The planned long term borrowing included 1-3 year loans to fund the advanced pension payment in April 2021; £156m of these loans were actually taken towards the end of 2019/20.

5.3 The treasury strategy implemented in the year:

- Maintained a balanced strategy which enabled the Council to benefit from low short term interest rates, by maintaining a significant short term and variable rate loan portfolio.
- Acknowledged the risk that maintaining a significant short term and variable rate loan debt may result in increasing borrowing costs in the longer term, but balanced this against the savings arising from cheaper variable rates in the short term.
- Reviewed treasury management activity in the context of the Council's current financial position together with the outlook for interest rates.
- Continuously reviewed the advantages and disadvantages of different sources of borrowing.
- Opportunities to improve risk management or make savings by prematurely repaying loans were kept under review.

5.4 The Council's Treasury Strategy in recent years has sought to maintain a significant exposure to short-term and variable-rate borrowing in order to take advantage of cheaper short-term rates at around bank base rate. Variable short term borrowing was £377.3m at 31st March 2021 (see Table 7.1). This was borrowed at an average rate of 0.35%. By borrowing short term rather than more expensive long term fixed rate loans, savings were generated, but at the risk that interest rates may subsequently rise.

5.5 The short term debt portfolio size remained below the £600m indicated in the Treasury Management Strategy, as the Council's borrowing needs during the year were lower than forecast. The majority of the Council's borrowing needs during the year were still met from short term borrowing, helping to minimise its interest costs.

5.6 Local authorities continue to use the Public Works Loan Board (PWLB), a lending facility operated on behalf of HM Treasury, for their long term borrowing needs. The significance of the PWLB as a lender increased in November 2020 as they reduced their loan margins above gilt yields from 1.8% to 0.8%, making market alternatives less competitive. Changes to their lending terms also meant PWLB loans would only be made available to local authorities who have confirmed they are not planning to purchase investment assets primarily for yield, in the current and next two financial years.

5.7 During the year, the Council had explored market alternatives for long term borrowing, in particular a private placement from private debt capital markets. However, this was put on hold when the PWLB changed its lending terms to more preferential rates. The Council confirmed to HM Treasury that it does not currently hold or intend to hold investment assets primarily for yield; in March 2021 the Council secured a £30m PWLB loan at an interest rate of 1.95%.

- 5.8 Appendix 1 shows PWLB rates throughout the year, including the sharp reduction in November 2020. Although PWLB rates started to increase again from January 2021, on the back of rising gilt yields (see paragraph 4.4), they remained lower than rates before the change in lending terms.
- 5.9 HRA loan debt is accounted for separately in accordance with the two pool debt system, which the Council introduced following the reform of Housing Subsidy. During 2020/21, the level of HRA loan debt has decreased from £1,067.8m, to £1,067.1m, taking account new capital investment and HRA debt repayment provision (or MRP) in the year. No long term loans were taken for the HRA during the year in order to maintain prudent exposure for the HRA to cheaper short term interest rates. Short term borrowing represented 13% of the total HRA loan debt in 2020/21 (was 12% in 2019/20).

## **6 Investment management**

- 6.1 Treasury Investments are made in accordance with the creditworthiness criteria in the Treasury Management Policy and are also reported to Cabinet as part of the quarterly capital monitoring reports in line with the liquidity management objective for investments. Under the current treasury strategy, a working balance of around £40m short term investments is targeted in order to provide liquidity to meet cash flow fluctuations.
- 6.2 Due to the coronavirus pandemic, councils experienced increased uncertainty over their cashflows during 2020/21. Central Government provided significant grants to the Council as it looked to use local authorities to coordinate the support required by the local population in dealing with the financial impact of the pandemic. As a result, the Council held liquid cash balances that far exceeded the guidance of £40m throughout the year. As at 31 March 2021, the Council's treasury investments held were £193.6m.
- 6.3 Lending has continued to be limited to short periods of less than a year; the higher cash balances remained very liquid as they consisted mainly of COVID support grants for distribution. The Council retained lending to the institutions within the Treasury Management Policy's criteria. A range of information has been used to assess investment risk, in addition to credit ratings. Regular meetings are held to review outstanding investments and criteria for new investments in the light of developments in market conditions.
- 6.4 Towards the end of December 2020, there had been concerns of temporary disruptions to the international payments system as a result of the UK's exit from the EU, with or without a trade agreement. This could have delayed redemptions from the Council's predominately EU domiciled Money Market Funds (MMFs), and the payments the Council was required to make. As a precaution, the Chief Finance Officer agreed to temporarily increase investment limits and increase cash balances in the Council's UK domiciled MMFs and also put short term deposits with the Government's Debt Management Account Deposit Facility (DMADF), so any disruptions would not affect its payments. The temporary increase to UK domiciled MMFs were removed in January 2021, as the risk for

any disruptions subsided. None of the Council's treasury investments has defaulted.

6.5 Actual investments are reported quarterly to Cabinet as part of accountability for decisions made under treasury management delegations. Appendix 3.1 lists all investments made during Quarter 4 of 2020/21 for the Council.

6.6 Investments outstanding at 31st March 2021 are summarised as follows.

<b>Period Outstanding</b>	<b>Value Invested £m</b>	<b>Weighted Average Interest Rate %</b>
Instant Access	193.6	0.02%
Fixed Overnight	0	0.00%
Up to 3 months	0	0.00%
3 to 6 months	0	0.00%
<b>Total</b>	<b>193.6</b>	<b>0.02%</b>

6.7 The Council also continues to manage substantial funds as Accountable Body for an increasing number of Government programmes: they include the Growing Places Fund, the Regional Growth Fund and the Local Growth Fund, amongst others. These funds are managed by the Council but are not the Council's own money. The unspent balance of the funds at 31st March 2021 was £93.6m as set out in Appendix 3.2.

6.8 Accountable Body funds are invested in accordance with the Accountable Body agreements in very low-risk deposits such as the Government's DMADF and Government MMFs. Towards the end of 2020, the Government MMFs started yielding negative rates as they primarily invested in short term government securities. Although credit risk associated with Government Funds remained very low, the negative yields meant the Accountable Body balances invested with them would start to erode. As a result these balances were moved to the DMADF.

## **7 Debt profile**

7.1 Long term borrowing is taken at a range of maturities to ensure that debt maturing in any year does not generally exceed 10% of total external debt, and that short-term/variable rate debt does not exceed the limit of 30% set in the Council's prudential indicators (full maturity profile at Appendix 4). This ensures that the Council is not overly exposed to the risk of high refinancing costs in any year. The following table summarises how the maturity profile of the Council's debt changed within the year.

Debt Profile (General Fund and HRA combined)	31.03.20	31.03.21
	£m	£m
Fixed rate over 40 years	140.0	140.0
Fixed rate 20 to 40 years	1,311.2	1,311.2
Fixed rate 10 to 20 years	900.9	934.2
Fixed rate 5 to 10 years	314.0	314.4
Fixed rate 1 to 5 years	246.5	241.3
Fixed < 1 year (note 1)	40.2	37.5
Variable and short term	292.1	377.3
Gross Debt	3,244.9	3,355.9
Investments < 1 year	(246.6)	(193.6)
Net Debt	2,998.3	3,162.3

*Note: LOBO loans shown at final maturity*

- 7.2 The average interest rate paid on all the Council's debt in 2020/21 was 4.15%, a reduction on the average rate of 4.40% paid in 2019/20. This includes the cost of historic debt taken when fixed interest rates were higher.
- 7.3 The above maturity profile assumes that Lender's Option Borrower's Option (LOBO) loans are repaid at their final maturity date. A full maturity profile at 31st March 2021 compared to 31st March 2020 is given in Appendix 4.
- 7.4 At 31st March 2021 the debt portfolio included £71.1m LOBOs, less than 3% of the total portfolio. No LOBO loans have had their options called by the lenders since the arrangements were entered into. Given the current and forecast low interest rate environment it is considered to be a low risk that this will take place in the foreseeable future. The Council continues to look for opportunities to repay its LOBO loans early but only if it is financially advantageous to do so.

## **8 Revenue cost of borrowing**

- 8.1 The actual net cost of borrowing to corporate treasury budgets was £131.4m. This is £0.1m below the budget and the Treasury Management outturn for 2020/21 is summarised in the following table:

	Budget £m	Actual £m	Variation £m
Gross interest payable	130.9	129.3	(1.6)
Interest receivable	(0.4)	(0.4)	0.0
Revenue charge for debt repayment	129.3	129.3	0.0
Other Costs	(1.7)	(2.7)	(1.0)
<b>Total Treasury Management Budget</b>	<b>258.1</b>	<b>255.5</b>	<b>(2.6)</b>
<i>Less recharges to:</i>			
HRA	(57.8)	(57.8)	0.0
Other Services	(68.8)	(66.3)	2.5
<b>Net Corporate Treasury</b>	<b>131.5</b>	<b>131.4</b>	<b>(0.1)</b>

## 9 Prudential Indicators

- 9.1 The Council is required under the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities to set various prudential indicators and limits covering capital finance and treasury management. The outturn position against the Council's approved prudential indicators is attached at Appendix 5. The Council did not breach any of its prudential limits set under the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance.

## 10 Risk management and performance

- 10.1 Risk management is at the centre of treasury performance and monitoring. The Council has adopted the CIPFA Treasury Management Code's policy recommendation that "the successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of its treasury management activities will be measured."
- 10.2 There is no single quantitative measure which summarises the management of the different types of treasury risk and their financial impact. Key reporting and review processes include:
- Quarterly monitoring reports to Cabinet provide an overview of key treasury decisions and indicators.
  - The adequacy of risk control arrangements are tested regularly by internal and external audit.
  - The Council's Treasury Management Policy and Strategy sets out policies, limits and strategies for managing treasury risks, which have been reviewed throughout this report.

Headline indicators include:

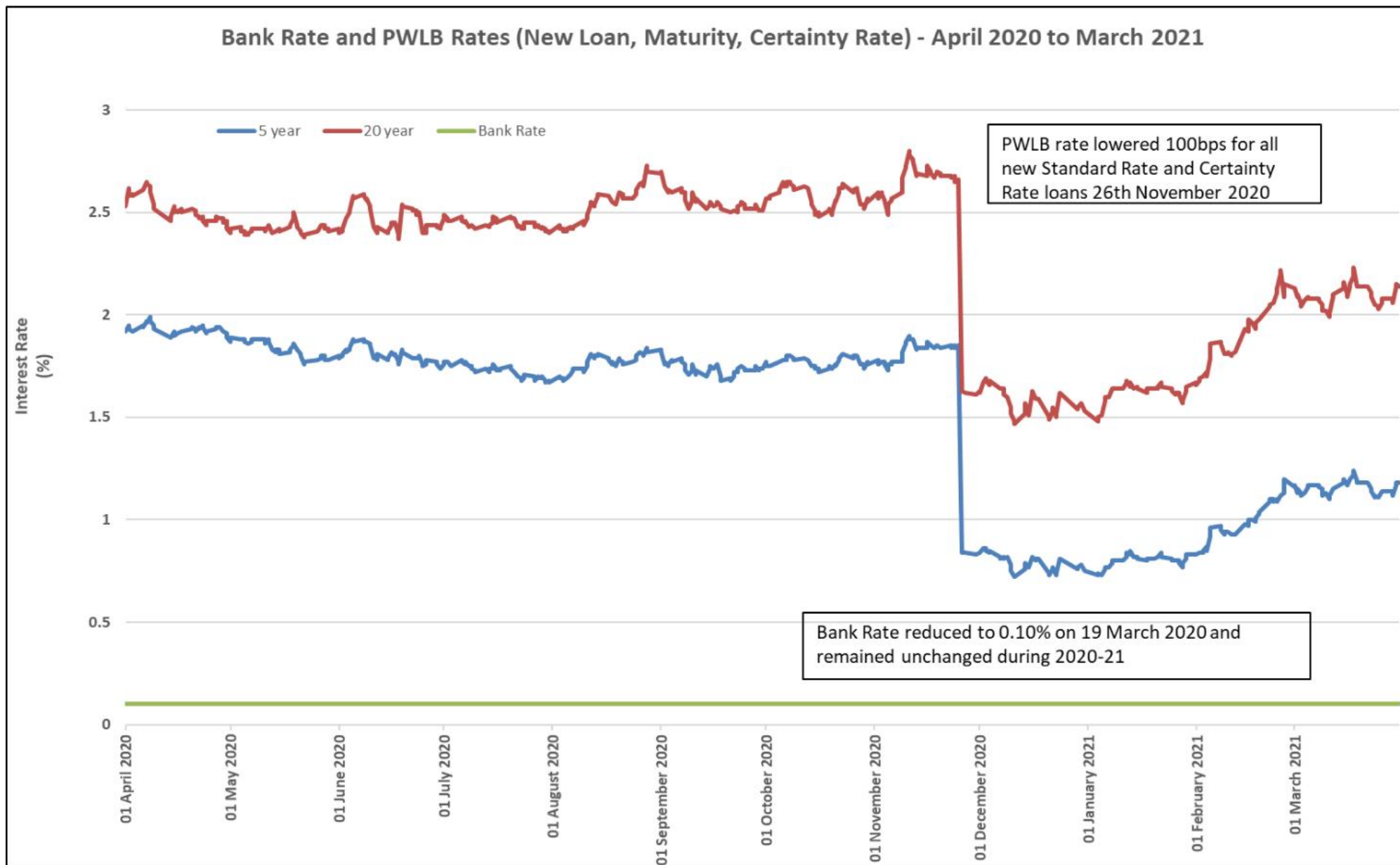
Has the Council complied with the CIPFA Treasury Management Code?	YES
Were the Council's lending criteria complied with during the year?	YES
Were treasury investment defaults avoided in the year?	YES

Were the Council's treasury prudential limits complied with?	YES
Were revenue costs kept within budget?	YES

## 11 Decisions taken under treasury management delegations

- 11.1 Each quarter, decisions taken by the Chief Finance Officer and the treasury management team are reported to Cabinet as part of Capital and treasury monitoring. Long term borrowing decisions during Quarter 4 are included in Appendix 2, and investment activity during Quarter 4 is reported at Appendix 3 below.





## Appendix 2

**1st April 2020 - 31st March 2021****New Long Term Loans taken out during the year.**

<b>Date of loan</b>	<b>Loan</b>	<b>Counter Party</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
20 April 2020	£20m	Cornwall Council	1.70%	20 April 2022
24 April 2020	£5m	Lancashire Combined Fire Authority	1.45%	25 April 2022
24 April 2020	£10m	London Borough of Barking & Dag	1.70%	22 April 2022
05 March 2020	£30m	PWLB	1.95%	05 March 2037

**New Long Terms Loans to fund LOBO refinancing.**

<b>Date of loan</b>	<b>Loan</b>	<b>Counter Party</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
None				

**Long Term Loans prematurely repaid during the year.**

<b>Date of repayment</b>	<b>Loan/ (Repayment)</b>	<b>Counter Party</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Premia/ (Discounts)</b>
None					

## Appendix 3.1

Treasury Management Investment Details  
1st January 2021 to 31st March 2021

## Investments - Fixed Term Deposits

Date Out	Date In	Borrower	Amount £	Interest Rate
08/01/2021	15/01/2021	DMO DMADF	25,000,000	0.01%
12/01/2021	20/01/2021	DMO DMADF	22,000,000	0.01%
15/01/2021	22/01/2021	DMO DMADF	170,000,000	0.03%
22/01/2021	29/01/2021	DMO DMADF	110,000,000	0.03%
25/01/2021	01/02/2021	DMO DMADF	25,000,000	0.01%
26/01/2021	02/02/2021	DMO DMADF	15,000,000	0.01%
28/01/2021	26/02/2021	London Borough of Barking & Dagenham	5,000,000	0.02%
29/01/2021	05/02/2021	DMO DMADF	23,000,000	0.01%
01/02/2021	08/02/2021	DMO DMADF	6,000,000	0.01%
02/02/2021	09/02/2021	DMO DMADF	30,000,000	0.01%
08/02/2021	08/03/2021	Woking Borough Council	10,000,000	0.01%
09/02/2021	09/03/2021	London Borough of Barking & Dagenham	5,000,000	0.01%
22/02/2021	15/03/2021	Leeds City Council	5,000,000	0.01%
16/02/2021	16/03/2021	Calderdale MBC	1,500,000	0.02%
19/02/2021	19/03/2021	Wrexham County Borough Council	5,000,000	0.02%
18/02/2021	24/03/2021	Glasgow City Council	10,000,000	0.02%

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

## Investments - Call Account

	<u>No of Transactions</u>		<u>Average</u>	<u>Average</u>
	<u>Investments</u>	<u>Withdrawals</u>	<u>Balance £</u>	<u>Rate Earned</u>
Barclays Bank PLC FIBCA A/C	3	3	4,977,778	0.00%
HSBC	1	1	11,374,438	0.00%

## Investments - Money Market Funds

	<u>No of Transactions</u>		<u>Average</u>	<u>Average</u>
	<u>Investments</u>	<u>Withdrawals</u>	<u>Balance £</u>	<u>Rate Earned</u>
Aberdeen Standard Liquidity Fund	16	15	25,044,444	0.01%
Aviva Money Market Fund	9	8	11,600,000	0.01%
CCLA MMF*	2	6	47,633,333	0.04%
Deutsche Money Market Fund	14	15	26,377,778	0.01%
Federated Money Market Fund*	4	9	45,611,111	0.01%
JPMorgan Sterling Liquidity Fund	5	9	8,911,111	0.00%
LGIM Sterling Liquidity Fund	3	7	1,700,000	0.00%

\* Balances exceeded limits set in the Treasury Management Policy due to the temporary Brexit risks strategy applied - see paragraph 6.4 in the main body of the report.

Note

This appendix reports on the exercise of investment delegations to the Chief Finance Officer in the last quarter of the financial year. Investment activity in previous quarters has been reported in the relevant quarterly Capital & Treasury Monitoring to Cabinet.

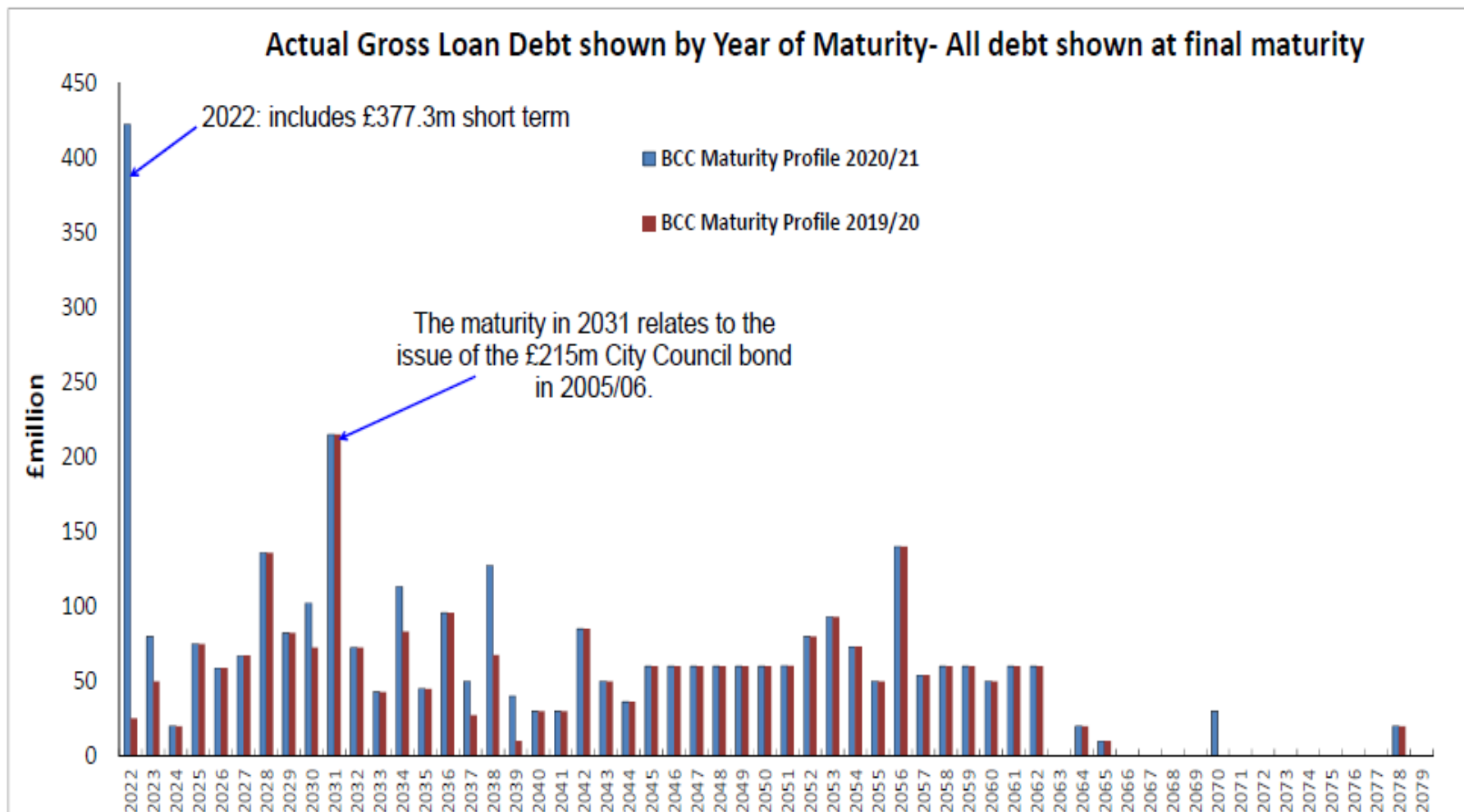
## Appendix 3.2

Accountable Body Investments - 31st March 2021

	Advanced Manufacturing Supply Chain Initiative (AMSCI)	Growing Places Fund (GPF)	Local Growth Fund 3 (LGF3)	LOGRO Fund	National Manufacturing Competitiveness Levels (NMCL)	Regional Growth Fund (RGF)	Total
	£000	£000	£000	£000	£000	£000	£000
BlackRock Money Market Fund				11,448			11,448
Morgan Stanley Money Market Fund	25,114	7,716		452	76	5,698	39,056
<b>Total Money Market Funds</b>	<b>25,114</b>	<b>7,716</b>	<b>0</b>	<b>11,900</b>	<b>76</b>	<b>5,698</b>	<b>50,504</b>
Debt Management Office	15,016	71	665	17,035	906	9,399	43,091
<b>Total Accountable Body investments</b>	<b>40,130</b>	<b>7,788</b>	<b>665</b>	<b>28,935</b>	<b>981</b>	<b>15,096</b>	<b>93,595</b>

**Note**

This appendix shows amount invested externally by The Council as Accountable Body.  
These are separate from The Council's own investments.



## Appendix 5A

*This appendix provides monitoring against the Council's approved Prudential Indicators*

**DEBT AND PRUDENTIAL INDICATORS****WHOLE COUNCIL**

20/21 Indicators £m	20/21 Outturn £m
---------------------------	------------------------

**Capital Finance**

1 Capital Expenditure - Capital Programme	710.1	501.3
2 Capital Expenditure - other long term liabilities	38.2	38.3
3 Capital expenditure	748.3	539.6
4 Capital Financing Requirement (CFR)	4,839.3	4,559.9

**Planned Debt**

5 Peak loan debt in year	3,849.9	3,573.5
6 + Other long term liabilities (peak in year)	415.5	416.8
7 = Peak debt in year	4,265.4	3,990.3
8 does peak debt exceed year 3 CFR?	no	no

**Prudential limit for debt**

9 Gross loan debt	4,084.5	3,573.5
10 + other long term liabilities	415.5	416.8
11 = Total debt	4,500.0	3,990.3

**Notes**

- 1 There is a net increase in forecast capital expenditure due mainly to slippage from previous years.
- 4 The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.
- 5-7 These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.
- 8 It would be a cause for concern if the 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.

## Appendix 5B

## DEBT AND PRUDENTIAL INDICATORS

HOUSING REVENUE ACCOUNT		20/21 Indicators £m	20/21 Outturn £m
<b>Capital Finance</b>			
1	Capital expenditure	125.8	106.1
<b>HRA Debt</b>			
2	Capital Financing Requirement (CFR)	1,097.1	1,067.1
<b>Affordability</b>			
3	HRA financing costs	97.2	100.4
4	HRA revenues	279.9	276.9
5	HRA financing costs as % of revenues	34.7%	36.3%
6	HRA debt : revenues	3.9	3.9
7	Forecast Housing debt per dwelling	£18,423	£17,894

**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.

## Appendix 5C

**DEBT AND PRUDENTIAL INDICATORS**

<b>GENERAL FUND</b>		<b>20/21</b>	<b>20/21</b>
		<b>Indicators</b>	<b>Outturn</b>
		<b>£m</b>	<b>£m</b>
<b>Capital Finance</b>			
1	Capital expenditure (including other long term liabilities)	622.5	433.4
2	Capital Financing Requirement (CFR)	3,742.2	3,492.8
<b>General Fund debt</b>			
3	Peak loan debt in year	2,752.8	2,506.4
4	+ Other long term liabilities (peak in year)	415.5	416.8
5	= Peak General Fund debt in year	3,168.3	2,923.2
<b>General Fund Affordability</b>			
6	Total General Fund financing costs	255.6	252.7
7	General Fund net revenues	852.9	852.9
8	General Fund financing costs (% of net revenues)	30.0%	29.6%

**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.



## Appendix 5D

## PRUDENTIAL INDICATORS

## TREASURY MANAGEMENT

	20/21 Indicators	20/21 Outturn
1 General Fund impact of an unbudgeted 1% rise in interest rates	£3.8m	£0.8m
2 Variable rate exposures vs upper limit 30%		13%
<b>Maturity structure of borrowing</b> (lower limit and upper limit)	<b>Limit</b>	<b>Forecast Year End</b>
3 under 12 months	0% to 30%	13%
4 12 months to within 24 months	0% to 30%	2%
5 24 months to within 5 years	0% to 30%	5%
6 5 years to within 10 years	0% to 30%	18%
7 10 years to within 20 years	5% to 40%	19%
8 20 years to within 40 years	10% to 60%	39%
9 40 years and above	0% to 40%	4%
<b>Investments longer than 364 days</b> upper limit on amounts maturing in:	<b>Limit</b>	<b>Outturn</b>
10 1-2 years	400	0
11 2-3 years	100	0
12 3-5 years	100	0
13 later	0	0

**Note**

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

**Annex D Housing Revenue Account (HRA)**

	<b>Current Budget £m</b>	<b>Outturn £m</b>	<b>Outturn Variation Over / (Under) spend</b>	<b>Movement from Quarter 3 Variation</b>
Rent Income	(253.793)	(253.294)	0.499	0.299
Service Charges	(14.406)	(14.383)	0.023	0.023
Other Income	(11.698)	(11.966)	(0.268)	(0.168)
<b>Total Income</b>	<b>(279.898)</b>	<b>(279.643)</b>	<b>0.254</b>	<b>0.154</b>
Repairs	65.023	61.199	(3.824)	(2.524)
Estate Services	19.777	17.096	(2.681)	(1.381)
General Management	68.332	59.714	(8.618)	(5.218)
Bad Debt Provision	5.616	4.645	(0.971)	(5.771)
Capital Financing	66.403	58.330	(8.072)	(3.378)
Capital Programme Funding	54.747	75.948	21.201	16.801
<b>Total Expenditure</b>	<b>279.898</b>	<b>276.933</b>	<b>(2.965)</b>	<b>(1.471)</b>
<b>Net Surplus</b>	<b>0.000</b>	<b>(2.711)</b>	<b>(2.711)</b>	<b>(1.317)</b>

**Overall Position**

The overall net surplus on the HRA at outturn is (£2.7m), an additional £1.3m on what was reported at Quarter 3. This surplus will be added to the current revenue reserve of £8.5m, which will mean that the HRA revenue reserve will increase to £11.2m. Due to increased favourable variances across the HRA there is an additional £16.8m of revenue funding of the capital programme. As a result, new borrowing on the capital programme in 2020/21 is £7.0m, a reduction of £8.3m on the budget.

The main reasons for the change since Quarter 3 are:

- A change of £5.8m on the bad debt provision compared to cautious rent collection projections throughout the year, given the challenging circumstances. The better performance is due to the extension of furlough, extension of the Universal Credit additional payment to tenants and the level of DWP payments applied for and received.
- Net savings of £2.5m on Repairs due to a technical adjustment on the pension provision (£1.3m); continued improvement on void dwellings resulting in savings on void repairs (£1.0m) and council tax (£0.7m); various other minor savings (£0.1m); offset by additional costs incurred on Lift and Legionella repairs managed by Acivico, £0.6m.
- Savings of £1.4m on Estates due to lower than anticipated premises costs (£1.1m), including utility costs and cleaning, on Sheltered Housing, High-Rise and Low-Rise flats; savings on caretaker transport and refuse costs (£0.2m); and various other minor savings (£0.1m)

- Savings of £5.2m on General Management due to lower than anticipated recharges (£2.7m), including Rent Team, Birmingham Property Services and ICT charges; further savings on employee costs (£0.9m) due to vacancies and turnover, and savings on pension costs; savings on office costs (£1.0m); savings on transport costs (£0.3m); and various other minor savings (£0.3m).
- Savings of £3.4m on Capital Financing Costs mainly due a reduction in the anticipated level of debt as a result of delay in appropriations into the HRA (appropriations in 2020/21 only £3.1m), and a reduction in new borrowing (new borrowing £7.0m) due to increased revenue contributions. The outstanding debt on the HRA at 31<sup>st</sup> March 2021 is £1,067.1m.
- An increase on Capital Funding expenditure of £16.8m as a result of savings elsewhere on the HRA being used to fund the programme.

**Covid-19**

The cost of Covid-19 on the HRA in 2020/21 was £2.7m. This was mainly due to an increase in HRA current arrears provision, £1.7m, and an increase in the bad debt provision on HRA commercial assets, £0.7m. These costs were due to the economic impacts of Covid-19 on tenants. In addition, there have been other costs incurred, £0.3m on items such as additional cleaning of communal areas and offices; and the purchase of protective equipment. Due to the HRA ring-fence, these additional costs have been funded from savings within the overall HRA.

**ANNEX E COLLECTION FUND OUTTURN – 2020/21****1. Background**

1.1. The Council is required to establish and maintain a Collection Fund under the Local Government Finance Acts 1988 and 1992. The Fund accounts for the collection of Council Tax and Business Rates or National Non-Domestic Rates (NNDR) and the distribution of sums received to relevant authorities. These amounts are kept separate from the main activities of the Council which are accounted for in the General Fund. Transfers from the Collection Fund to the General Fund are made at a planned level and, therefore, if the actual position is better or worse than planned leading to a greater surplus/deficit than previously forecast, this will be rolled forward to be taken into account in the next budget setting round, which will be 2022/23 in this instance.

**2. Council Tax***2.1. Council Tax Summary*

The Collection Fund position for 2020/21 applicable to the Council Tax element of the Fund is summarised below:

<b>Table 1</b>	<b>£m</b>	<b>£m</b>
Income:		
Council Tax Income due in 2020/21	(431.523)	
Contribution to Bad Debt Provision	27.278	
Government funding of Council Tax Support	(8.301)	
<b>Total Income</b>		(412.546)
Budgeted Precepts 2020/21		
Birmingham City Council	365.669	
New Frankley in Birmingham Parish	0.041	
Sutton Coldfield Town Council	1.854	
West Midlands Police & Crime Commissioner	41.394	
West Midlands Fire and Rescue Authority	15.739	
<b>Total Expenditure</b>		424.697
<b>2020/21 In Year (Surplus)/Deficit</b>		<b>12.151</b>
<b>2019/20 Deficit b/fwd</b>		<b>3.129</b>
<b>Cumulative Council Tax (Surplus)/Deficit c/fwd</b>		<b>15.279</b>

2.2. The actual in-year deficit on the Council Tax element of the Collection Fund for 2020/21 was £12.2m. The cumulative balance brought forward from 2019/20 amounted to a

deficit of £3.1m, giving a closing cumulative deficit at the end of 2020/21 of £15.3m. This is after applying £8.3m of Government funding for Council Tax Support.

- 2.3. An £8.4m cumulative deficit was forecast when setting the 2021/22 budget. The final cumulative deficit is £6.8m lower/higher, resulting in a surplus/deficit of £6.8m to be carried forward into future years. The make-up of this is summarised in table 2:

<b>Table 2</b>					<b>£m</b>	<b>£m</b>
<b>Forecast Cumulative Deficit position for 2020/21 Budget Setting</b>						<b>8.437</b>
Reduction in Growth					1.653	
Changes to Exemptions and Discounts					(1.069)	
Decrease in Council Tax Support (CTS)					(2.765)	
Offset by reduction in use of funding from Government					1.699	
Prior Year Adjustments, mainly change in Bad Debt Provision					7.194	
Other					0.130	
						6.842
<b>Cumulative Council Tax (Surplus)/ Deficit c/fwd</b>						<b>15.279</b>

- 2.4. The Council's share of the deficit is £13.2m, which compares to a deficit of £7.3m anticipated when the Council Tax for 2021/22 was set. This **deficit** will be taken into account when setting the budget for 2022/23. The allocation of the total accumulated surplus, from Council Tax at 31 March 2021 is outlined in Table 3:

<b>Table 3</b>	<b>Forecast (Surplus) /Deficit</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council	7.302	13.223	5.921
Police & Crime Commissioner	0.822	1.489	0.667
Fire & Rescue Authority	0.313	0.567	0.254
<b>Total Surplus</b>	<b>8.437</b>	<b>15.279</b>	<b>6.842</b>

### 2.5. Council Tax Arrears

A summary of the Council Tax Arrears position for the end of 2020/21 is shown in Table 4.

<b>Table 4</b>	<b>Prior Years</b>	<b>2020/21</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Balance b/f prior years	110.731		110.731
Due in year		431.523	431.523
Collected	(15.484)	(388.294)	(403.778)
Amounts Written Off	(2.299)	(0.007)	(2.305)
Credits Written On	(0.000)	0.000	(0.000)
<b>Council Tax Arrears</b>	<b>92.948</b>	<b>43.223</b>	<b>136.171</b>

A summary of the Council Tax Arrears position for 2020/21 compared with 2019/20 is shown in Table 5.

<b>Table 5</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Tax Arrears Prior Years	76.524	92.948	16.424
Council Tax Arrears In Year	34.207	43.223	9.016
<b>Council Tax Debtors</b>	<b>110.731</b>	<b>136.171</b>	<b>25.439</b>

## 2.6. Provision for Doubtful Debts

The provision for bad and doubtful debts stands at £60.8m as at 31 March 2021, £25.0m more than the amount set aside at the end of 2019/20. The 2020/21 year end provision is compared in Table 6 to the prior year:

<b>Table 6</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Tax Arrears Debtors (Gross)	110.731	136.171	25.439
Less Provision for Bad or Doubtful Debts	(35.824)	(60.804)	(24.980)
<b>Council Tax Debtors (Net)</b>	<b>74.907</b>	<b>75.367</b>	<b>0.460</b>
Bad Debt Provision as % of Gross Debtors	32.4%	44.7%	12.3%

During the year there has been a net amount of £2.3m written off relating to Council Tax debts compared with £8.9m net write-offs in 2019/20. After making a further contribution to the provision for bad and doubtful debts of £27.3m in 2020/21, the overall provision has increased by £25.0m.

## 2.7. Collection Performance

Set out below is the in-year collection performance for the past three years. This shows the in- year collection rates as reported to the Ministry for Housing Communities and Local Government (MHCLG) as required by the Final Quarterly Return for the Collection of Council Tax and Business Rates (QRC4).

The adjusted actual in year collection rate was 92.6% which includes adjustments as per QRC4 guidelines.

Table 7 shows the comparative prior year rates:

<b>Table 7</b>	<b>Actual In Year Council Tax Collection Rates</b>		
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
QRC4 Base	94.4%	94.3%	92.6%

In 2020/21, there was a significant reduction in collection rates due to the impact of Covid-19. This was in line with national trends. However, it is hoped that the eventual collection rate over time will reach the estimated rate of 97.1% assumed when setting the budget since the Council will continue to collect outstanding debt in future years.

## 3. **Business Rates - National Non-Domestic Rates (NNDR)**

3.1. In 2020/21 the Council has continued to be part of a Business Rates Pilot for the local retention of 100% Business Rates. This means that the Council retains 99% of Business Rates income with 1% being paid over to the West Midlands Fire & Rescue Authority. This has been in place since 1<sup>st</sup> April 2017 before which, Business Rates was apportioned between Central Government (50%), The City Council (49%) and the West Midlands Fire & Rescue Authority (1%).

### 3.2. *Business Rates Summary*

The Collection Fund position for 2020/21 applicable to the Business Rates element of the Fund is summarised below:

<b>Table 8</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	<b>Outside the EZ</b>		<b>Enterprise Zone (EZ)</b>	
Business Rates Income due for 2020/21	(277.298)		(0.636)	
Contribution to Appeals Provision	34.038		0.477	
		(243.261)		(0.159)
Contribution to Bad Debt Provision (incl credits written on)	27.905		0.013	
Cost Of Collection Allowance	1.823		-	
		29.727		0.013
Total Income		(213.533)		(0.146)
Expenditure:				
Budgeted Proportionate Shares 2020/21:				
Central Government	-		-	
Birmingham City Council	441.204		-	
West Midlands Fire and Rescue Authority	4.457		-	
Enterprise Zone	-		10.183	
Total Expenditure		445.661		10.183
2020/21 In Year Deficit/(Surplus)		232.128		10.037
2019/20 Deficit b/fwd	1.449		-	
		1.449		-
Cumulative Business Rates Deficit/(Surplus) c/fwd		233.577		10.037
Section 31 Grant Compensation (Surplus)		(180.465)		
<b>Total Deficit after Section 31 Surplus</b>		<b>53.111</b>		<b>10.037</b>

3.3. After taking into account Section 31 Grant Compensation, excluding the Enterprise Zone (EZ), the actual in-year deficit on the Business Rates element of the Collection Fund for 2020/21 was £51.7m. The cumulative balance brought forward from 2019/20 amounted to a deficit of £1.4m. Therefore the closing position at the end of 2020/21 is a deficit of £53.1m.

3.4. A £50.6m deficit was forecast when setting the 2021/22 budget and the main reasons for the increase of £2.5m in the deficit can be explained as follows:

- Provision for Doubtful Debt (£8.1m adverse movement) – Given that collection has been impacted by Covid-19, and the continuing financial uncertainty, it is prudent for the Council to increase its Bad Debt Provision.
- Retail Reliefs (£1.1m adverse movement). There has been a further increase in reliefs awarded. This is offset by additional Section 31 Grants to the General Fund

This has been partially offset by:



- Appeals (£4.4m favourable movement) – There has been a reduction in the anticipated appeals losses or contributions to the appeals provision compared to that assumed when setting the 2020/21 budget. This follows the receipt of updated information from the Valuation Office Agency (VOA) regarding appeals related to material changes of circumstances due to Covid-19.
- Growth Forecast (£1.0m favourable movement) – While growth was less than less than forecast when setting the 2020/21 budget, there was a small improvement compared with the forecast.
- Section 31 Grants to the General Fund (£1.4m favourable movement). The increase in retail relief mentioned above was offset by improvements in compensatory grants.

Table 9 shows the movement between the forecast and outturn surplus positions:

<b>Table 9</b>					<b>£m</b>	<b>£m</b>
<b>Forecast Cumulative Deficit for 2021/22 Budget Setting</b>						<b>50.611</b>
Forecast Deficit due to anticipated growth less than budgeted					12.582	
Actual Deficit due to anticipated growth					11.619	
						(0.963)
Forecast Deficit due to reliefs to Retail Properties					178.506	
Actual Deficit due to reliefs to Retail Properties					179.575	
						1.069
Forecast Deficit due to increase in other reliefs					6.056	
Actual Deficit due to increase in other reliefs					6.131	
						0.075
Forecast Deficit due to increase in provision for doubtful debts					10.335	
Actual Deficit due to increase in provision for doubtful debts					18.412	
						8.077
Forecast Deficit due to increase in provision for appeals					20.733	
Actual Deficit due to increase in provision for appeals					16.391	
						(4.342)
Forecast Surplus in Section 31 funding					(179.051)	
Actual Surplus in Section 31 funding					(180.465)	
						(1.415)
<b>Cumulative Business Rates Deficit c/fwd</b>						<b>53.111</b>

3.5. The following table shows the proportionate shares of the 2020/21 Business Rates surplus compared with the forecast for the 2021/22 budget setting process:

Table 10:	Forecast	Outturn	(Improvement)/ Decline
	£m	£m	£m
Central Government (nil for 2021/22)	0.000	0.000	0.000
Fire (1%)	0.506	0.531	0.025
BCC (99%)	50.104	52.580	2.476
<b>Total</b>	<b>50.610</b>	<b>53.111</b>	<b>2.501</b>

3.6. The Council's share of the deficit at outturn is £52.6m, which is £2.5m worse than the position anticipated when the budget for 2021/22 was set. This £2.5m will be taken into account when setting the budget for 2022/23.

3.7. Within the Enterprise Zone the actual in year income generated relating to Business Rates was £0.1m. This compares to £10.2m when the budget for 2020/21 was set resulting in a significant **deficit** of £10.0m.

### 3.8. Business Rates Arrears 2020/21

A summary of the Business Rates Arrears position for the end of 2020/21 including the element attributable to the Enterprise Zone, is shown in Table 11:

Table 11	Prior Years	2020/21	Total
	£m	£m	£m
NNDR Arrears b/fwd prior years	96.379		96.379
Adjustments/Net of Refunds	-		-
Due in year:			
Non EZ		277.298	277.298
Enterprise Zone (EZ)		0.636	0.636
Collected	(6.802)	(236.714)	(243.516)
Amounts Written Off	(2.857)	-	(2.857)
Credits Written On	0.027	-	0.027
<b>Business Rates Arrears</b>	<b>86.747</b>	<b>41.220</b>	<b>127.967</b>

A summary of the Business Rates Arrears position for 2020/21 compared with 2019/20 is shown in Table 12:

Table 12	31 March 2020	31 March 2021	Change
	£m	£m	£m
Business Rates Arrears Prior Years	63.715	86.747	23.031
Business Rates Arrears In Year	32.665	41.220	8.555
<b>Business Rates Debtors</b>	<b>96.379</b>	<b>127.966</b>	<b>31.587</b>

### 3.9. Provision for Doubtful Debts

The Business Rates Bad Debt provision has moved from £47.6m to £72.7m, an increase of £25.1m. The 2020/21 year end provision is compared in Table 13 to the previous year:

Table 13	31 March 2020	31 March 2021	Change
	£m	£m	£m
Business Rates Arrears (Gross)	96.379	127.966	31.587
Less Provision for Bad or Doubtful Debts	(47.578)	(72.665)	(25.087)
<b>Business Rates Debtors (Net)</b>	<b>48.802</b>	<b>55.301</b>	<b>6.500</b>
Bad Debt Provision as % of Gross Debtors	49.4%	56.8%	7.4%

During the year there has been a net amount of £2.8m written off relating to Business Rates debts compared with £20.5m net write-offs in 2019/20. After making a further contribution to the provision for bad and doubtful debts in 2020/21 of £27.9m, including amounts relating to the Enterprise Zone, the overall provision has increased by £25.1m.

### 3.10. Collection Performance

For Business Rates the adjusted actual in year collection rate calculated was 91.3% (2019/20 96.9%). This is the in-year collection rate as reported to the Ministry for Housing Communities and Local Government as required by the Final Quarterly Return for the Collection of Council Tax and Business Rates (QRC4) and is inclusive of allowable adjustments.

Set out below is the QRC4 in-year collection performance for the past three years.

Table 14	Actual In Year Business Rates Collection Rates		
	2018/19	2019/20	2020/21

QRC4 Base	96.3%	96.9%	91.3%
-----------	-------	-------	-------

There has been a decrease of 5.6% in the reported in year collection rate. This is very largely due to the impacts of Covid-19.

The service will focus more on the collection of Business rates moving forward. However, it is hoped that the eventual collection rate over time will reach the estimated rate of 98.0% assumed when setting the budget as the Council will continue to collect outstanding debt in future years.

#### 4. Overall Position

- 4.1. Taken together, the forecast position for the Collection Fund and related income streams was a deficit of £57.4m to be carried forward and taken into account in setting the budget for 2021/22 (£7.3m deficit for Council Tax and a £50.1m deficit for Business Rates).
- 4.2. At year end, there has been a deterioration of £8.4m (£5.9m further deficit for Council Tax and a further £2.5m deficit for Business Rates. This deficit will be rolled forward to be taken into account in the next budget setting round, which will be 2022/23 in this instance.
- 4.3. However, 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 2020/21 Collection Fund Income. The Council expects to receive £23.5m 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 forecast deficit less £39.6m forecast compensation is reflected in the Council's budget for 2021/22 and subsequent years. The further deficit of £8.4m will be reflected in 2022/23 and 2023/24. The reduction in compensation of £16.1m will be reflected in the three years from 2021/22 to 2023/24.

# Resources Overview & Scrutiny Committee

## 1B ERP Programme

Becky Hellard (Senior Responsible Owner)

James Couper (Programme Director)



# Summary

At the March Cabinet sign off of the revised business case, the 1B programme committed to providing regular progress reporting to ensure oversight of the programme timeline and budget, as well as visibility of the 1B programme at key moments in time. This update is the first of those and has three parts:

## ***Background information***

Provides Committee Members with:

- The vision for the 1B programme
- An overview of the business case with the projected costs and benefits
- An update on the commitments we made at the March Cabinet
- A glimpse of how Oracle Fusion will look for BCC staff

## ***Regular progress reporting***

Sets out the regular report the 1B ERP programme will provide to update on progress, these will include:

- Updates on overall delivery status: 1B ERP Programme Dashboard
- Update on the timeline to monitor Milestone plan
- Programme budget position and forecast

## ***Programme 'deep-dive'***

The 'deep-dive' will focus on:

- 1B Delivery Plan – in the form of the Plan on a Page with the critical path to an April '22 Go-Live
- 1B Risk Register – in the form of an extract of highest rated risks and issues
- The outcomes from our latest data migration cycle

# BACKGROUND



# The 1B Vision: supporting Council ambitions

- In July 2019 the Council selected *Oracle Cloud* as its preferred ERP software to support every day financial, HR and procurement processes, replacing SAP Voyager and People Solutions. This programme is called 1B because it will enable one single data set across the Council.
- Target operating model developments across the Council are embedded in 1B to enable the digital, financial and workforce agenda.



## Standardised ways of working

Transforming our services by leveraging technology, adopting standard processes and delivering smarter ways of working.

## User friendly self service

Keeping customer needs at the heart of our services, through delivery of a more user-friendly experience and better support for everyone.

## Empowered decision making

Enabling managers to make effective decisions for their service areas by improving information and providing meaningful reports.



# The 1B Business Case: the headlines

- Senior Responsible Officer for 1B is Becky Hellard
- Final Business Case and a **new Go Live date of April 2022** approved at Cabinet 16 March 2021
- The Council has defined a Modernisation Programme that seeks to invest in its capacity and leadership and invest in the changes it needs to make. The 1B Programme now sits within the New Type of Organisation portfolio alongside the Customer Services and New Ways of Working Programmes.

## Strategic Case for 1B

- Working smarter to improve integration between services/functions
- Increased commissioning skills and commercial skills
- Agile and flexible working to support a modern workplace
- Innovative and entrepreneurial
- Achieving more with less
- Improved digital and IT capability
- Make better use of customer insight and business intelligence to empower informed decision making at all levels and enable us to deploy all our resources appropriately
- Working in partnership and working with others to collaborate more as a 'One Council'
- Empowering citizens, preventing need

### Benefits vs Drawbacks

131 vs 50

### Percentage by Service Area

Benefits have been identified across all services impacted by the programme, and these broadly fit into our three Change Themes



# Revised business case costs and benefits (financial)

## Costs

The overall cost of the implementation phase of the programme have risen from an estimated £19.965m at the time of the original Full Business Case to a latest estimate of **£38.685m**.

The key reasons for this increase are:

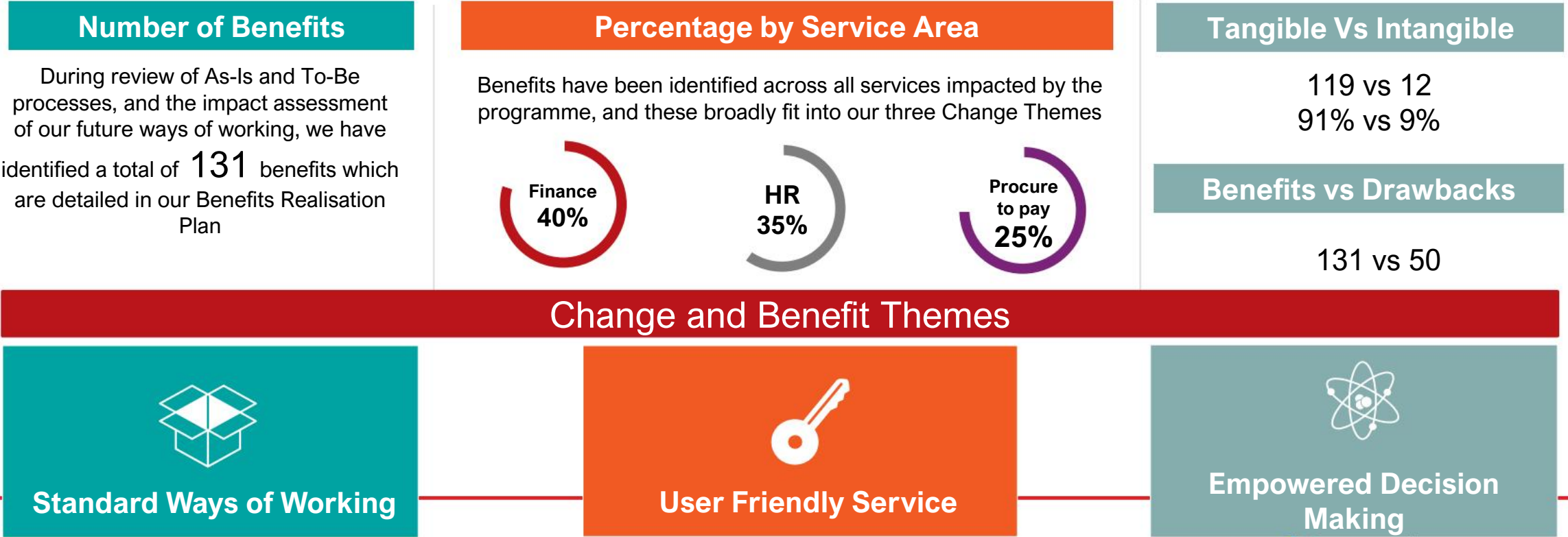
- Delay in the go-live date from December 2020 to April 2022 and therefore the additional running costs of the programme as a result of the implementation complexities.
- The subsequent costs of extended need for the existing ERP solution (SAP) and associated infrastructure and support staff until it can be decommissioned.
- Additional essential functionality identified during the design phase, which has been robustly challenged by a Business Design Authority, but the validity of the requirement has been validated.
- Retention and archiving of existing data records essential for business operations.

## Financial benefits

- The Revised FBC extends over a 12-year period (2019/20 to 2030/31) and recognises that as the organisational changes in culture, processes and procedures, from the wider ERP programme, become embedded, it will realise longer term benefits beyond the life of the new IT system and the initial seven-year contract period.
- Over the life of the FBC there is a forecast gross ERP system saving of **£10.918m**.

# Non-Financial Benefits

As we have been designing our future ways of working, we have identified benefits and drawbacks/disbenefits associated with adopting our new cloud solution. All of the non financial benefits identified are categorised into ‘types’ (tangible/intangible), and by our level of confidence that they will be realised i.e. if they are definite, expected or anticipated. Below is a snapshot of our headlines at this moment in time. Benefits will continue to be identified, and tracked for the lifetime of the programme, and beyond. A waterfall review of the original FBC Benefits vs Implementation is included as Appendix B.



# Update on our Cabinet commitments

At the March Cabinet, the ERP Programme recommended the following risk mitigating actions to support the revised Programme timeline and cost increase going forward, some of these had already been implemented and below is an update on the remaining items:

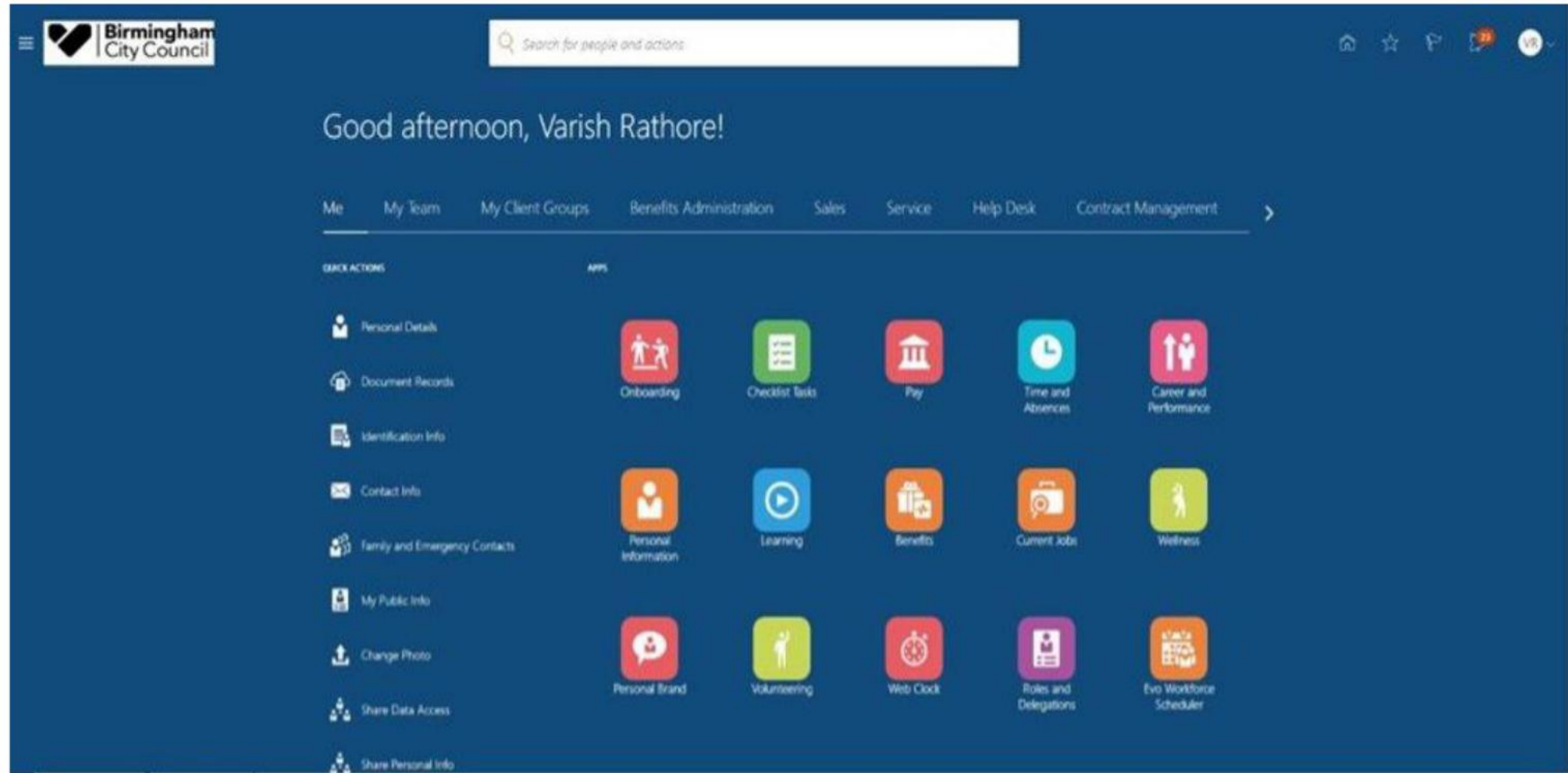
What we said we'd do	What we've done
A Programme Director with proven track record has been appointed to plan and drive the programme to completion and manage key partners, stakeholders and dependencies.	Programme Director has been in place since mid Jan '21
The revised Programme Plan, Programme Team and associated costs have been validated to ensure that the revised Go-Live date is planned and baselined appropriately and continually monitored.	A baseline plan is in place and progress against a set of agreed milestones is reported to 1B Steering Committee and Resources Oversight & Scrutiny Committee
Enhanced scrutiny and review from members of the Executive will ensure that the Programme Director remains committed to provide regular updates to the Overview and Scrutiny Committee to ensure that the timelines and costs remain within the agreed parameters.	<ul style="list-style-type: none"> <li>▪ A deep dive focusing on delivery plan and risk in June</li> <li>▪ Regular monthly reporting arrangement agreed</li> <li>▪ The next deep dive will focus on User Adoption</li> </ul>
The ERP Programme to have an allocated contingency budget that is controlled by and under the guidance of the Steering Committee and the Capital Board.	<ul style="list-style-type: none"> <li>▪ A contingency budget of £1.3m has been established</li> <li>▪ All cost considerations will be signed off by the 1B Steering Committee</li> </ul>
Revised governance, monitoring and updates at the defined stages within the programme to assure Senior Stakeholders that the programme remains on track.	Changes to the programme governance has established more control of time and cost and is bringing a one team approach
Clear commercial strategy applied across all sub-contracts and suppliers.	Commercial cost extensions with partners are substantially resolved in line with the budget allocations and a robust commercial reporting and governance process is in place

# WHAT WILL ORACLE FUSION LOOK LIKE





# Look and Feel Mockup: selected by Council employees



# Navigating Time & Absence



## Current Time Card

Open your current time card.



## Existing Time Cards

Access all of your time cards.



## Add Absence

Request an absence and submit for approval



## Absence Balance

Review current plan balances and absences taken or requested



## Existing Absences

View, change or withdraw existing absence requests



## Calendar

View your shifts, absences, and public holidays.

# Submitting a request for Annual Leave

Employee makes leave request

\*TypeAnnual Leave

\*Business TitleXX0001XX BCC BU Default Job XX0001XX

Absence Type Balance58.4 Hours

When

Edit Entries

\*Start Date and Time06-Jul-2021 08:30:11

Enter a date on or after 10-May-2021 00:00:00.

8.5 Hours

\*End Date and Time06-Jul-2021 17:00:00

Projected BalanceCalculate

Notification sent to Manager

Absence Request Approval

**Employee A**

From 06-Jul-2021 to 06-Jul-2021

Total Duration 8.5 Hours

Absence Request Details

Absence TypeAnnual Leave

Absence Reason

Start Date06-Jul-2021 08:30

End Date06-Jul-2021 17:00

Duration8.5 Hours

Comments

Impacted Assignments

Assignment	Duration
XX0001XX BCC BU Default Job XX0001XX	8.497 Hours
Total	8.5 Hours

Approval History

Assigned to Dawn Hopkins08-Jun-2021 15:52

Submitted by Employee A08-Jun-2021 15:52

Add to calendar.ics



# 1B PROGRAMME UPDATE



# 1B Programme Dashboard June 2021

SRO:

Becky Hellard

Prog Director:

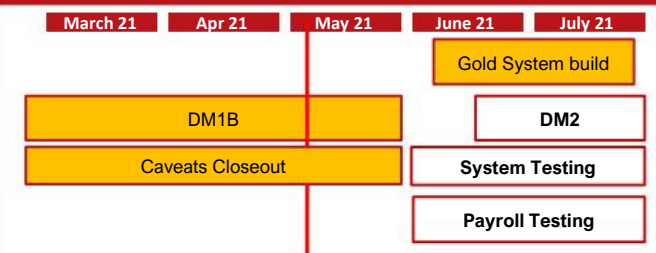
James Couper

Overall RAG  
(May)

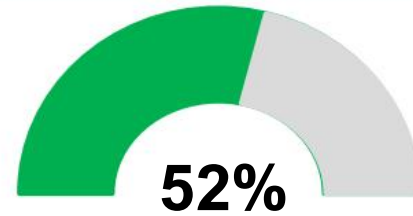
Overall RAG  
(June)



## 3 Month Forward Plan



## Completion percentage



Programme controls	Previous RAG	Current RAG
Time		
Costs		
Resources		
Benefits		

	Red	Amber	Green
Previous	1	5	7
Current	1	3	9

## Summary Update

- Programme is amber due to the increasing integration related issues impacting the agreement of requirements and approach to delivery and the need to identify resources to support the report activity and to progress the development. Discussions are progressing to support the identification of the appropriate technical expertise.
- Outside of these specific issues planned programme scope and activity is on track. Outstanding design caveats are close to being closed.
- The current data migration has reached its conclusion and defect resolution required for the next exercise has begun.
- Adoption activity in the form of communication and briefings across DMTs has begun.

## Return to Green Plan

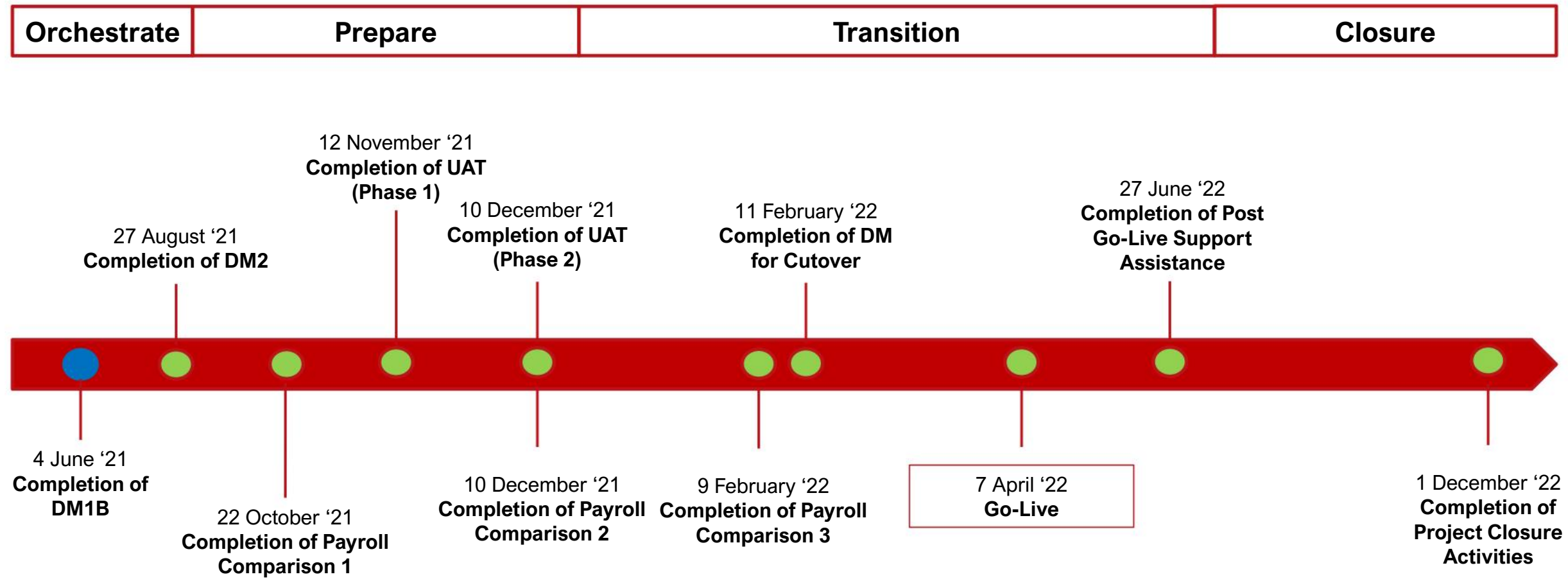
- Re-planning of DM2 completed (June '21)
- Reporting catalogue and plan for development in place (June '21)
- Integrations specifications complete and development plan agreed (end of June '21)

Workstream	Previous RAG	Current RAG
Inbound and Outbound Integrations		→
Reporting		→
Data Migration		→
Build & Config		→
P2P		↗
Commercial & Procurement		↗
HR & Schools HR		→
Finance		→
Service Transition		→
Testing		→
Business Change		→
Infrastructure & SAP Business Continuity		→
Architecture		→

Management Support Required	R	At risk	A	On target	G
-----------------------------	---	---------	---	-----------	---

Improving	↗	Worsening	↘	Stable	→
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# 1B ERP Milestone Plan



# Programme Budget position

Activities		Total
<b>Resources</b>		
PMO	£	4,229,162
ITDS	£	2,107,275
BCT	£	475,000
<b>Providers</b>		
SOCITM	£	1,162,300
<b>Egress</b>		
Extension	£	952,000
<b>Evosys/Insight</b>		
CCN	£	55,350
Extension	£	2,146,000
<b>SAP</b>		£ 1,216,000
<b>Licences</b>		
Oracle Fusion	£	2,432,433
Evoys Workforce Scheduler	£	-
OTL	£	192,683
PS Live	£	16,500

Activities		Total
<b>BDA</b>		£ 3,418,625
<b>Other</b>		
Training	£	-
Procurement	£	-
Audit	£	-
Backfilling staff	£	1,350,000
Miscellaneous	£	10,000
<b>Totals</b>	<b>£</b>	<b>19,763,328</b>
<b>Contingency</b>		£ 236,672
<b>Total Requested in MTFS</b>		<b>£ 20,000,000</b>
<b>Reserves</b>		
19/20 Contribution	£	1,450,255
20/21 Contribution	£	1,920,844
<b>Total</b>	<b>£</b>	<b>3,371,099</b>

# 1B PROGRAMME 'DEEP-DIVE'





# 1B Approach to planning & Risk Management

## Update since March Cabinet

### Programme plan

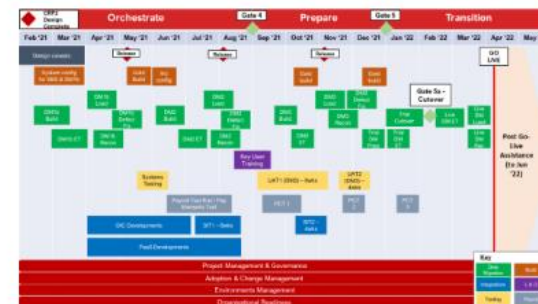
- 1B Programme committed to providing this Committee with oversight of our programme timeline.
- A new approach to planning has been adopted with 3 level of plan held and bi-weekly updates against delivery and planning of forward look.
- A Programme Delivery Group has been established to drive delivery of the programme plan and managing dependencies.
- For this update we will use the plan on a page.

### Risk Management

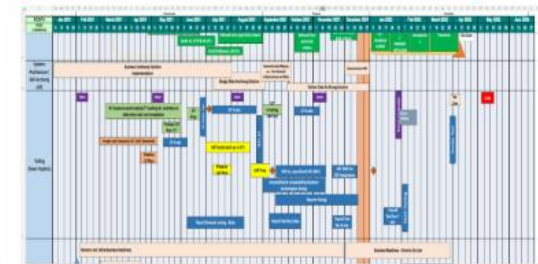
- After business case approval at the March Cabinet, we reviewed our risk management approach; closing down over 30 open risks and issues.
- These are reviewed bi-weekly and managed through the Programme Delivery Group and Steering Committee as the escalation point.
- 1B programme will provide an extract from the highest rated risks and issues on a quarterly basis.

## Programme plan held at 3 levels

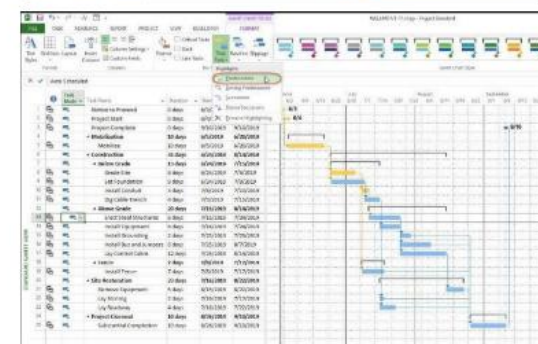
*Plan on a Page*

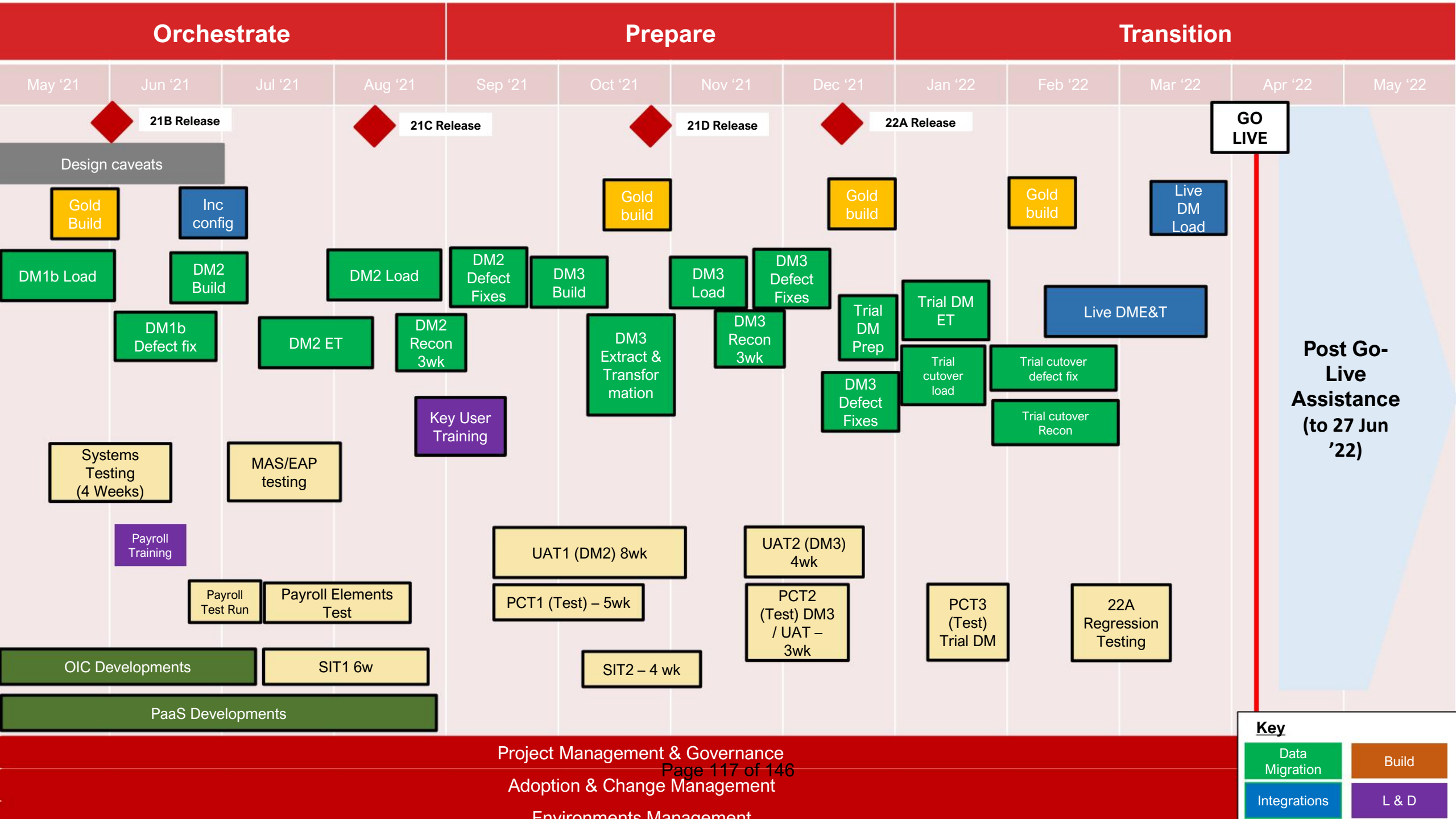


*Swim lanes for each workstream*



*Master MS Project*





# Risk Update

Risk description	Cause/Impact	Likelihood/Impact	Mitigation plan & Update
<b>High volume of reports requested</b> There are a high volume of reports requested from BCC to be developed for Go-Live and a limited capacity to achieve this.	<b>Cause:</b> Business areas have requested the same reports they currently have without undertaking a rationalisation based on criticality  <b>Impact:</b> Statutory or regulatory reports may not be developed in time for go-live.	VH/VH	1. A reports rationalisation exercise has been completed reducing the volume of reports. 2. The next step will be a prioritisation to ensure statutory and regulatory reports are developed in time for Go-Live (June '21) 3. Business Owners will own the process of prioritisation (June '21)
<b>Unmasked data in Oracle Environment</b> ERP Oracle Cloud Non-Production Test & Dev environments hold Live Data within them which is being accessed by 3rd parties and BCC SMEs.	<b>Cause:</b> In order to successfully migrate and reconcile data it is not possible to mask data in some environments.  <b>Impact:</b> This poses a risk of losing control of the environments and the personal data held within them which could lead to ICO fines.	L/VH	1. SI partners Egress and Evosys have signed DPIAs and apply with strict procedures to control access to environments with live data 2. BCC Testing Team controls access to the each environment 3. BCC staff must comply with their Employment T&C in relation to data protection
<b>Invoice Scanning</b> Should the 1B P2P Programme choose a 3rd Party rather than adopt the Oracle capability there is a risk that the delivery of it will not user acceptance testing (UAT) phase.	<b>Cause:</b> Oracle have not yet demonstrated their service offering meets the business requirement.  <b>Impact:</b> A full procurement exercise will need to be run risking delivered before testing under UAT. The solution would also incur increased costs to BCC (<£500K)	M/VH	1. Detailed business requirements have been written 2. A Proof of Concept is underway to demonstrate the capabilities of the 2 products to meet business requirement (June '21) 3. Procurement strategy in place for both products pending outcomes of PoC



# Issue Update

Issue description	Cause	Severity	Mitigation plan & Update
<b>Inbound/outbound integrations</b> There is an Issue that there are known capability and capacity gaps within the inbounds and outbounds integrations workstream. These have come to the surface with the transition of staff which has exposed knowledge and experience gaps in the management and development functions. The impact of this is that an agreed approach, credible plan and the fundamentals needed for delivery at the pace required.	Transition of staff which has exposed knowledge and experience gaps in the management and development functions. The impact of this is that an agreed approach, credible plan and the fundamentals needed for delivery at the pace required.	VH	1. A Dependency Tracker for Integrations has been created and it contains all issues that have been logged, with the view of obtaining support from the programme to move things forward 2. Daily stand-up calls are scheduled with Functional SMEs and Architecture colleagues to get all MD050's and other associated issues resolved that are currently impacting Integration delivery
<b>COVID impact on offshore resources</b> The delivery from SI partner Evosys technical resources has been impacted due to COVID situation in India.	Due to recent surge in Covid cases in INDIA, Evosys offshore delivery team has been impacted and may cause further delay in the delivery timelines on the technical side.	M	1. Impact assessment held and currently minimal impact but a watching brief remains 2. Evosys increasing on-shore resources to support delivery

# Data Migration

## Overview of the data migration approach

- Data migration integrates data cleansing, data migration and post-migration reconciliations.
- Our most recent cycle completed at the beginning of June and is the first full cycle BCC has undertaken.
- The steps in the process followed are:
  - Extracting the data from SAP
  - Transforming it into a format which Oracle can receive the data
  - Then loading it into the Oracle environment.
  - After which there is a process to reconcile the data to ensure the success of the load activity.
  - During the cycle, defects are recorded and fixed.
- Data Migration is a collaborative process with our two suppliers. Egress complete the extract and transform activity with Evosys loading the data objects. BCC are involved throughout the process particularly reconciling the data.

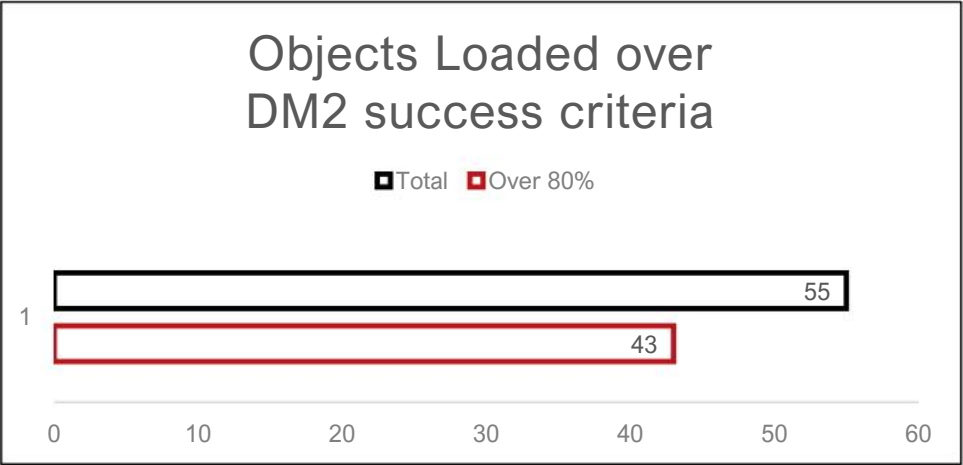
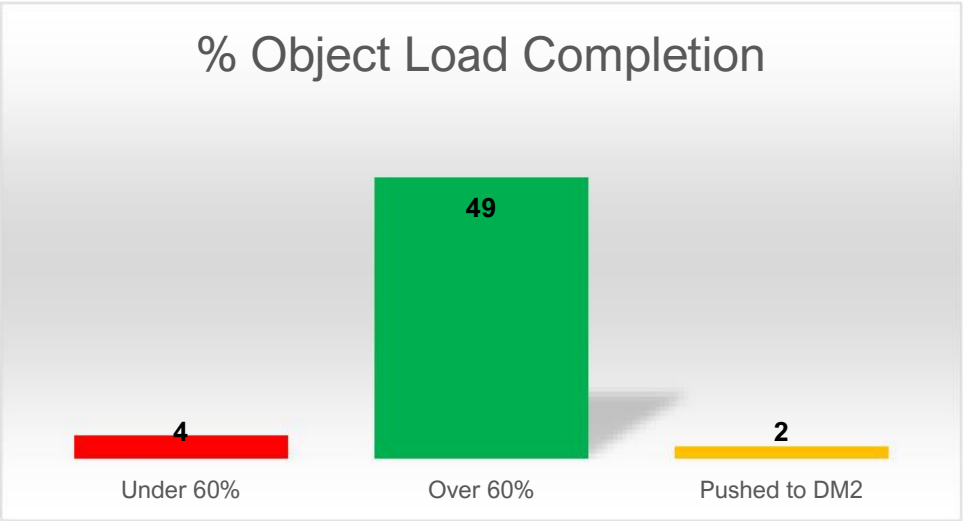
## Successes of this cycle

- Of the 80 objects which were loaded, only 5 did not reach our 60% target for load completion.
- Of the items loaded successfully, 59 had such a high load completion they exceed the target for our next cycle of 80%

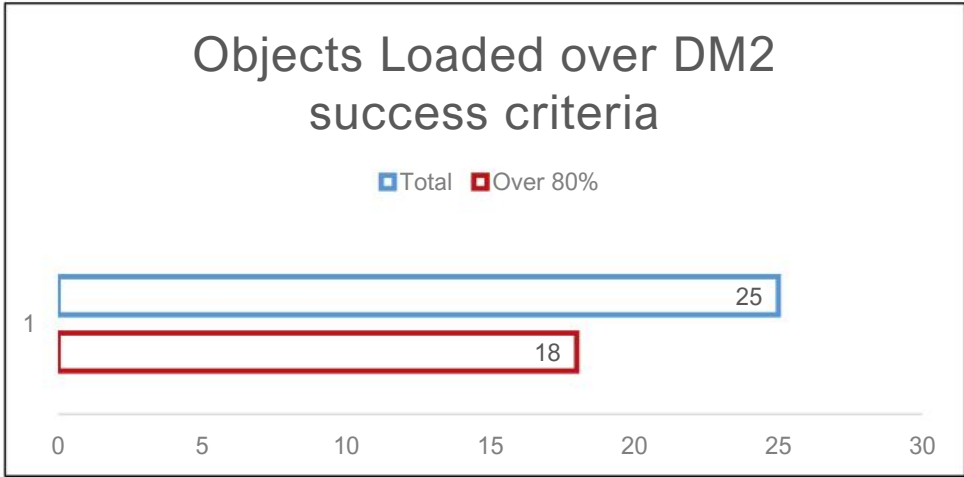
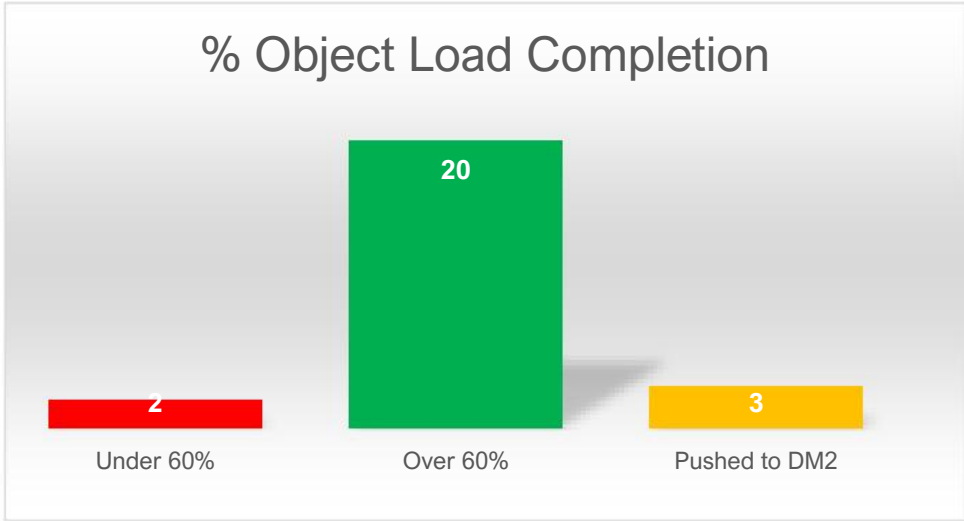
## What next

Our next data migration cycle will begin in July and because of our success in loading the data this time we had increased our target to 95% completion for master data.

# HCM/Payroll Load Performance MI



# ERP Load Performance MI



# Summary & Next steps

- The programme contains considerable risk that requires management. Specifically the control of scope and change and areas that are technically complex such as integrations to other applications and data migration
- There has been some slippage of time but this is currently manageable within the April 22 go-live forecast
- The programme will refine the controls processes to ensure that we are focusing on the key risks and issues
- We will continue to provide our regular monthly reporting
- The next deep dive will focus on User Adoption in September around the time we start testing with users.

## Report to Resources Overview and Scrutiny – 24<sup>th</sup> June 2021

### Cityserve – Service Update

#### Report of AD Development & Commercial, Alison Jarrett and Head of Service, Dale Wild

#### 1 Purpose

To update Resource Overview and Scrutiny on the performance of the council's school meal provision service, Cityserve.

#### 2 Recommendation

To note the content of the report

#### 3 Introduction and Background to Service

- 3.1 Cityserve is Birmingham City Council's award-winning education catering service. They currently provide hot, nutritious meals to c.40,000 young citizens in 181 Birmingham schools each day, through their workforce of 822 permanent staff, the majority of whom are low paid, part time and female. Working closely with Public Health and national guidelines, these healthy meals are often the only hot meal these young people will eat during the day.
- 3.2 The service has operated as a commercial model since 2014/2015 and to date has returned a surplus of £13.1m. This surplus has in recent years come under increasing pressure due in good part to rising costs of direct labour (past costs of superannuation in particular), the fragmentation of the customer base due to academisation, increasing food prices and a real-term inflationary reduction in free school meals income from government to schools. This position is further exacerbated by the introduction of Universal Infant Free School Meals (UIFSM) and the entry to the market of agile private and price aggressive competitors and brokers, substantially undermining Cityserve's traditional trading bases.
- 3.3 Income surplus reached a peak at £2.5m in 2015/16 but has since fallen to £2.1m, however behind this lies a drop in gross income from £40m in 2015/16 to £23m in 2019/20 (2020/21 does not reflect normal trading). The surplus has been retained by continuous review of costs, efficiencies and reduction in workforce, both through restructure, through TUPE arrangements and natural attrition. There is a level of cost and overhead however that cannot sustain continued loss of contracts. Future projections are that without a change to the model, the business will breakeven during 2021/22 and move into loss thereafter.
- 3.4 The year 2020/21 has been a financially exceptional year for the service with an outturn, pre-covid budget support of £1.4m deficit. Covid support has been available to the council to cover loss of income and therefore with £2.9m of lost income covered in this way, the service were able to report an outturn of £1.5m surplus, in line with its budget. Trend analysis and projections for the service therefore rely mainly on data and experience from 2019/20 and before.
- 3.5 Cityserve's contracts with schools are on a rolling contract basis, with schools giving one full term's notice to leave. In 2019/20 Cityserve was budgeted to provide meals in 224 schools, however during the course of this year 43 schools served notice to terminate their contracts. In 2020/21 Cityserve was budgeted to provide meals in 181 schools. Since 1 April 2020 a further 18 schools have officially

given notice and will leave in 2021/22, despite Cityserve fully supporting them throughout the pandemic. A further 6 schools have requested TUPE information without serving notice, however they have indicated that they are looking to tender the contract shortly.

- 3.6 A review of the service by the Cabinet Member for Finance & Resources and the Cabinet Member for Education, Skills and Culture together with the Interim Director of Council Management and officers considered actions to both halt market attrition to stabilise the service and then to develop the service to be more attractive to the market and to become sustainable in the future.
- 3.7 Work has shown that Cityserve are not competitive against the private sector on price. This is in large part due to two main areas, these being: Labour costs (Real Living wage and Superannuation costs) and the Service overheads paid to the Council. The Senior Management Team also identified a skills gap when completing tender opportunities which also impacts on Cityserve not being able to increase their client base. A consequent course of action is in progress, including management of service costs, accounting treatment of council overheads, to pursue a pilot price freeze with the schools, service improvements and enhanced tender submission skills.

## **4 Actions to Address Market and Performance**

### **4.1 Cost Base and Price Freeze**

Cityserve's relationship with schools is secured by way of a rolling contract, where a school has to serve notice a full term ahead of leaving. This is being exploited by some consultants, who regularly lobby schools on behalf of competitors advising they will reduce costs by going out to tender. Experience shows that the release of the 2021/22 budgets will increase the number of schools reviewing their contracts and potentially serving notice. There is a cost associated with every bid for a contract and Cityserve needs to consider the balance of incurring these costs against probability of success within the current market.

Cityserve charges to schools are based on total cost recovery including budgeted surplus, in line with council policy on fees and charges. This however creates a position where budgeted surplus becomes a cost to the service and has previously driven further increases to the pricing structure as a result of council inflationary increases to income budgets. As gross income reduces (£40m in 2015/16 to £23m in 2019/20) the margin per contract increases in order to maintain a set surplus amount rather than a target surplus percentage. Projections at the 2021/22 budget setting process recognised the falling surplus trend and reduced the budget for Cityserve to close to break-even.

The service overheads however remain high in comparison to the private sector for three main reasons:

- Increase in payroll (pay award, incremental pay, living wage, employer pension rate change)
- Increase in food (inflation, Brexit)
- Inflation on other operating costs (cleaning materials, disposables etc.)

In order to test the hypothesis that contracts are being lost due to cost increase, a Cabinet Member decision was taken on 23 March 2021 to freeze the prices to schools until the start of the new school year in September 2021 to assess the impact on both contract attrition and the ability to win new

business. The financial impact of this to the council by way of reduced income is being assessed. At the time of decision school meal take-up was at 80% of pre-covid levels and the calculated maximum cost of this initiative is £266k (staffing costs £178k, food inflation £86k, other inflation £2k). As meal demand within schools rises this loss reduces, meal take-up is currently at 95.29% of pre-covid budgeted levels and rising. Should this strategy be successful, Cityserve will look to develop a new Operating Model to reflect the change of emphasis from surplus return to a more holistic service centred on the health & well-being of the child. Since implementation there have been no notices from schools indicating that they may test the market, this is a clear improvement over previous years but it is too early to say whether this will remain the case at the end of the summer term. There has also, notably been 5 schools within the “Forward Trust” cohort who have renewed their commitment to Cityserve including one new addition to the cohort, for whom Cityserve will be the food service partner.

## **4.2 Tender Submission and Review**

A further impediment to Cityserve’s financial performance is the lack of experienced and qualified business development resources to complete tenders. The Options Appraisal identified skills gaps in completing tender opportunities resulting in poor responses. An external advisor group assisted with a model tender which was shortlisted for ITT but failed to win the contract. A full review of this submission will be completed once feedback from the Bid Consultancy has been received and lessons learned will be acted on. Cityserve were successful on the tender to Stirchley Primary School and this work too will be core to the new tender skills improvements.

The new Operating Model will contain more focussed functionality for winning new business through successful tender submission, alongside a strategy to reduce attrition. A move towards greater links between individual school catering teams to school staff and the children will determine the future school meal menu development strategy, where children will be at the heart of driving nutritional meals through rejuvenated health & well-being values.

## **4.3 Service Enhancement**

The Senior Management Team constantly review their service, acting on feedback and experience and looking for ways to enhance the service to children and schools. In parallel with the price freeze a full review of service provision and engagement is in progress. A Strategy Outline document has been prepared centred on the question “How will we/could we provide nutritious, healthy and tasty meals for the children (Citizens) of Birmingham?” This strategy developed by the SLT is in its nascent stage. Taking their inspiration from the pupils and feedback from schools, this strategy places children, their health and their experience at the centre of service design and includes initiatives enhancing communications and building closer engagement. At its heart the strategy development is driven by values and focused on the outcome.

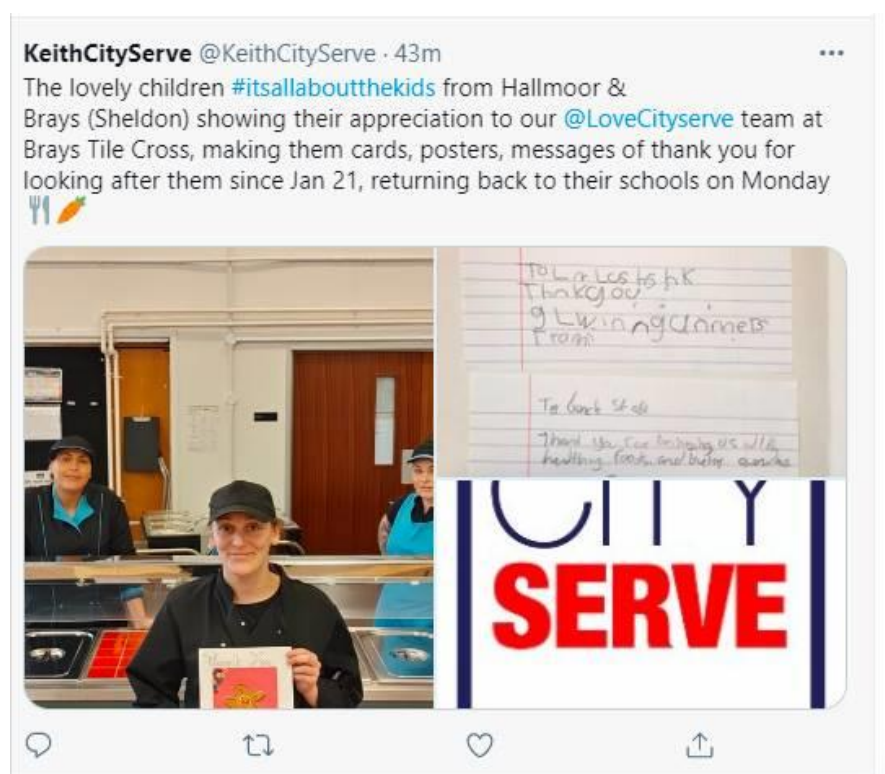
## **5 Initiatives and Successes**

- 5.1 St Georges Community Holiday Feeding Programme – Cityserve supported the staff and pupils of St George’s Primary School in their Food Hub Initiative. This in-school “shop” was run by year 6 pupils

selling boxes of up to 20 donated grocery items for £3 to parents and families. Cityserve was able to support this initiative by negotiating with their suppliers to donate food items.

- 5.2 St Judes - The head teacher set up a food bank to support the local communities poorest families and were reliant on generous community donations to run this project. The school approached Cityserve for support who in turn approached a few of their key suppliers for support. Two of the larger suppliers offered their support with one making weekly drops of fresh produce to the school and the other donating £500 worth of food of the school's choosing to the cause.
- 5.2 Veg Power – ITV News item – June 2021 - #eat them to defeat them. Featuring on ITV news on 10 June, Moseley CE Primary school is one Birmingham school participating in a national campaign to increase the amount of fruit and vegetables eaten by children. Supported by their Cityserve kitchen, the school is increasing the offer of fruit and vegetables every day, encouraging all pupils to eat and to try new produce. The kitchen and Cityserve staff were filmed during one lunch time.
- 5.3 Covid lockdown school lunch provision. There was a large amount of very negative coverage over the covid lockdown period regarding the provision of lunches to free school meal pupils and to vulnerable families. Cityserve were at the front of providing meals at the outset of lockdown in March 2020, providing packed lunches to all pupils attending schools and for collection by free school meal pupils.

During the second lockdown and following Government announcements in January 2021, Cityserve Senior Management Team took a decision that where schools instructed Cityserve to provide weekly or fortnightly food hampers, this would be put together to include a minimum of £15 of food per week value into each Free School Meals Hamper. Due to the individual nature of each Free School Meal (cultural, religious, dietary and allergen needs), each individual school was provided with as much choice as possible. In all cases Cityserve school-based teams work very closely with their respective schools to provide the style and content of food required by each individual school.



There were many examples of positive feedback to the kitchens and to Cityserve. The comment below reflects the reaction of the children to their Cityserve team on their return to school in January.



# Birmingham City Council

## Report to Cabinet

Date: 29<sup>th</sup> June 2021



**Subject:** **PLANNED PROCUREMENT ACTIVITIES (JULY 2021 – SEPTMEBER 2021)**

**Report of:** **ASSISTANT DIRECTOR DEVELOPMENT & COMMERCIAL FINANCE**

**Relevant Cabinet Member:** **Councillor Tristan Chatfield, Finance and Resources**

**Relevant O &S Chair(s):** **Councillor Mohammed Aikhlaq, Resources**

**Report author:** Richard Tibbatts, Head of Contract Management  
Email Address: [richard.tibbatts@birmingham.gov.uk](mailto:richard.tibbatts@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		
3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period July 2021 – September 2021. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period July 2021 – September 2021 as detailed in Appendix 1.

## **3 Background**

- 3.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold (£189,330) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.4 It should be noted that the procurement threshold has changed from £164,176 to £189,330 and will apply from 1<sup>st</sup> January 2020 for a period of 2 years.
- 3.5 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.6 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.7 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

4.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The options considered are:

- To refer the procurement strategy and contract award of individual procurements to Cabinet for decision.
- To continue with the existing process – this is the recommended option

## **5 Consultation / Engagement**

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

## **6 Risk Management**

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

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

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

### **7.3 Financial Implications**

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

### **7.4 Procurement Implications (if required)**

7.4.1 This is a procurement report and the implications are detailed in the appendices

### **7.5 Human Resources Implications (if required)**

7.5.1 None.

### **7.6 Public Sector Equality Duty**

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

## **8 Background Documents**

### **8.1 List of Appendices accompanying this Report (if any):**

- 1. Appendix 1 - Planned Procurement Activity July 2021 – September 2021
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 - Notification of Minor Amendments

## APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (JULY 2021 – SEPTEMBER 2021)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
Approval to Tender Strategy	Vulnerable Adults Support Worker Framework Agreement	TBC	The provision of housing and wellbeing support to prevent crisis provision or homelessness to the vulnerable groups listed below. The client groups are:  <input type="checkbox"/> Young People (16-25yrs) <input type="checkbox"/> Adults 25yrs plus (Single and Couples) <input type="checkbox"/> Victims of Domestic Abuse <input type="checkbox"/> Adults with Complex Needs <input type="checkbox"/> Ex-Offenders	4 years	Adults Social Care	Adults Social Care and Health	Andrew Healey	John Hardy / Marie Kennedy	03/08/2021
Approval to Tender Strategy	West Midlands Placement Portal	TBC	This contract is being tendered by the Council on behalf of Birmingham Children's Trust. An electronic solution to match the care requirements for young people to service providers via an online brokerage system that extends across 14 local authorities within the West Midlands region.	5 years, with two options to extend for a period of 3 and 2	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	01/10/2021
Single Contractor Negotiations	SCN – Enterprise Resourcing Planning (ERP) Data Migration Service	TBC	The provision of data migration services to enable the delivery of a fully integrated ERP solution by taking data from the SAP system and transferring into the new Oracle solution.	1 year	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	09/08/2021
Strategy / Award	Geographical Information System (GIS) Software License and Maintenance Agreement	TBC	A GIS with the following functionality;  •Desktop Based GIS •Server Based GIS services •Web based GIS •Gazetteer/Geocoding Services	2 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	03/08/2021
Strategy / Award	Data Centre Support	TBC	This contract supports the backup solution for legacy Data Centre Hardware for IBM Power Systems. This is a critical service which hosts the HR, Finance and Procurement data, and Revenues and Benefits data which is running on legacy hardware.	1 year	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	09/08/2021
Strategy / Award	Industrial Rope Access Services	TBC	Industrial rope access services to assist in undertaking safety surveys and assessments of tall buildings and structures.	4 years	Finance and Governance	Finance and Resources	Lee Bickerton	Trevor Box	03/08/2021
Approval to Tender Strategy	Housing Stock Condition Survey	TBC	There is a requirement to undertake a stock condition survey of the Council's dwellings to support the review of: -Detailed understanding of future investment needs -The current review of the Housing Revenue Account Business Plan -Understand the scale of interventions and retro fit requirements for the Council's stock (60,000 dwellings) to support Route to Zero carbon reduction policy in the city -Inform the Housing Strategy refresh work. -Respond to potential changes to Decent Homes standard following recently published Social Housing White paper	1 year	Neighbourhoods	Homes and Neighbourhoods	Carl Tomlinson	Guy Chaundy	03/08/2021
Strategy / Award	Operational & Strategic Taxation Advice	TBC	This contract will provide the Council with specialist technical, financial and commercial skills that do not exist in house. These skills are essential to minimise financial, reputational and legal risks to the Council arising from this complex area of activity.	4 years	Finance and Governance	Finance and Resources	Lee Bickerton	Mohammed Sajid	01/12/2021
Amendment Strategy / Award	Amendment - Holiday Activity & Food (HAF) Programme 2021	TBC	To deliver healthy food and enriching activities to disadvantaged children aged 5-16 years in Birmingham who are eligible for Free School Meals.		Education and Skills	Education and Skills	Clare Sandland	Mark Baxter / Mike Smith	

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 29<sup>th</sup> June 2021**

<b>Title of Contract</b>	<b>Vulnerable Adults Support Worker Framework Agreement</b>
Director / Assistant Director	Louise Collett - Acting Director for Adult Social Care Rob James – Director of Neighbourhoods
Briefly describe the service required	<p>The provision of housing and wellbeing support to prevent crisis provision or homelessness to the vulnerable groups listed below. The client groups are:</p> <ul style="list-style-type: none"> <li>– Young People (16-25yrs)</li> <li>– Adults 25yrs plus (Single and Couples)</li> <li>– Victims of Domestic Abuse</li> <li>– Adults with Complex Needs</li> <li>– Ex-Offenders</li> </ul> <p>The framework agreement will also be available to the Birmingham Children's Trust to access for relevant linked services to meet the need as outlined above.</p>
What is the proposed procurement route?	An open procurement exercise will be undertaken advertised in Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	Whilst there are no contracts in place relating to this specific requirement, the service has previously obtained this support by accessing the Vulnerable Adults Housing and Wellbeing contracts during 2020. However, there is not the capacity within these contracts to cope with the extra demand hence the need for a new contractual arrangement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	The test demonstrated this is not suitable to be carried out in-house as the skills do not exist to deliver the scale and demand response required which will fluctuate. The majority of citizens in need of these services would prefer to engage with the market providers; many of these are third sector organisations.
How will this service assist with the Council's commitments to Route to Zero?	This service will assist the Council's commitment to Route to Zero by offering support virtually by video link.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	These services will be available to support the Council in discharging its duties under the Homeless Reduction Act. In addition, these services will prevent citizens either becoming homeless or entering higher cost crisis service provision e.g. crisis accommodation.
What budget is the funding from for this service?	The funding will be from annual grants received from MHCLG and other Government Departments including but not limited RSI, Rough Sleepers Accommodation Programme, Domestic Abuse New Burdens. These grants are year on year grants and call off from the Framework will only be where the funding is available.
Proposed start date and duration of the new contract	The proposed start date is 1 October 2021 for a duration of 4 years.

<b>Title of Contract</b>	<b>West Midlands Placement Portal</b>
Director / Assistant Director	Peter Bishop, Director, Digital and Customer Services
Briefly describe the service required	This contract is being tendered by the Council on behalf of Birmingham Children's Trust. An electronic solution to match the care requirements for young people to service providers via an online brokerage system that extends across 14 local authorities within the West Midlands region.
What is the proposed procurement route?	A procurement process following the restricted procedure will be advertised on Find A Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with Pengower Anster Ltd expires on 31 <sup>st</sup> March 2022.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	Tendering of the new system allows business to be done electronically rather than using manual/ paper-based systems. It delivers a model of sustainability across the West Midlands as the Placements Portal is used by 14 local authorities and over 800 providers.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is not a statutory duty to use an online system, the Council has a statutory duty to provide placements for Looked After Children and fulfil its sufficiency duty, under Section 20 of the Children Act 1989. The online portal is the most efficient method of discharging their duty in this regard.
What budget is the funding from for this service?	As lead contracting authority, the budget for this contract will be held by the Birmingham Children's Trust and each regional partner will be recharged for their portion of the cost.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> April 2022 for an initial period of 5 years, with two options to extend for a period of 3 and 2 years respectively, each extension will be subject to satisfactory performance and budget availability.

<b>Title of Contract</b>	<b>SCN – Enterprise Resourcing Planning (ERP) Data Migration Service</b>
Director / Assistant Director	Rebecca Hellard, Interim Chief Finance Officer
Briefly describe the service required	The provision of data migration services to enable the delivery of a fully integrated ERP solution by taking data from the SAP system and transferring into the new Oracle solution.
What is the proposed procurement route?	To enter into single contract negotiations with Egress accordance with Part D of the Council's Constitution (paragraph 2.5 iv) in conjunction with regulation 32.2(b)(ii) and or (iii) of the Public Contract Regulations (PCR) 2015.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract with Egress that expires on 1st October 2021 however, this expiry date is not the business rationale for the SCN as Egress are the only provider that can deliver this requirement for the reason set out below.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	An in-house assessment was undertaken along with the potential costs of change, Given the programme is already half way through its data migration cycle; and the investment already made in Egress products to manage payment reconciliation it was not considered economically viable to source an alternative. The basis of the negotiations will be to maintain the existing charging structure and rate. Egress are already certified to the BBC4SR.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	Not applicable as all services are provisioned remotely and therefore do not generate a carbon footprint within the City'
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to enable the successful delivery of the ERP programme.
What budget is the funding from for this service?	This is funded from 1B ERP Programme budget.
Proposed start date and duration of the new contract	The proposed start date is 2 <sup>nd</sup> October 2021 for a period of 12 months plus the option to extend for a further 6 months in the unlikely event that the 1B programme is further delayed but it is not expected that the extension or a further contract will be required as data migration will have been completed during the initial 12 month period.



<b>Title of Contract</b>	<b>Geographical Information System (GIS) Software License and Maintenance Agreement</b>
Director / Assistant Director	Peter Bishop – Director, Digital & Customer Services
Briefly describe the service required	<p>A GIS with the following functionality;</p> <ul style="list-style-type: none"> <li>• Desktop Based GIS</li> <li>• Server Based GIS services</li> <li>• Web based GIS</li> <li>• Gazetteer/Geocoding Services</li> </ul> <p>This solution supports a number of Council services providing geographical information which has been crucial during the Covid pandemic with the Drop and Collect Test application and the Covid Marshal application. Other applications include the use of Web maps within the Council's website that allow members of the public to report issues.</p> <p>The existing solution is linked to multiple systems and changing supplier takes significant time and effort that would disrupt ongoing Covid initiatives and the delivery of Commonwealth Games. The value of the contract is below the IT threshold for the BBC4SR.</p>
What is the proposed procurement route?	<p>A direct award carried out under the Crown Commercial Service Data and Application Solutions Framework.</p> <p>The rationale for a direct award is based on the investment BCC has made into ESRI UK Ltd technology and approach, that cannot be transferred to a new provider without significant additional costs being incurred. In addition, the system will harness fundamental citizen data and information to measure the impact of the commonwealth games to citizens before, during and after the CWG.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with ESRI UK Ltd GIS product maintenance and support expires 7th August 2021.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to provide this service
How will this service assist with the Council's commitments to Route to Zero?	The expected carbon footprint for delivering this requirement will be extremely low. Therefore, there are no tangible opportunities for this service to support the R20 agenda
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is no statutory duty to provide this service. However, this supports the delivery of the ICT function.
What budget is the funding from for this service?	This is funded from the SAP and Development IT&D budget (RF009).
Proposed start date and duration of the new contract	The proposed start date is 8 <sup>th</sup> August 2021 for a period of 2 years.

<b>Title of Contract</b>	<b>Data Centre Support</b>
Director / Assistant Director	Peter Bishop, Director, Digital and Customer Services
Briefly describe the service required	<p>This contract supports the backup solution for legacy Data Centre Hardware for IBM Power Systems. This is a critical service which hosts the HR, Finance and Procurement data, and Revenues and Benefits data which is running on legacy hardware.</p> <p>The Council currently has a contract with Blue Chip Customer Engineering Ltd for the provision of a data protection platform on the IBM P- Series Servers that needs to be continued whilst the transition to Oracle cloud is completed.</p>
What is the proposed procurement route?	<p>A direct award using the NHS Healthcare Europe's ICT Solutions 2019 framework agreement.</p> <p>The Council originally purchased the service directly from IBM, but migrated to BlueChip in 2019. As these services are part of the legacy infrastructure that will be replaced as part of the 1B implementation this data protection platform is only required for a further 12 months and therefore it is not appropriate from both a cost and timing perspective undertake a mini-competition under this framework, particularly where the only alternative provider would result in cost increases of circa 50% if successful in tendering.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract in place with Blue Chip Customer Engineering Ltd which expires on 30th September 2021.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to provide this service
How will this service assist with the Council's commitments to Route to Zero?	The expected carbon footprint for delivering this requirement will be extremely low. Therefore, there are no tangible opportunities for this service to support the R20 agenda.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is no statutory duty to provide this service. However, without the on-going backup and recovery service, a hardware failure or data loss will impact several key critical services utilised to provide statutory services to the citizens of Birmingham.
What budget is the funding from for this service?	This is funded from IT&D Infrastructure Budget code RF028/RF003.
Proposed start date and duration of the new contract	The proposed start date is 1st October 2021 for a maximum of 12 months.

<b>Title of Contract</b>	<b>Industrial Rope Access Services</b>
Director / Assistant Director	Alison Jarrett, Assistant Director, Development and Commercial
Briefly describe the service required	<p>Industrial rope access services are required to assist in undertaking safety surveys and assessments of tall buildings and structures.</p> <p>The contract will support Birmingham City Laboratory (BCL) in providing technical services to other local authorities, public sector bodies and the private sector.</p>
What is the proposed procurement route?	A direct award to Bloom Professional Services Ltd using the North East Purchasing Organisation' NEPRO2 Professional Services contract.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>The previous contract expired in 2018. There was uncertainty of continuation of the service when BCL was part of Acivico.</p> <p>Following transfer from Acivico to BCC, there has been a period of review and stabilisation of the service. In addition, maintaining critical services during the pandemic resulted in a significant increase in work for BCL which has detracted from progressing the reprocurement earlier. The services have continued to be required and individual contracts have been awarded approved under Chief Officer delegation.</p>
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the expertise to provide these services.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to ensure the safety of tall buildings and structures and support BCL's activity as a trading body.
What budget is the funding from for this service?	The cost of these services is initially funded by BCL's trading account and then recovered from the commissioning client.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> September 2021 for a period of 4 years.

<b>Title of Contract</b>	<b>Housing Stock Condition Survey</b>
Director / Assistant Director	Julie Griffin, Managing Director City Housing
Briefly describe the service required	<p>There is a requirement to undertake a stock condition survey of the Council's dwellings to support the review of:</p> <ul style="list-style-type: none"> <li>- Detailed understanding of future investment needs</li> <li>- The current review of the Housing Revenue Account Business Plan</li> <li>- Understand the scale of interventions and retro fit requirements for the Council's stock (60,000 dwellings) to support Route to Zero carbon reduction policy in the city</li> <li>- Inform the Housing Strategy refresh work.</li> <li>- Respond to potential changes to Decent Homes standard following recently published Social Housing White paper</li> </ul> <p>The services required include but not limited to:</p> <ul style="list-style-type: none"> <li>• Agree scope and project manage the project</li> <li>• Technical Inspections</li> <li>• Review of Asset databases</li> <li>• Produce detailed and comprehensive report on findings.</li> </ul>
What is the proposed procurement route?	An open tender exercise will be undertaken, advertised in Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	The in-house preferred test has been undertaken and demonstrates that this service is not suitable for delivery in-house due to a lack of resources, capacity and skills.
How will this service assist with the Council's commitments to Route to Zero?	This service will directly support delivery of our commitments to route to zero by accurately identifying those dwellings with lowest EPC ratings that require interventions.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is not a statutory duty for this service. However, it supports the Council's statutory duty as a Landlord to some 60,000 dwellings.
What budget is the funding from for this service?	This is funded from the Housing Revenue Account.
Proposed start date and duration of the new contract	The proposed start date is October 2021 for a duration of 12 months.

<b>Title of Contract</b>	<b>Operational &amp; Strategic Taxation Advice</b>
Director / Assistant Director	Sara Pitt, Assistant Director Service Finance
Briefly describe the service required	This contract will provide the Council with specialist technical, financial and commercial skills that do not exist in house. These skills are essential to minimise financial, reputational and legal risks to the Council arising from this complex area of activity. The contract will be wide ranging, providing both procedural and compliance advice along with more strategic advice, for example in relation to the identification and implication of taxation issues arising from proposed new service delivery models. This contract will not be exclusive, and Directorates will still be able to tender for specific one-off pieces of advice in relation to projects if appropriate, for example due to a conflict of interest.
What is the proposed procurement route?	It is proposed to undertake a further competition exercise called off from the Crown Commercial Services Corporate Finance Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract with PricewaterhouseCoopers LLP expires on 6th June 2022.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the expertise to undertake this area of specialist financial advice.
How will this service assist with the Council's commitments to Route to Zero?	Alongside ensuring the Council is tax compliant and meeting its obligations and maximising its opportunities, this contract will highlight opportunities where the Council is able to take advantage of any tax incentives in relation to carbon emissions and other environmental matters.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for this service. However, this service supports Section 151 of the 1972 Local Government Act that requires the responsible officer to ensure the proper administration of the City Council's financial affairs to enable the City Council to comply with the legal requirements in relation to taxation.
What budget is the funding from for this service?	This is funded from the Corporate Finance Professional Fees budget (code RBF14 L5R0 A00).
Proposed start date and duration of the new contract	The proposed start date is 6 June 2022 for a period of 4 years.

## APPENDIX 4

### Notification of Minor Amendments

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet on 20<sup>th</sup> April 2021 which highlights the changes made to the original and revised PPAR items below for reference.

Title of Contract	Holiday Activity & Food (HAF) Programme 2021
Director / Assistant Director	Assistant Director, Nigel Harvey-Whitten
Briefly describe the service required	<p>The Council has been allocated a grant of £8.1m to coordinate and facilitate healthy food and enriching activities to disadvantaged children aged 5-16 years in Birmingham who are eligible for Free School Meals. The funding is available for activities in the Easter, Summer and Christmas school holidays.</p> <p>We want children who attend to eat more healthily, be more active, take part in engaging and enriching activities, be safe and not to be socially isolated, have a greater knowledge of health and nutrition and be more engaged with school and other local services.</p> <p>The procurement will also be for delivery of support services such as Training, Consultation/Engagement, Reporting and Evaluation support, Food logistics and administration etc.,</p> <p>A number of complementary approaches will deliver these services. This procurement will also be for organisations to deliver activities that will provide greater scale than the grant allocation process described below.</p> <p>Alongside, but separate to this procurement, a Programme Management organisation is being procured via Open Procurement (value less than £500k approved via Cabinet Member report) to plan, prepare and coordinate the programme and ensure the timely delivery of the Summer programme. Contract variations of our existing arrangements with Leisure providers will ensure activities at our leisure facilities are in place. The Council's Early Years team will administer DfE monies through grants to out-of-school provision. Finally, a grant allocation process for the remaining DfE monies to be distributed amongst schools, SEND and voluntary organisations will be co-ordinated via a single contractor negotiation with the Council's voluntary sector partner (BVSC).</p>
What is the proposed procurement route?	An open procurement exercise will be undertaken advertised in Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are no existing contractual arrangements in place.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the service to be delivered in a way that reduces or eliminate their carbon footprint, in particular with regard to transportation.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	No, this is the first time the Council has been directly awarded funds by the DfE to run holiday activity scheme at this scale.
What budget is the funding from for this service?	This is funded from the grant funding of £8.1m from the DfE.
Proposed start date and duration of the new contract	The proposed start date is 30th June 2021 to allow mobilisation to deliver the contracted activities during the summer and Christmas holiday periods.

**REVISED AMENDMENTS BELOW HIGHLIGHTED IN YELLOW:**

Title of Contract	Holiday Activity & Food (HAF) Programme 2021
Director/ Assistant Director	<b>Garath Symonds (Commissioning)</b>
Briefly describe the service required	<p>Cabinet previously approved the Planned Procurement Activities Report (PPAR) item on April 20<sup>th</sup> for the procurement of organisations to deliver healthy food and enriching activities to disadvantaged children aged 5-16 years in Birmingham who are eligible for Free School Meals. This procurement is one of a suite of approaches, which include:-</p> <ul style="list-style-type: none"> <li>• A Programme Management organisation to plan, prepare and coordinate the programme and ensure the timely delivery of the Summer programme</li> <li>• Contract variations of our existing arrangements with Leisure providers will ensure activities at our leisure facilities are in place.</li> <li>• The Council's Early Years team will administer DfE monies through grants to out-of-school provision.</li> <li>• A grant allocation process for the remaining DfE monies to be distributed amongst schools, SEND and voluntary organisations will be co-ordinated via a single contractor negotiation with the Council's voluntary sector partner (BVSC).</li> </ul> <p>Whilst it is difficult to estimate the breakdown of costs for the above, given that extent of take-up of some delivery routes will have a knock-on effect on others, the latest projections are given below. The amount for this Procurement included in Exempt Appendix differs from that previously stated in the April PPAR.</p>
What is the proposed procurement route and reason for material change?	<p>The proposed route was an open procurement exercise advertised in Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a></p> <p>Given the nature of the services required and the markets in question, as the specification was being developed it became clear that separating out the Activity delivery and the Food provision would give a more focused approach to achieving the required outcomes for those eligible children.</p> <p>Whilst no frameworks are available for the provision of holiday activities, there are frameworks for the provision of food. Therefore, the food element will be run as a mini competition using the YPO Framework ref: 000985-Food Deal DPS. The procurement of activities will continue to follow the proposed route using an open procurement exercise. This approach also helps the arrangements to be in place in time for the school summer holidays.</p>

**Cost Breakdown**

Leisure centres		167,040	via BCLT/Serco Contract variation
Youth Service		270,000	via BCC Youth service
Early Years		906,898	via EYCC /bus support costs
Easter Programme		177,647	via StreetGames
Programme Management		487,109	via StreetGames
Food Logistics/Monitoring & Evaluation/Training		400,000	
Grants			
Voluntary Sector	2,109,000		via BVSC

Others	500,000		via BVSC
Grant management	175,000		BVSC Grant fees via SCN
		2,775,000	
Meals provision		900,000	via Framework
BCC Management Support		130,000	BCC Client Management
BCC Procurement Support		5,000	
Sub-total		6,218,694	
Commercial procurement		See exempt Appendix	
Contingency		965,266	
<b>Total</b>		<b>7,183,960</b>	





## Resources O&S Committee: Work Programme 2021/22

**Chair** Councillor Mohammed Aikhlaq

**Deputy Chair**

**Committee Members:** Councillors David Barrie, Barbara Dring, Meirion Jenkins, Majid Mahmood, Shafique Shah, Paul Tilsley and Lisa Trickett

**Committee Support:** Scrutiny Team: Emma Williamson (464 6870) and Jayne Bowles (303 4810)  
Committee Manager: Mandeep Marwaha (303 5950)

## 1 Terms of Reference

To fulfil the functions of an Overview and Scrutiny Committee as they relate to any policies, services and activities concerning finance (including strategic finance, budget setting and financial monitoring); revenues and benefits; treasury management; council land use and property assets; human resources; contracting, commissioning and commercialisation.

## 2 Meeting Schedule

Date	Item	Officer contact
<b>24 June 2021</b> <b>1400 hours</b> Deadline for reports: 15 June 2021	Financial Outturn 2020/21	Rebecca Hellard, Interim Chief Finance Officer
	Implementation of the Council's Finance and HR Enterprise Resource Planning (ERP) System	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
	CityServe Update	Alison Jarrett, AD, Development and Commercial
<b>22 July 2021</b> <b>1400 hours</b> Deadline for reports: 13 July 2021	Financial Monitoring 2021/22 - Quarter 1/Month 3	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director



<b>9 September 2021</b> <b>1400 hours</b> Deadline for reports: 31 August 2021	Financial Monitoring 2021/22 – Month 4	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>7 October 2021</b> <b>1400 hours</b> Deadline for reports: 28 September 2021	Financial Monitoring 2021/22 – Month 5	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>4 November 2021</b> <b>1400 hours</b> Deadline for reports: 26 October 2021	Financial Monitoring 2021/22 – Quarter 2/Month 6	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>9 December 2021</b> <b>1400 hours</b> Deadline for reports: 30 November 2021	Financial Monitoring 2021/22 – Month 7	Rebecca Hellard, Interim Chief Finance Officer/Sara Pitt, AD, Service Finance
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>20 January 2022</b> <b>1400 hours</b> Deadline for reports: 11 January 2022	Financial Monitoring 2021/22 – Month 8	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director



<b>10 February 2022</b> <b>1400 hours</b> Deadline for reports: 1 February 2022	Financial Monitoring 2021/22 – Quarter 3/Month 9	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>24 March 2022</b> <b>1400 hours</b> Deadline for reports: 15 March 2022	Financial Monitoring 2021/22 – Month 10	Rebecca Hellard, Interim Chief Finance Officer
	ERP Update	Rebecca Hellard, Interim Chief Finance Officer/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>28 April 2022</b> <b>1400 hours</b> Deadline for reports: 19 April 2022		

### 3 Items to be programmed

3.1 Planned Procurement Activities Report to be a standing item on all meeting agendas

### 4 Other Meetings

#### **Inquiry: Procurement and Contract Management**

8 April 2021 Informal Session

#### **Call-in**

#### **Petitions**

*None scheduled*

#### **Councillor Call for Action requests**

*None scheduled*



## 5 Forward Plan for Cabinet Decisions

008576/2021	Outturn Report 2020-21	29 Jun 21
008942/2021	Outcome of CIPFA's Assessment of the Council's Financial Management Capability	29 Jun 21
008987/2021	MTFP Update	27 Jul 21
<b>Leader</b>		
007538/2020	Disposal of Surplus Properties	27 Jul 21
008303/2021	Asset Review – Multi-storey car park, Brunel Street, Birmingham	27 Jul 21
008307/2021	Perry Barr Regeneration Scheme – Full Business Case Update	27 Jul 21
008632/2021	Property Strategy: Asset Review – Birmingham City Property Company	27 Jul 21
008894/2021	Sale of land at Lawson Street, Birmingham B4 7AT	27 Jul 21
007884/2020	Proposed Compulsory Purchase Order – Digbeth & Allison Street, Birmingham for the Beorma Quarter Development	07 Sep 21
008971/2021	Sale of 1 Lancaster Circus, City Centre	09 Nov 21
<b>Deputy Leader</b>		
008892/2021	New Ways of Working Enhanced Business Case	27 Jul 21
<b>Cabinet Member for Finance and Resources</b>		
008907/2021	Gas and Power Procurement Strategy	27 Jul 21
<b>Cabinet Member for Street Scene and Parks</b>		
007349/2020	Waste Vehicle Replacement Programme	12 Oct 21