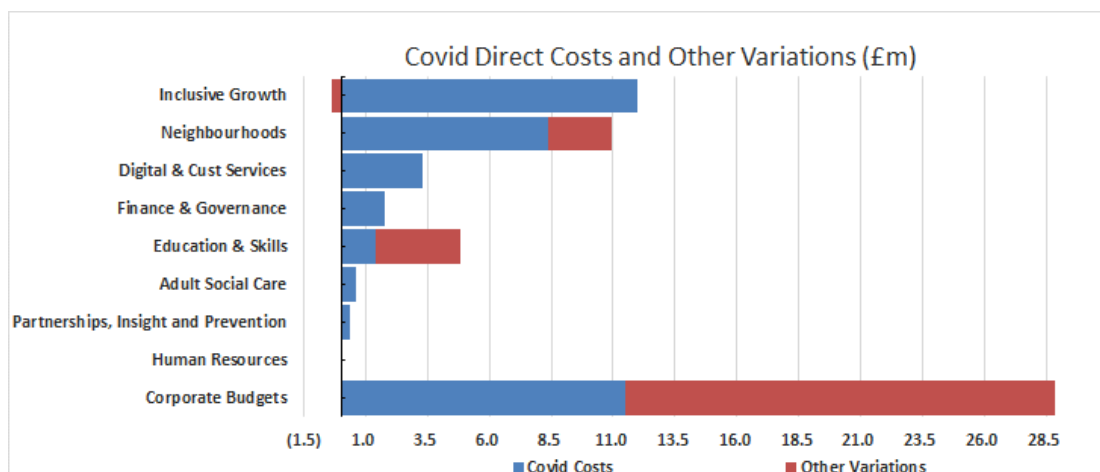


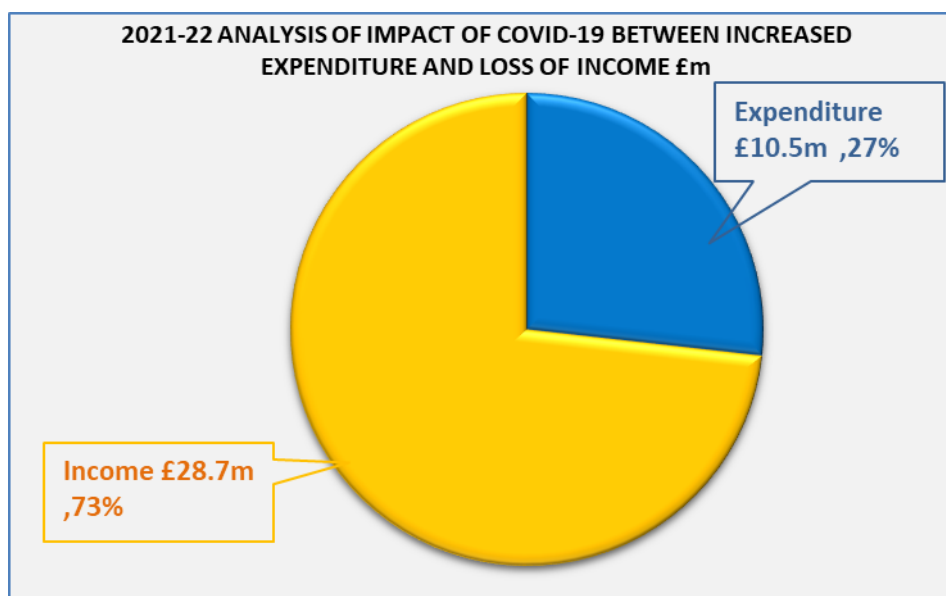
## APPENDIX A

### Quarter 1 Financial Monitoring Report 2021-22

#### 1. High Level Summary Financial Position

- 1.1. At the end of Quarter 1, the Council's General Fund is forecasting a net overspend of **£27.4m** (Column E in table1) which represents 3.3% of the £828.7m budget. This is made up of a **£15.0m** (Column D in table1) underspend on non-Covid issues and a **£42.4m** (Column C in table1) overspend related to the Covid-19 emergency.
- 1.2. The net covid-19 overspend of **£42.4m** (Column C in table1) is after applying funding; **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, an estimate of funding for income loss of **£4.9m** and **£12.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 Government Covid Funding. It is also after applying an estimate of **£38.0m** cost from the redeployment of staff on a similar basis to that reported in the 2020-21 outturn. We will continue to look to maximise the use of specific covid funding to reduce this estimated cost.
- 1.3. In terms of savings, **£15.9m** of the **£36.8m** savings targets are either delivered or on track which represents 43% of the total savings target. The £20.1m establishment saving, currently shows £10.0m achieved, £5.1m at risk and the £5.0m is currently considered unachievable.
- 1.4. The non-Covid position is a net underspend of **£15.0m** (Column D in table1). This includes following Directorate overspends; **£2.6m** relating to Neighbourhoods and **£3.4m** for Education & Skills. Details are in section 3 below.
- 1.5. In order to facilitate the further improvement to the SEND service Cabinet is asked to approve the drawdown of £1.0m from the Financial Resilience Reserve (FRR). A further request is likely in September.
- 1.6. There is a forecast corporate gross overspend of **£17.4m**. **£5.4m** of this is due to a shortfall in local tax support expected to be received compared to the forecast when the budget was set. There is also a forecast cost of **£7.0m** for potential costs of pay inflation if this as agreed at 1.5%. The likely underachievement of **£5.0m** of establishment savings is also included within the corporate overspend.





The Pie chart shows the total Covid overspend split between income and expenditure across the directorates and including the corporate overspend.

Table 1

Table 1:High Level Summary	A	B	C	D	E
Directorate *	Current Budget	Forecast Outturn	Covid 19 Financial Impact Included	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend *
	£m	£m	£m	£m	£m
Inclusive Growth	114.388	125.978	11.954	(0.364)	11.590
Neighbourhoods	143.781	154.745	8.354	2.610	10.964
Education & Skills	291.911	296.735	1.430	3.394	4.824
Digital & Cust Services	33.017	36.337	3.320	0.000	3.320
Finance & Governance	24.005	25.756	1.751	0.000	1.751
Adult Social Care	339.763	340.385	0.622	0.000	0.622
Partnerships, Insight and Prevention	9.248	9.583	0.335	0.000	0.335
Human Resources	6.673	6.694	0.021	0.000	0.021
<b>Directorate Sub Total</b>	<b>962.784</b>	<b>996.211</b>	<b>27.787</b>	<b>5.640</b>	<b>33.427</b>
Corporate Budgets	(134.114)	(105.275)	11.470	17.369	28.839
Application of Tranche 5 Funding Budget 2021/22	0.000	(12.515)	(12.515)	0.000	(12.515)
Covid Funding	0.000	(17.471)	(17.471)	0.000	(17.471)
Income Loss Scheme Funding	0.000	(4.895)	(4.895)	0.000	(4.895)
<b>Corporate Subtotal</b>	<b>(134.114)</b>	<b>(140.156)</b>	<b>(23.411)</b>	<b>17.369</b>	<b>(6.042)</b>
<b>City Council General Fund</b>	<b>828.671</b>	<b>856.055</b>	<b>4.376</b>	<b>23.009</b>	<b>27.385</b>
Indirect Covid Costs			37.998	(37.998)	0.000
<b>General Fund after transferring indirect costs</b>	<b>828.671</b>	<b>856.055</b>	<b>42.374</b>	<b>(14.989)</b>	<b>27.385</b>

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

\*\*This excludes Covid-19 risk, see paragraph 3.30 below

## Analysis of Non covid pressure faced by Directorate

Directorate	non delivery of savings £m	expenditure variations £m	income variations £m	one-off mitigations £m	Non Covid 19 Financial Impact Included £m
Inclusive Growth	0.052	(1.010)	0.594	0.000	(0.364)
Neighbourhoods	0.000	6.203	0.607	(4.200)	2.610
Digital & Cust Services	0.000	0.000	0.000	0.000	0.000
Education & Skills	0.000	3.394	0.000	0.000	3.394
Finance & Governance	0.000	(0.343)	0.346	(0.003)	(0.000)
Human Resources	0.000	(0.070)	1.149	(1.079)	0.000
Partnerships, Insight and	0.000	3.875	(3.875)	0.000	0.000
Adult Social Care	0.000	(1.261)	1.261	0.000	0.000
<b>Directorate Sub Total</b>	<b>0.052</b>	<b>10.788</b>	<b>0.082</b>	<b>(5.282)</b>	<b>5.640</b>
Corporate	5.000	7.000	5.369	0.000	17.369
<b>Total</b>	<b>5.052</b>	<b>17.788</b>	<b>5.451</b>	<b>(5.282)</b>	<b>23.009</b>

**One off mitigation:** actions taken by Directorates to deliver a balanced budget for 2021-22, which also includes mitigation for non-delivery of savings target (over £0.5m).

- 1.6 **Neighbourhoods:** The main mitigation is an underspend of £3.0m on borrowing costs due to delays in procurement of the new fleet. Out of a total of 74 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021 with the remaining 43 vehicles received in June.
- 1.7 **Human Resources:** There are one-off mitigations actions that have been identified including the use of Policy Contingency as requested in paragraphs 3.28 and 3.30, and the use of reserves carried forward from previous year that will be considered as part of Outturn.

## 2. Capital Expenditure

- 2.1. Capital expenditure for the year 2021/22 is forecast at £745.3m against the revised capital budget of £734.0m. The net overspend of £11.3m is due mainly to increased works identified for the HRA Improvement programme and will be funded by additional contributions from the Housing Revenue Account.
- 2.2 Expenditure to date is £78.9m which is 10.6% of the year-end total forecast.
- 2.3 The revised budget is a £5.9m reduction from the budget approved in the Financial Plan in February 2021. This is as a result of a net slippage from 2020/21 of £39.9m and net of new resources approved since then as well as an updated phasing of these budgets by £(45.9)m.
- 2.4 The net acceleration / slippage of £39.9m and reasons for it were reported in the 2020/21 Outturn Report that was approved by Cabinet on 29<sup>th</sup> June 2021.

Table C1: Summary 2021/22 Financial Position

	Spend to date	Original Approved Budget	Slippage / Acceleration from 2020/21	New Schemes, Resources & Rephasing	Revised Quarter 1 Budget	Forecast net overspend/ (underspend)	Forecast Outturn
	£m	£m	£m	£m	£m	£m	£m
General Fund	57.4	614.0	38.1	(28.6)	623.6	(0.8)	622.8
HRA	21.5	125.9	1.8	(17.3)	110.4	12.1	122.5
<b>TOTAL</b>	<b>78.9</b>	<b>739.9</b>	<b>39.9</b>	<b>(45.9)</b>	<b>734.0</b>	<b>11.3</b>	<b>745.3</b>

### Movements from the Original Budget:

- 2.5 **Education & Skills:** Original Budget was £51.4m revised budget at month 3 is £46.9m. The main budget movements are as per the Education & Skills Capital Programme report approved by Cabinet on 16th March 2021, including rephasing of £9.9m School Condition Allocation (SCA) grant from 21/22 to 22/23 as well as budgeted use of £5.5m of Capital reserves. There was also a net acceleration of £4.5m at the end of 2020/21 which has reduced the 21/22 budget.
- 2.6 A £2m allocation from the Modernisation fund for refurbishment of buildings occupied by BCT was approved late last year and has been added to the budget.
- 2.7 **Neighbourhoods – Other.** Original Budget was £37.5m revised budget at month 3 is £44.6m. The main budget movements are:- Slippage from 2020/21 of £4.590m. The new allocations include a budget of £4.6m in 21/22 to fund the purchase of the replacement for the Montague Street depot. This will be funded from the Montague Street depot disposal proceeds
- 2.8 **Neighbourhoods – HRA.** Original Budget was £126m revised budget at month 3 is £110.4m. The main budget movements are: - Re-phasing of BMHT budget (£17.042m). The programme has been rephased to take account of delays caused by a number of factors; there are shortages and delays in acquiring materials resulting in longer lead in times, as well as increasing prices. Highways approvals are also taking longer. Changes in policy and legislation have meant a need to adjust our standard house types and develop in tandem two eco projects. Therefore, some caution has been exercised in the re-programming.
- 2.9 The Clearance budget has been rephased by (£5.367m) as a result of the significant impact on clearance and rehousing activity due to the initial Covid 19 restrictions, which has had an effect on a number of services and combined with the lack of availability of suitable alternative properties, this is causing delays in the rehousing of households.
- 2.10 **Inclusive Growth: Transportation** (including major schemes). Original Budget was £172.9m revised budget at month 3 is £199.1m. This is mainly as a result of £9.224m slippage from last year across various projects as well as the revised Projects and £6.345m rephasing and adding new resources to the programme as approved by

Cabinet on 09/02/2021 within the Transportation & Highways Capital Programme Annual update report.

- 2.11 **Inclusive Growth: Perry Barr Residential Scheme.** Original Budget was £130.2m revised budget at month 3 is £151.8m. The budget change is due to slippage from 2020/21 described in the Capital Outturn report presented to cabinet on 29 June 2021.
- 2.12 **Finance & Governance: Corporate Contingency and Modernisation Fund.** Original Budget was £125.4m revised budget at month 3 is £89.5m This has been rephased over the next four years.
- 2.13 Cabinet is asked to approve the allocation of £25.0m from Corporate Capital Contingency for a Capital Contingency for the Commonwealth Games.

Table C2

Capital Forecast 2021/22 by Directorate						
Directorate	(a) 2021/22 Original Approved Budget  £m	(b) Slippage / Acceleration from 2020/21	(c) New Schemes, Resources & Rephasing  £m	(d) 2021/22 Period 3 Revised Budget (a+b+c)  £m	(e) Forecast Variation Period 3  £m	(f) 2021/22 Forecast Outturn  (e+f)  £m
<b>Adult Social Care</b>	10.605	(1.031)	0.000	9.574	0.000	9.574
<b>Education &amp; Skills</b>	51.444	(3.157)	(1.416)	46.871	0.000	46.871
<b>Neighbourhoods</b>						
Neighbourhood Other	37.499	4.590	2.522	44.611	0.000	44.611
Housing Revenue Account	125.957	1.828	(17.339)	110.446	12.098	122.544
<b>Total Neighbourhoods Directorate</b>	<b>163.456</b>	<b>6.418</b>	<b>(14.817)</b>	<b>155.057</b>	<b>12.098</b>	<b>167.155</b>
<b>Inclusive Growth</b>						
Planning & Development	45.100	0.804	4.696	50.600	0.000	50.600
Transportation	66.096	9.224	6.345	81.665	(0.785)	80.880
Highways	1.980	0.744	1.958	4.682	0.000	4.682
Housing Development	0.000	1.563	0.000	1.563	0.000	1.563
Perry Barr Residential Scheme	130.222	21.591	0.002	151.815	0.000	151.815
Property Services	59.719	0.862	0.048	60.629	0.000	60.629
<b>Total Inclusive Growth Directorate</b>	<b>303.117</b>	<b>34.788</b>	<b>13.049</b>	<b>350.954</b>	<b>(0.785)</b>	<b>350.169</b>
<b>Finance &amp; Governance</b>	<b>125.410</b>	<b>4.756</b>	<b>(40.702)</b>	<b>89.464</b>	<b>0.000</b>	<b>89.464</b>
<b>Digital &amp; Customer Services</b>	<b>9.758</b>	<b>1.526</b>	<b>(1.971)</b>	<b>9.313</b>	<b>0.000</b>	<b>9.313</b>
<b>Commonwealth Games</b>	<b>76.144</b>	<b>(3.598)</b>	<b>0.000</b>	<b>72.546</b>	<b>0.000</b>	<b>72.546</b>
<b>Assistant Chief Executive</b>	<b>0.000</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>
<b>TOTAL</b>	<b>739.934</b>	<b>39.952</b>	<b>(45.857)</b>	<b>734.029</b>	<b>11.313</b>	<b>745.342</b>

### Forecast Variations at Quarter 1 / Month 3

- 2.14 **HRA: Housing Improvement Programme:** A first quarter assessment of the various programmes and schemes in this year's investment programme has identified a need to increase the spend this year by £12.098m. This includes the large programme of fire protection works to High Rise Residential Blocks, in particular the replacement of external cladding and fire panels requiring completion by March 2022. As a result of this

there are additional works identified as necessary where it is not possible to provide the solution in isolation e.g. unable to replace panels without replacing windows. There are also large structural rectification schemes requiring additional solutions to address further defects identified once works have commenced on site as well as new urgent structural defects identified in an ageing high and low-rise stock. There is limited capacity to reduce other cyclical and annual planned works. This will be funded by an increase in revenue contribution of £3m and the use of Major Repairs Reserve of £9.098m.

### **Risks and Issues**

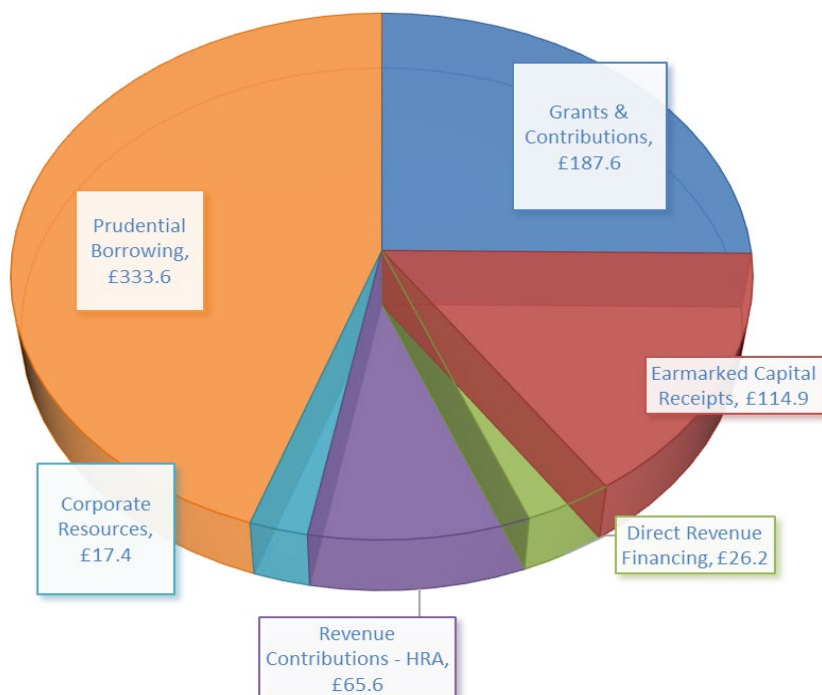
- 2.15 The impact of Brexit on the construction industry is still an unknown and together with the continuing impact of Covid 19 and economic recovery casts greater uncertainty particularly about the supply and import of materials and labour. This applies to most projects within the capital programme and the impact of this situation will continue to be monitored closely during the coming months.
- 2.16 **Dudley Road Scheme – Funding to be identified:**  
Delivery of the revised main scheme has been estimated at £20.694m. Funding has been identified from the Levelling Up Fund in order for the scheme to progress to full implementation after the Commonwealth Games. A bid of £19.941m was submitted in June 2021 with the anticipated outcome due in September/October 2021. There is a risk that funding may not materialise, and other sources of external funding may be required if the project is to progress. A further update will be provided to Cabinet once the outcome of the Levelling Up Fund bid is known.
- 2.17 **Revenue Reform Projects (Flexible Use of Capital Receipts)** – Revenue expenditure has been identified that meets the criteria for the Flexible use of Capital receipts. Currently this is forecasting to spend to budget and more detailed monitoring of this spend will be provided during the financial year.

### **Financing the quarter 1 / month 3 forecast outturn**

- 2.18 The quarter one forecast outturn will be financed as shown in the pie chart and the table below.

Table C3 - £m

### Period 3 Forecast Financing



**Table C4: Summary of Capital Project Funding for quarter 1 / month 3**

	General Fund £m	Housing Revenue Account (HRA) £m	Total £m
<b>Forecast Capital Expenditure</b>	<b>622.8</b>	<b>122.5</b>	<b>745.3</b>
<b>Forecast Funding</b>			
Grants & Contributions	(180.8)	(6.8)	(187.6)
Earmarked Receipts	(88.0)	(26.9)	(114.9)
Direct Revenue Financing	(17.1)	(74.7)	(91.8)
Corporate Resources	(17.4)	0.0	(17.4)
Prudential Borrowing	(319.5)	(14.1)	(333.6)
<b>Total Funding</b>	<b>(622.8)</b>	<b>(122.5)</b>	<b>(745.3)</b>



### 3. Key Issues

#### Non Covid-19 Related Issues

##### Education and Skills

- 3.1. At the end of Quarter 1 the Directorate is forecasting a **£3.4m overspend which relates to non Covid-19 expenditure;**
- 3.2. **Inclusion and SEND** is currently forecasting an overspend of £3.4m due increased cost of providing Travel Assist and guides, as the number pupils accessing the service are requiring more vehicles & guides, increased complexity of the users and longer journey times due placements being more geographically dispersed. The cost of travel nationally has increased above the inflation rate, which is also creating additional pressure for the service.
- 3.3. In May 2021 Birmingham hosted Ofsted and CQC to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. As a result of the revisit, there is a need for a SEND Improvement Programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the HNB and general fund to address capacity issues within the system. This will be designed over the next few months.

##### Neighbourhoods

- 3.4. At the end of Quarter 1 the Directorate is forecasting a **£2.6m overspend relating to non Covid-19 expenditure;**
- 3.5. **Housing General Fund (projected year end £2.5m overspend):**
- The Housing Options service is forecasting a net year end overspend due to delays in the implementation of the new operating model and restructuring of the service. The number of placements requiring bed & breakfast accommodation is forecast to increase at a rate of 10 per week over the remainder of the year. Preventative measures will not be fully operational this financial year resulting in a demand led pressure of £2.5m. The eviction ban was lifted in May 2021 and there is an expectation that numbers will start to rise from September 2021 – the forecast currently makes provision for this; however, it is difficult to predict the extent of this on presentations.
  - Initial modelling of the temporary accommodation position and impact of early intervention and prevention model was undertaken in October 2020, this indicated potential pressure in 2021/22 of £7.4m. The increase anticipated at the time of doing the initial modelling has not fully materialised partly due to the extension of the eviction ban – placements in April were lower by 219 resulting in a lower potential pressure this year. Modelling continues as part of the monthly monitoring process and will be reflected in monthly forecasts.
- 3.6. **Street Scene service** is forecasting an underspend of £0.6m, details of major variances are below:
- The Trade Waste Service is forecasting a shortfall of income of £0.4m as a result of losing a major contract. The service is working towards securing new clients



to mitigate this pressure. The Waste Vehicle Garage service is forecasting an income shortfall of £0.8m due to reduced client base compounded by servicing arrangements for new grounds maintenance fleet moving external. There is a forecast overspend of £1.5m associated on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life and forecast overspend of £0.3m against the Landscape Practice Group resulting from non-achievement of income.

- The main mitigation is an underspend of £3.0m on borrowing costs due to delays in procurement of the new fleet. Out of a total of 74 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021 with the remaining 43 vehicles received in June

3.7. **Neighbourhoods Service (projected year end £0.5m underspend):** The main variance is an underspend £0.3m relating to running costs within Leisure and community centres.

#### **Adult Social Care.**

3.8. The Directorate is forecasting **a balanced position on non Covid-19 expenditure.**

3.9. **Packages of Care** is forecasting overspend of £2.1m, this has been caused by pressures linked to increases in activity around hospital discharges together with reductions in anticipated client income of £0.4m. This is offset by underspends in staffing of £1.5m and Commissioning of £0.4m as below.

3.10. **Staffing** – Recruitment and retention of assessment and care management staff is causing an underspend across most teams in the service, which is being carefully managed to ensure there are no detrimental capacity issues while also mitigating some of the overspend in Packages of Care.

3.11. **Commissioning** is forecasting £0.4m underspend, £0.3m of this variance is caused by vacancies across the Commissioning team, together with £0.1m of underspends against the third sector grant budgets, and these budgets and ongoing commitments are currently being worked through with Commissioning Managers

#### **Inclusive Growth**

3.12. The Directorate is forecasting **an underspend of £0.4m** relating to non Covid-19 expenditure.

#### **Clean Air Zone (CAZ)**

3.13. The Clean Air Zone became operational on 1 June 2021 with charging of the daily fee paused between 1 - 13 June 2021. Similarly, the Council has adopted a 'soft' enforcement strategy for one month from the start of payments on 14 June.

3.14. While the primary objective for the Clean Air Zone is to support a reduction in the levels of nitrogen dioxide at a number of locations in the city to within the legal limit in the shortest possible time, the application of a daily fee (with PCN's for those who do not pay the daily fee) to the most polluting vehicles is generating an income. Income confirmed to be in excess of the operating costs and reserve requirements of the Clean Air Zone is required to be re-invested in local transport-related strategies and policies.

- 3.15. Current 2021/22 budgets for the operational costs of the Clean Air Zone and anticipated income generated reflect initial estimates made during the early development of the project. This currently includes £7.2m for the cost of running the service and an income forecast of £26.9m from daily charges and penalty charges however, this will change due to the delays experienced in the implementation of the zone.
- 3.16. Now that the Clean Air Zone is operational the service will update the income and expenditure forecasts based on actual operational information. This includes volumes of non-compliant vehicles by category and over time as well as actual expenditure. This will enable the service to provide a more accurate forecast of income and expenditure over the predicted lifetime of the service.
- 3.17. As the service only became operational on 1<sup>st</sup> June 2021, the dataset is still limited. At present the service is recommending that a minimum of three months of data should be compiled in order to start to provide a more accurate update to forecast income.
- 3.18. It should also be noted that forecast income is still expected to decline over time as compliance increases however the level of decline cannot be accurately assessed at this early stage. Therefore, as the service matures further updates to forecast income and expenditure will be required to inform the Council's financial monitoring process.
- 3.19. In addition to updating the income and expenditure forecast the service will publish a report that will establish a baseline for measuring improvements to air quality. The data for measuring improvements in air quality will be taken from the Air Quality Annual Status Report so will be updated at a minimum of six and 12 months.
- 3.20. Grant funding of £8.5m remains available for mitigation support to various eligible groups in becoming compliant with the requirements of the Clean Air Zone.

### **Emerging Risks not included in Forecast**

- 3.21. There are a number of risks that are not included in the forecast outturn.
- 3.22. The Trade Unions have been offered a pay award of 1.5% by the Employer's side, although this has not been accepted. A potential pay award of 1.5% that could cost £7.0m has been built into the forecast. There is a risk that a higher pay award is agreed. Each extra 0.5% increase would cost £2.3m per annum.
- 3.23. There is a risk that savings that are rated as amber are not achieved in full. The largest single element of the saving target is the £20.1m of the establishment savings. £10.m has been achieved, £5.1m has been assumed to be unachieved and reflected in the outturn while further £5.0m is currently rated as amber and been assumed to be delivered during the year. There is a risk that is not achieved which could add further £5.0m to the outturn.

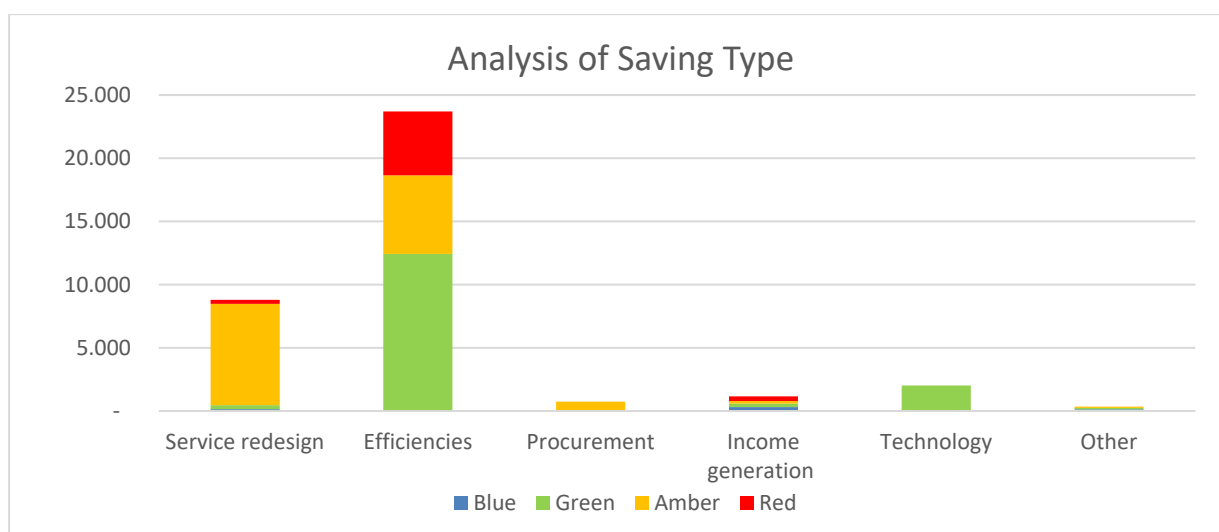
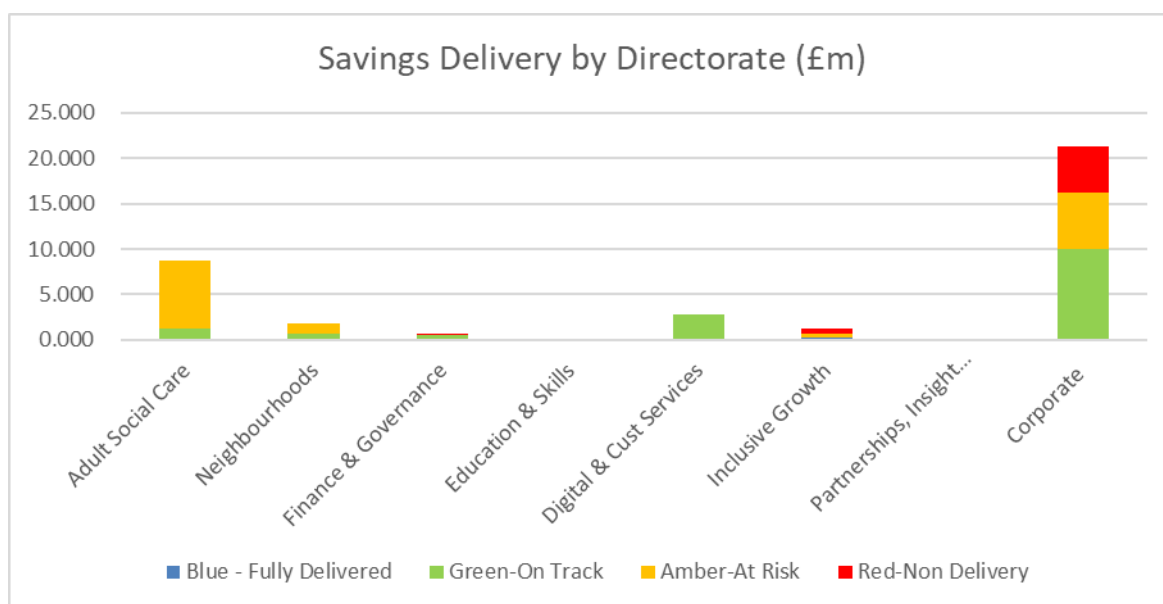
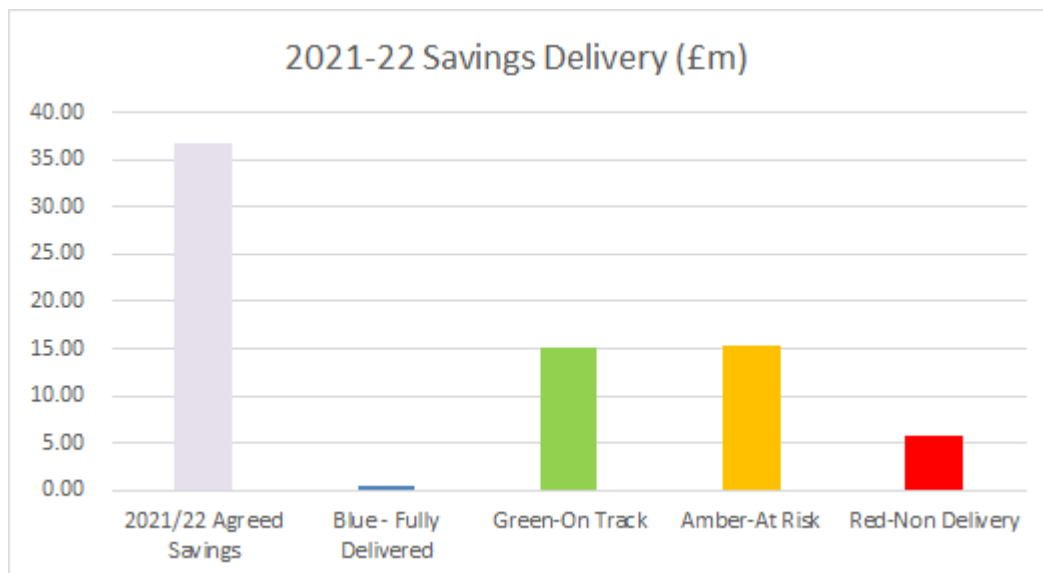
### **Savings Programme**

3.24. The savings programme for 2021/22 of £36.8m of which £20.9m of savings is either at risk or undeliverable. £15.9m of the saving is either achieved or on target, which is 43% of the target.

Directorate	Non Delivery of Saving		Saving at Risk	Saving Delivered and on Track	Total Saving
	Delayed Because of Covid-19	High Risk & Undeliverable			
	£m	£m	£m	£m	£m
Neighbourhoods	0.000	0.000	(1.008)	(0.850)	(1.858)
Adult Social Care	0.000	0.000	(7.500)	(1.293)	(8.793)
Inclusive Growth	(0.599)	(0.052)	(0.394)	(0.309)	(1.354)
Education & Skills	0.000	0.000	0.000	(0.050)	(0.050)
Finance & Governance	(0.116)	0.000	0.000	(0.544)	(0.660)
Digital & Cust Services	0.000	0.000	0.000	(2.825)	(2.825)
Partnerships, Insight and Prevention	0.000	0.000	0.000	(0.014)	(0.014)
Human Resources					
Corporate	0.000	(5.000)	(6.279)	(10.000)	(21.279)
Directorate Sub Total	(0.715)	(5.052)	(15.181)	(15.885)	(36.833)

3.25. The £36.8m savings programme for 2021-22 (shown in the following charts) is now showing £15.9m as delivered or on track.

- **Corporate** has the largest saving target of £21.2m, of which 47% has been achieved, £10m is from the £20.1m establishment saving. The reminder of the saving has currently been assessed as at risk or unachievable in the current financial year.
- **Adult Social Care** has a saving target of £8.8m of which 15% of the saving has been achieved. The £7.5m of saving is currently been assessed as being at risk due to uncertainty around demand in community and hospital settings. The increased demand from hospital discharges is currently being analysed.
- **Inclusive Growth** has £1.4m savings target of which £0.3m has been achieved and the rest has been assessed as at risk or undeliverable. £0.4m Capital receipts from disposals of ring-fenced commercial portfolio properties to mitigate future CAB savings are being monitored for deliverability. Due to Covid, £0.3m rental growth assumptions proposed under the Property Strategy have been delayed and £0.3m savings related to the Public Hub Programme have been delayed until the full programme of New Ways of Working can be implemented for non-Central Admin Buildings properties.
- **Neighbourhoods** has £1.9m savings target. The current assessment is that £1.0m of savings are at risk due to delay in implementation of various programmes, street service redesign, car parks commercialisation. However, there are no savings that are unlikely to be achieved.



## Covid-19 Major Incident Financial Impact

- 3.26. Council has carried forward £17.5m of un-ringfenced Covid-19 related grant funding from the government. In addition, there is an estimated £4.9m of income that can be reclaimed from the Governments Income loss scheme up to the scheme end on the 30th June.
- 3.27. The Council funded £12.5m of covid pressures in the 2021/22 budget through the use of Tranche 5 of Government un-ringfenced grant funding.
- 3.28. The government has also announced several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.
- 3.29. The summary below sets out the forecast Covid-19 financial position at Quarter 1.

<b>Forecast Covid-19 financial position</b>	<b>Covid cost £m</b>
Directorate covid overspend	27.787
Corporate budgets overspend	11.470
Indirect Covid costs	37.998
<b>Total Covid-19 overspend</b>	<b>77.255</b>
Application of Tranche 5 Funding Budget 2021	(12.515)
Covid grants carried forwards	(17.471)
Income compensation	(4.895)
<b>Total Covid income</b>	<b>(34.881)</b>
<b>Net Deficit</b>	<b>42.374</b>

- 3.30. There are further Covid-19 financial risks which have been quantified at £5.0m which are around Adult Social Care. Covid risks are reported on a weekly basis.

## Delivery Plan

- 3.31. Establishing programme architecture to support the delivery of the Delivery Plan and the associated programmes of work has been underway for a number of months. The development of this architecture, outline business cases and discovery/ feasibility work is ongoing. The sourcing of appropriate support for the organisation to drive this forward has been funded primarily by the Transformation Fund (£5.25m).
- 3.32. A further £5.0m was approved by Cabinet in April from the Delivery Plan Reserve to expedite business case development and programme support. Further funding required for implementation will be sought from the Delivery Plan Reserve, requests for funding will seek Cabinet approval for draw down from the reserve as appropriate.
- 3.33. With regards to the Transformation Fund, the total spend to date including 2021-22 Q1 is £3,374,308 with a remaining £1,875,692. Of this amount, £1,770,747 is committed leaving a remainder of £104,945 uncommitted funds.
- 3.34. With regards to the Delivery Plan Reserve Draw Down, the total amount approved for spend to date is £1,950,571. The forecast for spend is £1,748,071 and the pipeline forecast is £803,101. This would leave a remainder of £498,257. It is prudent at this

time to request a further £5.0m draw down from the Delivery Plan Reserve to ensure delivery plan enabling work is able to continue at pace.

<b>CEO Transformation Fund - £5.25m</b>		
<b>2020-2021 allocation £4.0m</b>		
<b>2021-2022 Allocation £1.25m</b>		
<b>Q1 2021-22 28/06/21</b>		
<b>Actual spend 20/21</b>	<b>£</b>	<b>2,189,649</b>
Total Allocation 20/21	£	4,000,000
<b>Remaining funds carried forward to 21/22</b>	<b>£</b>	<b>1,810,351</b>
Allocation 2021-2022	£	1,250,000
Remaining funds carried forward from 20/21	£	1,810,351
<b>Total Allocation for 21/22</b>	<b>£</b>	<b>3,060,351</b>
<b>Spend Q1 21/22</b>	<b>£</b>	<b>1,184,659</b>
Remaining	£	1,875,692
Committed funds	£	1,770,747
Remainder	<b>£</b>	<b>104,945</b>

<b>Delivery Plan Reserve- Draw Down £5.0m</b>		
<b>Quarter 1 28/06/21</b>		
<b>Total Spend Approved</b>	<b>£</b>	<b>1,950,571</b>
Request Forecast	£	1,748,071
Pipeline Forecast	£	803,101
<b>Total</b>	<b>£</b>	<b>4,501,743</b>
Remaining	£	498,257

## Policy Contingency

3.35. The Council Financial Plan and Budget 2021-2025 approved by Council on 23rd February 2021 reflected £44.0m for Specific Policy contingency budget in 2021/22 and £0.6m for General Policy Contingency budget. This is excluding savings that will be allocated to directorates in 2021/22. Until they are allocated, these will be held within the Policy Contingency budget.

3.36. It was approved by Cabinet on 29th June 2021 to carry forward £5.5m into a General Policy Contingency Reserve and use this in 2021/22 to increase the General Policy Contingency budget to £6.1m.

3.37. A breakdown of the Policy Contingency budget is set out below:

<b>Policy Contingency</b>	<b>Budget £m</b>	<b>Committed in Outturn Report £m</b>	<b>Qtr 1 Committed £m</b>	<b>Not yet committed £m</b>
Inflation Contingency	17.324		(8.630)	8.694
Redundancy and Exit Costs	9.281			9.281
Modernisation Fund - Social Care	8.955			8.955
Workforce Equalities & Streetscene	4.000		(2.205)	1.795
Apprenticeship Levy	1.259			1.259
Delivery Plan Programme Management	1.250			1.250
Highways Maintenance	0.750			0.750
Short-term Improvement in the Council House	0.500			0.500
HR Additional Temporary Resources	0.300		(0.300)	0.000
Loss of Income from Car Park Closures	0.252			0.252
Corporate Funding for Owning & Driving Performance (ODP) Culture Change Programme	0.129			0.129
General Contingency	6.086	(0.422)	(0.229)	5.435
<b>Total Policy Contingency excluding savings</b>	<b>50.086</b>	<b>(0.422)</b>	<b>(11.364)</b>	<b>38.300</b>
Capitalisation Transformation Projects to be allocated to services in 2021/22	(21.349)			(21.349)
Delivery Plan Workforce saving - to be allocated to services in 2021/22	(20.132)		10.000	(10.132)
DRF Revenue Switching to be allocated to services in 2021/22	(9.304)			(9.304)
Procurement Savings	(0.747)			(0.747)
Transport Work Stream	(0.400)			(0.400)
<b>Total Savings to be allocated</b>	<b>(51.932)</b>	<b>0.000</b>	<b>10.000</b>	<b>(41.932)</b>
<b>Total Policy Contingency</b>	<b>(1.846)</b>	<b>(0.422)</b>	<b>(1.364)</b>	<b>(3.633)</b>

### **Specific Policy Contingency**

3.38. As shown above the Section 151 Officer has approved the release of the following:

- £8.6m of Specific Policy contingency to fund inflationary pressures,
- £2.0m to fund Street Scene-Engage and Educate, and
- £0.3m to fund the Employee Relations Unit within HR.

3.39. The release of £0.2m funding for the HR Race Equality Unit was approved by Cabinet on 18<sup>th</sup> May 2021.

These are all in line with the Council Financial Plan and Budget.

### **General Policy Contingency**

3.40. Cabinet is asked to approve the release of the following from General Policy Contingency:

- £0.1m to fund the Birmingham Civic History Project.
- £0.1m to fund an interim JNC position within the Council Management Department.

3.41. Assuming the releases of budget shown above are approved, the balance on Policy Contingency excluding Savings would be £38.3m.



## Collection fund

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

## Council Tax and Business Rates

3.43. The overall net budget for Council Tax income including Parish and Town Council Precepts is £384.8m in 2021/22. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities.

3.44. There is a deficit forecast for the year of which the Council's share is £20.5m. This is made up of a cumulative deficit brought forward from 2020/21 of £5.9m plus an additional in year deficit relating to 2021/22 of £14.6m. This in year deficit is primarily due to a forecast increase of £16.8m in Council Tax Support of which £15.5m is funded from the Hardship Fund. There may be further worsening of non-collection rate due to the continuing effects of Covid-19 on the economy, however the Council has already budgeted for a worsening of collection rates in 2021/22. There is a forecast improvement in other reliefs and discounts of £3.6m mainly due to growth in exemptions for student accommodation forecasted to be lower than budgeted. The total net deficit for the year including brought forward deficit from 2020/21 is, therefore, forecast to be £5.0m (comprised forecast deficit of £20.5m less £15.5m funded from Hardship Fund).

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

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

	Budget	Forecast Outturn	Forecast Surplus/(Deficit)
	£m	£m	£m
Gross Debit	569.373	569.103	(0.271)
Non Collection	(13.545)	(14.749)	(1.204)
<b>Net Budget</b>	<b>555.828</b>	<b>554.354</b>	<b>(1.474)</b>
Council Tax Support	(96.390)	(113.224)	(16.834)
Other Reliefs and Discount	(72.685)	(69.078)	3.607
<b>Total in year Debit</b>	<b>386.754</b>	<b>372.052</b>	<b>(14.702)</b>
Prior Year Adjustment	(1.965)	(1.892)	0.073
<b>Total In Year Surplus/(Deficit)</b>	<b>384.789</b>	<b>370.160</b>	<b>(14.629)</b>
Total Deficit Brought Forward	0.000	(5.905)	(5.905)
<b>Grand Total Surplus/(Deficit)</b>	<b>384.789</b>	<b>364.255</b>	<b>(20.533)</b>
Hardship Fund	0.000	15.525	15.525
<b>Grand Total Net Surplus/(Deficit)</b>	<b>384.789</b>	<b>379.781</b>	<b>(5.008)</b>

## Business Rates

3.46. Under the 100% Business Rates Pilot that came into effect on 1st April 2017 the Council continues to retain 99% of all Business Rates collected under the Business Rates Retention Scheme with 1% being paid over to the West Midlands Fire Authority. The overall budgeted level of Business Rates in 2021/22 is £422.4m (excluding the Enterprise Zone), of which the Council's retained share is £418.2m.

- 3.47. There is a deficit anticipated, in year, of which the Council's share is £133.9m. This is mainly due to reliefs of £129.1m which primarily relate to Retail and Small Business Reliefs that the Council has granted to businesses in the leisure, hospitality, retail and nursery sectors which have been affected by Covid-19. The forecast gross rate yield is £4.8m lower than the budget due to lower growth in businesses. To be prudent the original growth which was assumed when the budget was set has not been factored in the forecast due to economic uncertainties.
- 3.48. The Government has announced plans to provide an extra, targeted business rates support package for businesses which have been unable to benefit from the existing £16 billion business rates relief for retail, hospitality and leisure businesses. The £1.5 billion funding pot which is to be distributed amongst all local authorities will provide businesses within Birmingham access to an additional £25m in rate relief. The Council is currently waiting for the relief legislation to be passed by central government and the subsequent scheme guidance to be released to local authorities. The extra relief and the funding for it has not been included in the forecast above. Once the Council is in receipt of this guidance a further update will be provided.
- 3.49. As with Council Tax, the Council budgeted for lower than usual collection rates in 2021/22. At this stage, it is too early to tell whether the collection rates will be in line with this.
- 3.50. The total additional grants, compared to budget, that are anticipated to offset this deficit is £126.7m. However, this will be received into the General Fund in 2021/22 and so will be required to be set aside as a contribution to reserves in the current year to be used to offset the £133.9m forecast deficit in the Collection Fund.
- 3.51. As a result of the above a total in year deficit of £7.2m is assumed to be carried forward and taken into account in setting the budget for 2022/23 made up of £133.9m deficit relating to the Council's share offset by £126.7m compensatory grants.
- 3.52. In addition to the in-year position and as previously reported in the 2020/21 Outturn report, a cumulative deficit was brought forward from 2020/21 of £2.5m. Therefore, an overall forecast Deficit of £9.7m relating to the Council's share of Business Rates (£7.2m in year Deficit plus £2.5m Deficit brought forward) is anticipated.
- 3.53. The position for Business Rates is shown in the table below:

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

	Net Budget £m	Forecast Outturn £m	Forecast Surplus/(Deficit) £m
Gross Rate Yield	556.321	551.480	(4.840)
Total Reliefs	(100.665)	(229.779)	(129.114)
<b>Gross rate yield after reliefs</b>	<b>455.656</b>	<b>321.701</b>	<b>(133.955)</b>
Increase in Bad Debts Provision	(18.226)	(18.226)	0.000
Other	(19.274)	(19.274)	0.000
<b>Total Net Rate Yield</b>	<b>418.156</b>	<b>284.202</b>	<b>(133.954)</b>
Compensatory Section 31 Grant (BCC Share)	54.079	180.784	126.704
<b>Grand Total In Year Surplus/(Deficit)</b>			<b>(7.250)</b>
BR Deficit Brought Forward		(2.477)	(2.477)
<b>Grand Total Surplus/(Deficit)</b>			<b>(9.727)</b>

## Overall

3.54. Taken together, the anticipated position for the Collection Fund and related income streams is a deficit of £14.7m to be carried forward and taken into account in setting the budget for 2022/23 (a £5.0m deficit for Council Tax and a £9.7m deficit for Business Rates).

3.55. It should be noted that the Government stated that local authorities would be compensated in 2021/22 for 75% of the 2020/21 loss in Collection Fund Income. The Council estimated that it would receive in the region of £39.6m when setting its 2021/22 budget based on the guidance issued by the Government, however it now only expects to receive £23.4m. This shortfall of £16.2m will be spread over the three years from 2021/22 to 2023/24 at £5.4m per year.

## Housing Revenue Account (HRA)

	Current Budget £m	P3 Actual	Forecast	Variation Over / (Under) spend
Rent Income	(254.737)	(40.114)	(254.737)	0.000
Service Charges	(15.158)	(2.311)	(15.158)	0.000
Other Income	(11.638)	0.001	(11.638)	0.000
<b>Total Income</b>	<b>(281.533)</b>	<b>(42.424)</b>	<b>(281.533)</b>	<b>0.000</b>
Repairs	65.767	7.958	65.767	0.000
Estate Services	20.032	2.146	20.032	0.000
General Management	69.121	7.531	68.703	(0.419)
Bad Debt Provision	8.120	0.018	6.275	(1.845)
Capital Financing	55.870	0.000	52.870	(3.000)
Capital Programme Funding	62.623	0.000	65.623	3.000
<b>Total Expenditure</b>	<b>281.533</b>	<b>17.653</b>	<b>279.270</b>	<b>(2.264)</b>
<b>Net Surplus</b>	<b>0.000</b>	<b>(24.771)</b>	<b>(2.264)</b>	<b>(2.264)</b>

## Overall Position

3.56. The current net surplus of (£24.8m) is due to timing differences between income and expenditure. There is a forecast balanced position on the Housing Revenue Account.

## Expenditure Variances

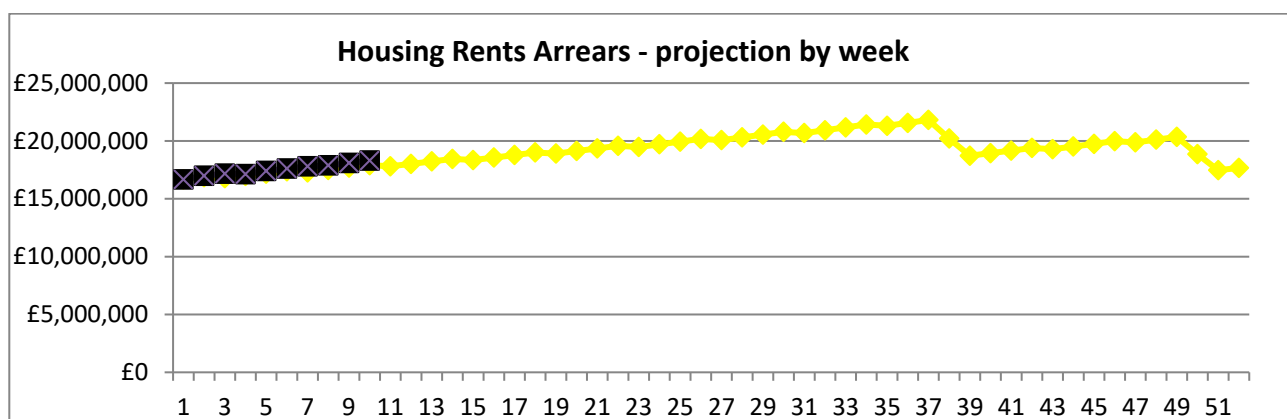
3.57. There is a net surplus forecast of (£2.3m) on expenditure. The surplus is available to be added to the current revenue reserve of (£11.3m).

- Forecast underspend on General Management (£0.4m) due to savings identified on housing management operational budgets

- The forecast underspend on Bad Debt Provision of (£1.8m) is due to lower levels of arrears on Housing Benefit due to the continued move to universal credit and as a consequence of Covid measures reducing the movement of debt from current to former tenant arrears.
- The anticipated savings on Capital Financing costs of (£3.0m) are largely due to the interest rate being lower than the budgeted rate.
- The overspend on Capital Programme Funding, £3.0m, is due to increased investment planned on the Capital Programme of £12.1m to meet priority works and match funding for the LAD2 programme. The overspend is funded from the savings on the Capital Financing budget.

## HRA Current Arrears

3.58. HRA current arrears have increased by £2.1m since the beginning of April. The latest forecast provided by the Rent Team shows an increase in arrears of £1.4m by the end of March, after taking into account the payment holidays in December and March. The graph below shows actual and projected arrears for the year. It should be noted that the projection assumes no changes in furlough or the additional £20 per week to tenants in receipt of universal credit - both of which are currently due to finish at the end of September.



3.59. The actual increase in HRA Current Arrears Bad Debt Provision in 2020/21 was £3.2m. The HRA Current Arrears Bad Debt Provision 2021/22 budget was increased to £4.1m to reflect potential increases in arrears in 2020/21 due to ongoing Covid-19 impact. Work continues to assess the movement in arrears, but as it currently stands, the variation to budget forecast on the HRA Current Arrears Bad Debt Provision is nil.

## Covid-19 pressures

3.60. The only Covid-19 specific pressure identified is an additional cost of £0.1m for targeted cleaning of high-rise and low-rise blocks of flats post Covid-19 lockdown. This will be funded from savings within the general management budget.

## Dedicated Schools Grant (DSG)

### Summary

- 3.61. The March 2021 notification from the Department for Education (DfE) shows total Dedicated Schools Grant (DSG) funding for Birmingham in 2021/22 of £1,324.6m, which comes through four blocks of funding. The Education & Skills Funding Agency (ESFA) currently recoups £632.3m of the DSG allocation to directly passport to academies and free schools.
- 3.62. The Council is responsible for the remaining budget of £692.3m, in conjunction with the local Schools' Forum. In addition, schools and academies receive direct funding allocations from the Department for Education (DfE) relating to Pupil Premium, Education Funding Agency (EFA) Post 16 Funding and Universal Infant Free School Meals. Birmingham's maintained schools allocation is estimated at £58.4m.
- 3.63. The budget will move during the course of the year as schools convert to academy status and Department for Education updates funding for updated pupil counts (particularly in early years).
- 3.64. At the end of month 3 the high-level forecast for the Dedicated Schools Grant (DSG) is as follows:

	<b>Budget £m</b>	<b>Forecast Outturn £m</b>	<b>Variance £m</b>
Schools Delegated	398.651	398.651	-
Central Schools Services	18.283	18.283	-
High Needs	184.037	184.037	-
Early Years	91.313	91.313	-
<b>Sub Total – City Council</b>	<b>692.284</b>	<b>692.284</b>	<b>-</b>
Academies & Other recoupment	632.328	632.328	-
<b>Total</b>	<b>1,324.612</b>	<b>1,324.612</b>	<b>-</b>

### Key Service Highlights

- 3.65. DSG is a highly prescribed and ring-fenced grant and is the primary source of funding that is delegated or allocated to schools and other educational providers for their revenue costs as well as funding certain prescribed centrally managed provision. The Directorate have not reported any variations on the DSG at Period 3. This is primarily because the majority of the budget is delegated to schools and early years providers and variations tend only to appear during the start of the new academic year (in September). A more substantial update will be provided at period 6 when the new academic year placement of pupils will be known, and the financial costs evaluated.

### Key Risks (not reflected in the financial forecast)

- 3.66. Demand led pressures in the High Needs Block have in the past led to overspends with a £14m High Needs Block deficit reported at the end of 2019/20. As agreed by Schools Forum at their meeting in January 2020, £5m was repaid during 2020/21 with the remaining £9m due to be repaid at a rate of £5m in 2021/22 and the remaining £4m balance in 2022/23. The financial risk to the Council arising from any negative variance is low, as it is a condition of the grant from the Department for Education that any overspends are carried forward and plans submitted for bringing the DSG account back into balance. Nonetheless, potential risks and mitigations are detailed below. The number of LA maintained schools in deficit has decreased and is now 28 (11.9% of the total number of LA maintained schools). The cumulative value of deficits has decreased by £2.4m to £6.3m; the Local Authority is working with Governing Bodies on deficit recovery plans to reduce this further. For 2021/22 there is a proposal to use £3m of the High

Needs Block to support special schools in financial difficulties and so reduce the liability that falls on the Council when special schools convert or close.

- 3.67. It should be recognised that 2020/21 has been a difficult year with the COVID-19 pandemic and whilst there have been reported cost increases and income losses, there have also been some savings associated with premises and utilities costs as a result of buildings being closed and staff working from home as well as additional funding being received to support schools during the pandemic. It is envisaged the true financial position will probably evolve over the next few years.

### Future Years Impact

- 3.68. Future years impacts will be influenced most substantively by the Government's review of school funding and, in particular, ongoing guarantees of increased high needs funding. The current High Needs proposals should ensure that the deficit on the High Needs block is paid off by the end of 2022/23.

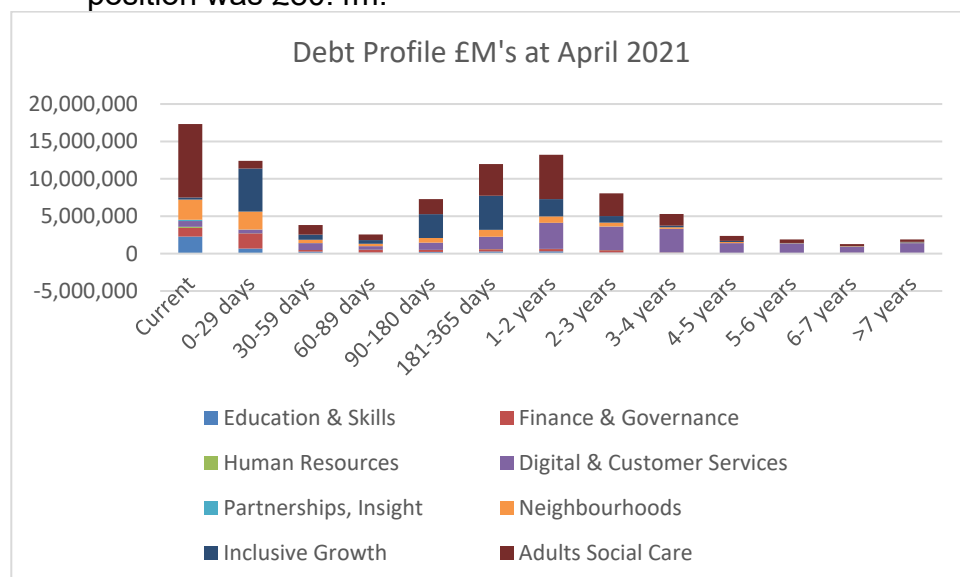
## Balance Sheet

### Borrowing

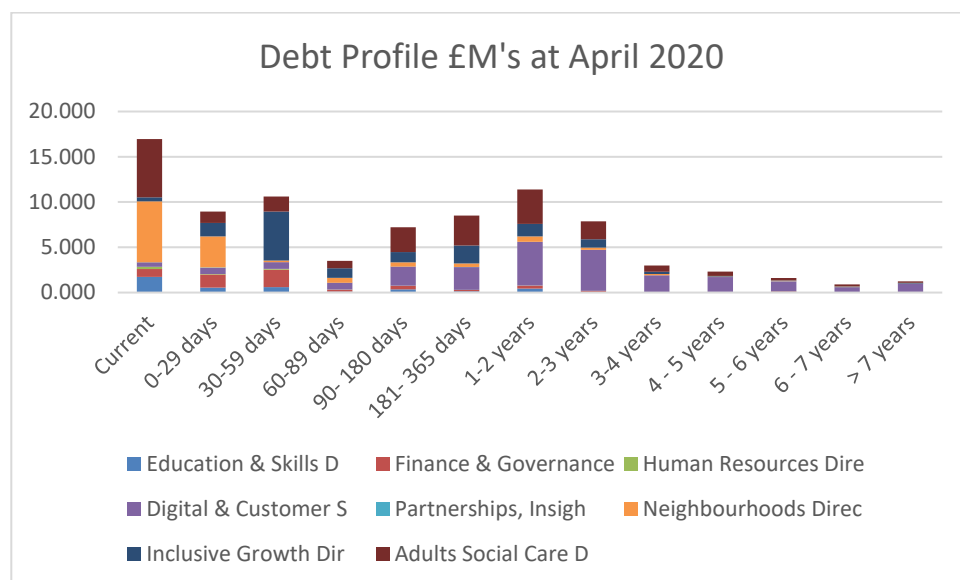
- 4.1. The annual cost of servicing debt represents approximately 27% of the budget. Gross loan debt is currently £3,211m, with the year-end projection likely to be below the planned level of £3,722m. Some government grants have been received early and there has been a reduced borrowing requirement for the capital programme. Uncertainty remains about the impact of Covid on future cashflows.
- 4.2. The positive cash flows mean that the Council's treasury investments remain temporarily higher at £172m against a planned level of £40m. This has meant the Council has been able to delay some of its short term and long-term borrowing needs.

### Level of Debt and Provision

- 4.3. The Council's sundry debt position at the beginning of April 21 stood at £85.8m. This was an increase of £5.4m compared to the start of the previous year (April 20) when the position was £80.4m.



- 4.4. The table above shows there are year on year increases in age bands 0-29 days (£3.469m), 183 – 365 days (£3.474m) and 1 – 2 years (£1.832m). There is a decrease in age band 30 -59 days by £6.784m



- 4.5. The increases in the respective age bands is again primarily due to COVID related factors which has continued to impact in different ways. For example, Government and local decisions made not to chase any commercial rent resulting in an increased aged debt trend, most of which is likely to be overdue. This situation continues to be compounded by the limited support the Council can get from collection agencies due to restrictions in engaging with businesses and citizens and the court system's backlog situation caused by the courts shutting down earlier in the year.
- 4.6. To improve the position a more targeted approach to debt has been adopted which includes looking at current debt to recover it sooner, working with services to move to improved payment terms with customers and gaining a better understanding of the Council's top 50 debtors, analysis of which, is given below.

### Top 50 Debtors Profile

- 4.7. Actions plans have and continue to be developed based on the top 50 sundry debtors reviews undertaken. As at the start of April 21 the value of the top 50 aged debtors (+ 90 days) was £7.252m which is 8.4% of total sundry debt. Analysis of this debt shows that £1.749m is highly likely to be or has been recovered, £4.111m is in the balance and £1.393m is high risk.

RAG Summary	£m	No. debts
	1.749	9
	4.111	28
	1.393	13
<b>TOTALS</b>	<b>7.253</b>	<b>50</b>

- 4.8. Of the high-risk debt, £0.915m is likely to be written off. The debt profile is spread across the following directorates as shown in table below-



Directorate	Value £m	Nature
Adults	2.314	Primarily residential care provision
Digital & Customer Services	0.102	Invoices to Acivico Ltd now paid.
Education & Skills	0.084	Invoices to Bham Community Health
Finance & Governance	0.657	Majority of debts are suppliers to schools for meals
Inclusive Growth	3.882	Majority of debt is commercial rent
Neighbourhoods	0.213	Markets debts
<b>TOTAL</b>	<b>7.252</b>	

4.9. The biggest areas of debt are for Residential Care Cost (£2.017m) and Commercial Rents (£2.611m).

4.10. Directorate reports detailing their top debtors and recovery actions to progress these items are now being produced and reviewed on a monthly basis.

### Reserves

4.11. The Council operates a policy of not using reserves unless they have been set aside for specific purposes; they will not be used to mitigate the requirement to make savings or meet on-going budget pressures, except in exceptional circumstances. 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.

4.12. The Council anticipated the net use of £155.7m of reserves in setting the 2021/22 budget. This is summarised in Table 6 together with the current forecast outturn balance. At Quarter 1, £37.4m of uses of reserves that were approved by Cabinet as part of the Outturn Report on June 29<sup>th</sup> have been reflected. A further £41.6m net uses of reserves are also forecasted.

4.13. This use of reserves includes assuming that the forecast overspend of £27.4m is funded by use of the Financial Resilience Reserve (FRR). Although the expectation is that budget will be brought back into balance by March 2022 and therefore such funding would not be required.

4.14. Any use of reserves to support Consideration of in-year requests to use reserves will be considered on an exception basis.

Table 6: Reserves	Balance as at 31st March 2021 *	Original Budgeted (Use) / Contribution	Change to budget approved at Outturn	Further changes forecast	Forecast Outturn Balance at 31st March 2022
	£m	£m	£m	£m	£m
Corporate General Fund Balance	38.382	0.000	0.000	0.000	38.382
Delivery Plan Reserve (formerly Invest to Save)	70.097	3.296	0.000	(10.000)	63.393
<i>Financial Resilience Reserve Gross</i>	<i>101.119</i>	<i>42.964</i>	<i>0.000</i>	<i>(27.385)</i>	<i>116.698</i>
<i>Net Borrowing from Financial Resilience Reserve</i>	<i>(11.863)</i>	<i>(9.017)</i>	<i>0.000</i>	<i>0.000</i>	<i>(20.880)</i>
Financial Resilience Reserve Net	89.257	33.947	0.000	(27.385)	95.818
<b>General Reserves and Balances</b>	<b>197.735</b>	<b>37.243</b>	<b>0.000</b>	<b>(37.385)</b>	<b>197.593</b>
Other Corporate Reserves	407.378	(205.454)	(21.954)	(5.934)	174.036
Grant	318.094	(7.419)	(15.480)	0.000	295.195
Earmarked	57.007	19.717	0.000	0.000	76.724
Schools	62.589	0.000	0.000	0.000	62.589
Non Schools DSG	19.460	0.000	0.000	0.000	19.460
<b>Subtotal Other Reserves</b>	<b>864.529</b>	<b>(193.156)</b>	<b>(37.434)</b>	<b>(5.934)</b>	<b>628.004</b>
<b>Grand total</b>	<b>1,062.264</b>	<b>(155.914)</b>	<b>(37.434)</b>	<b>(43.319)</b>	<b>825.597</b>

\*The Opening Reserves Balances is subject to confirmation when the Accounts have been finalised. The figures are based on the draft accounts as published.

#### 4.15. The forecast further net use of **£43.3m** of reserves is as follows:

- The forecast overspend of **£27.4m** is assumed to be funded from the FRR as mentioned above and considered unlikely to occur..
- The **£17.5m** of Covid Reserves carried forward from 2020/21 will be required in 2021/22 as referred to in paragraph 1.2.
- There will be a use of **£5.0m** of the Delivery Plan Reserve to fund the Delivery Plan as approved by Cabinet in April plus a further **£5.0m** requested in this report, and as described in paragraphs 3.25 to 3.28.
- In order to facilitate the further improvement to the SEND service Cabinet is asked to approve the drawdown of **£1.0m** from the Financial Resilience Reserve (FRR). A further request is likely in September.

This is offset by a reduction in uses of reserves of the following:

- The Council is using **£5.4m** less of the Tax Income Compensation Reserve than planned as there is less available to use, as referred to in paragraph 1.5.
- The Council is using **£6.2m** less of the Capital Receipts Flexibility Reserve than planned. This is a timing issue, and does not affect the bottom line.

## **List of Annexes**

- 1. Covid Costs details**
- 2. Write off details**
- 3. Treasury Management**
- 4. Capital Programme tables**
- 5. Investment Property Portfolio Monitoring Dashboard**

## Annex 1 Covid Cost Details

### Detail of Covid Forecast Costs by Directorate

Directorate	Service	Description	Sum of Covid Cost (£m)
Adult Social Care	Assessment & Support Planning	Additional Adults staffing costs	0.325
Adult Social Care	Packages of Care	Loss of day centre income due to closure	0.212
Adult Social Care	Other Minor		0.085
<b>Adult Social Care Total</b>			<b>0.622</b>
Digital & Customer Services	Benefits Service	Housing Benefit Overpayment Recovery Income Losses	1.033
Digital & Customer Services	IT&D	IT equipment and support to respond to immediate Business Continuity requests including project work and staff time	0.992
Digital & Customer Services	Revenues	Loss of Income due to Courts being closed	1.255
Digital & Customer Services	Other Minor		0.041
<b>Digital &amp; Customer Services Total</b>			<b>3.320</b>
Education & Skills	BCC Early Years, BCT	additional Covid expenditure approved by Coordination Response Group	0.300
Education & Skills	BCT - care leavers	Increased costs in BCT care leavers (estimate)	0.250
Education & Skills	BCT- other	Increased costs in BCT Children's Social Care - Other (estimate)	0.500
Education & Skills	BCT - residential	Increased costs in BCT residential placements (estimate)	0.125
Education & Skills	EWS	reduction in income from fixed penalty notices for school absences	0.100
Education & Skills	Libraries	Strategic and Community Libraries. Loss of income from sales, fees and room hire	0.070
Education & Skills	Other Minor		0.085
<b>Education &amp; Skills Total</b>			<b>1.430</b>
Finance & Governance	Development & Commercial	City Catering – loss of income from functions	0.170
Finance & Governance	Development & Commercial	City Catering –saving CC104 19+ Commercialism	0.116
Finance & Governance	Development & Commercial	Loss of commercial advertising income from outdoor digital advertising, lamp posts, roundabouts etc	0.493
Finance & Governance	CityServe	Increase in cost of laundering uniforms due to increased frequency of washing - CityServe	0.070
Finance & Governance	Commercial Hub - Cityserve	Cityserve –loss of income from the schools	0.300
Finance & Governance	Procurement	CRG Decision - Pandemic Response and Recovery Procurement Support	0.150
Finance & Governance	Legal and Governance	CRG Decision - Pandemic Response and Recovery Legal and Governance Support	0.217
Finance & Governance	Service Finance	CRG Decision - Pandemic Response and Recovery Service Finance Support	0.148
Finance & Governance	Other Minor		0.087
<b>Finance &amp; Governance Total</b>			<b>1.751</b>
Human Resources	Other Minor		0.021
<b>Human Resources Total</b>			<b>0.021</b>
Neighbourhoods	Street Scene	Delay in Street Scene re-structure will mean increased costs for Agency	1.522
Neighbourhoods	Street Scene	Loss of income due to closure of services ie , Garden waste, Garaging services, and loss of trade waste income	0.672
Neighbourhoods	Street Scene	Additional measures protective measures such as PPE - Requirements for Street Scene Operations (incl Waste Collection) as a result of COVID, increased sanitisation of vehicles	0.409
Neighbourhoods	Neighbourhoods	Loss of income due to closure of Leisure Centres	0.517
Neighbourhoods	Neighbourhoods	Estimated Claims from External contractors	2.644
Neighbourhoods	Neighbourhoods	Loss of income Community Centres and delay in transfer of Oddingley	0.136
Neighbourhoods	Regulation & Enforcement	Additional cost of gate security at cemeteries and crematoria - costs arranged through Security Services	0.200
Neighbourhoods	Regulation & Enforcement	Markets - Open Market St Martins Impact of traders leaving and giving up stalls and storage units	0.102
Neighbourhoods	Regulation & Enforcement	Markets - Rag Market traders giving up stalls and storage units	0.263
Neighbourhoods	Regulation & Enforcement	Reduction in court costs due to closure of courts over COVID response period and prioritisation of serious criminal hearings only.	0.150
Neighbourhoods	Regulation & Enforcement	Temp Mortuary facilities BCC / West Midlands Regional incl Registration with HTA	0.200
Neighbourhoods	Regulation & Enforcement	Register Office additional contracted hours for officers	0.090
Neighbourhoods	Regulation & Enforcement	Coroner - cost of additional coronerplus additional assistant coroners	0.082
Neighbourhoods	Housing Options	Loss of Income Temporary Accommodation Hostels	0.354
Neighbourhoods	Housing Options	Additional NRPF costs (third party and bed&breakfast)	0.247
Neighbourhoods	Housing Options	Reduced Capacity Hostels resulting in additional bed & breakfast costs	0.518
Neighbourhoods	Other Minor		0.248
<b>Neighbourhoods Total</b>			<b>8.354</b>
Partnerships, Insight & Communications	Community Safety	Support re Domestic Abuse	0.135
Partnerships, Insight & Communications	Communications	Covid communications campaigns and external agency engagement	0.150
Partnerships, Insight & Communications	Other Minor		0.050
<b>Partnerships, Insight &amp; Communications Total</b>			<b>0.335</b>
Corporate	Council Tax	Council Tax Support	4.000
Corporate	Corporately Managed Budgets	Dividends	7.470
<b>Corporate Total</b>			<b>11.470</b>
Inclusive Growth	Car Parking	Car Parking On Street F&C	2.015
Inclusive Growth	Car Parking	Car Parking On Street-Bay Suspensions	1.055
Inclusive Growth	Car Parking	On street Season Tickets	0.066
Inclusive Growth	Car Parking	Car Parking Off Street F&C	4.721
Inclusive Growth	Car Parking	Car Parking Off Street Season Tickets	0.731
Inclusive Growth	Car Parking	Civil Parking enforcement	1.594
Inclusive Growth	Car Parking	Local Car Parks	0.647
Inclusive Growth	Property Services	Commercial Rent Property Strategy Growth (Inclusive Growth only): non-achievement of savings proposal in Council Financial Plan 2020+	0.749
Inclusive Growth	Property Services	Operational Hub Programme - non achievement of savings targets in Council Financial Plan 2020+	0.322
Inclusive Growth	Other Minor		0.054
<b>Inclusive Growth Total</b>			<b>11.954</b>
<b>Grand Total</b>			<b>39.257</b>

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

**a. Irrecoverable Housing Benefit**

1. In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or return to the city.
2. The cost to the council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. It is, therefore, the appropriate account to be charged. There is no effect on the revenue account.
3. In 2021/22, from 1<sup>st</sup> April up to 30<sup>th</sup> June 2021, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The Table below details the gross value of amounts written off, which members are asked to note.

<b>Age analysis</b>	<b>Over 6 years</b>	<b>3 to 6 years</b>	<b>Under 3 years</b>	<b>Total</b>
	£m	£m	£m	£m
Benefit Overpayments	0.030	0.042	0.045	0.116
<b>Total</b>	<b>0.030</b>	<b>0.042</b>	<b>0.045</b>	<b>0.116</b>

Annex 2c to this report gives a more detailed age analysis of overpayments and income written off.

**b. Irrecoverable Council Tax & Business Rates**

Due to the support packages put in place by the Government to assist small businesses with the impact of the COVID-19 pandemic the Revenues Service had to divert resources to ensure these vital payments were authorised and paid as quickly as possible. Unfortunately, this has meant that the Service was not in a position to put forward any Council Tax or Business Rates write-offs for Quarter 1.

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

Summary 01.04.21 – 30.06.21

**Age Analysis of Overpayments and Debts Written-off Under delegated authority by Revenues and Benefits Division**

Detail	Pre 2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£11,818.63	£416.96	£7.40	£6,353.49	£4,607.85	£6,670.82	£7,224.81	£12,062.25	£22,270.25	£20,325.83	£18,021.27	£6,153.25	£115,932.81	210
<b>TOTAL</b>	£11,818.63	416.96	£7.40	£6,353.49	£4,607.85	£6,670.82	£7,224.81	£12,062.25	£22,270.25	£20,325.83	£18,021.27	£6,153.25	£115,932.81	210

Debt Size	Small		Medium		Large
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000
181	£22,234.76	24	£56,349.06	5	£37,348.99

## TREASURY MANAGEMENT MONITORING DASHBOARD: JUNE 2021

	value	comparator	difference
<b>1 Gross loan debt</b>	£m	£m	£m
at month end	3,211		
year end Forecast (vs Plan)	3,584	3,722	-138
year end Forecast (vs Pru Limit for loan debt)	3,584	4,103	-519

Forecast year end debt is below the year end plan and prudential limit due to the impact of Covid and reduced borrowing required for the capital programme. Uncertainty remains about the continued impact of Covid on the Council's cashflow.

<b>2 short term borrowing</b>			
at month end (vs Plan)	233	588	-355
interest rate year to date on outstanding deals (vs Plan)	0.25%	0.50%	-0.25%

Short term borrowing is currently lower than forecast. Covid grants received in advance has allowed the Council to temporarily use internal borrowing to meet its borrowing needs. As the Council utilises more of the Covid grants received in advance, the Council expects to resume short term borrowing later in the year.

<b>3 Treasury investments</b>			
at month end (vs Plan)	172	40	132
interest rate year to date on outstanding deals (vs Plan)	0.02%	0.20%	-0.18%

Treasury investments remain significantly higher than the Plan due to the receipt of Covid grants in advance.

<b>4 Long term loans taken</b>			
year to date (vs Plan)	-	130	-130
ave. interest rate obtained (vs Plan)	-	2.40%	-2.40%

No long term borrowing has been taken in the year to date, due to favourable cashflows deferring the need for long term borrowing.

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

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



## Annex 3.2

<b>Treasury Management: portfolio overview</b>			
<i>This appendix summarises the Council's loan debt and treasury management investments</i>			
	this quarter		last quarter
	30/06/2021 £m		31/03/2021 £m
PWLB	2,484.2		2,484.2
Bonds	373.0		373.0
LOBOs	71.1		71.1
Other long term	49.8		49.8
Salix	0.5		0.5
Short term	232.9		377.3
<b>Gross loan debt</b>	<b>3,211.5</b>		<b>3,355.9</b>
less treasury investments	(172.0)		(193.6)
<b>Net loan debt</b>	<b>3,039.5</b>		<b>3,162.3</b>
Budgeted year end net debt	3,681.8		3,791.8
Prudential limit (gross loan debt)	4,102.7		4,084.5

Short term borrowing was significantly lower at the end of the quarter as the use of internal borrowing has allowed the Council to repay maturing loans without refinancing.

<b>Treasury investments by source</b>	<b>£m</b>
UK Government	60
Money Market Funds	91
Banks and Building Societies	22
	172

<b>Treasury investments by credit quality</b>			
			£m
AAA			60
AAAmf			91
AA			22
A			0
			172

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

### Investments as Accountable Body

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

	Growing Places Fund £m	AMSCI £m	Regional Growth Fund £m	Local Growth Fund £m	LGF3 £m	LOGRO £m	NMCL £m	Total £m
UK Government	0.0	15.0	10.0	0.0	0.0	0.0	0.0	25.0
Birmingham City Council <sup>1</sup>	0.0	0.0	0.0	4.2	0.0	0.0	0.0	4.2
Money Market Funds	11.6	24.1	3.1	0.0	0.4	3.2	0.9	43.3
	11.6	39.1	13.1	4.2	0.4	3.2	0.9	72.5

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

### Annex 3.3

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

*This appendix summarises decisions taken under treasury management delegations to the Chief Finance Officer during the quarter.*

1. Short term (less than 1 year)	borrowing		investments
	£m		£m
opening balance	377		-194
new loans/investments	56		-899
loans/investments repaid	-201		921
closing balance	233		-172

*These loans and investments are for short periods from one day up to 365 days. Short term loans have decreased as loans have been repaid upon maturity.*

2. Long term borrowing:				
date	lender	£m	rate	maturity

*No long term borrowing has been taken to date*

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

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

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

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

**WHOLE COUNCIL**

WHOLE COUNCIL		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
<b>Capital Finance</b>									
1	Capital Expenditure - Capital Programme	639.7	745.3	461.6	473.6	261.1	337.2	204.2	204.2
2	Capital Expenditure - other long term liabilities	37.8	37.6	33.2	33.0	33.4	33.2	34.3	34.1
3	Capital expenditure	677.5	783.0	494.8	506.6	294.5	370.4	238.5	238.3
4	Capital Financing Requirement (CFR)	4,797.1	4,714.1	4,891.5	4,768.4	4,723.3	4,633.6	4,663.3	4,580.7
<b>Planned Debt</b>									
5	Peak loan debt in year	3,740.0	3,600.6	3,717.7	3,597.1	3,659.7	3,542.7	3,493.6	3,420.0
6	+ Other long term liabilities (peak in year)	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
7	= Peak debt in year	4,137.3	3,998.4	4,091.4	3,971.1	4,008.1	3,891.2	3,815.7	3,742.1
8	does peak debt exceed year 3 CFR?	no	no	no	no	no	no	no	no
<b>Prudential limit for debt</b>									
9	Gross loan debt	4,102.7	3,600.6	4,226.3	3,597.1	4,151.6	3,542.7	4,077.9	3,420.0
10	+ other long term liabilities	397.3	397.8	373.7	374.0	348.4	348.5	322.1	322.1
11	= Total debt	4,500.0	3,998.4	4,600.0	3,971.1	4,500.0	3,891.2	4,400.0	3,742.1
<b>Notes</b>									
1	There is a net increase in forecast capital expenditure due mainly to slippage from previous years.								
4	The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges).This includes all elements of CFR including Transferred Debt.								
5-7	These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.								
8	It would be a cause for concern if the Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances.								
11	The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.								

DEBT AND PRUDENTIAL INDICATORS

Annex 3.4b

HOUSING REVENUE ACCOUNT

		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m	£m	£m
<b>Capital Finance</b>									
1	Capital expenditure	126.0	122.5	165.0	143.2	144.4	152.4	120.1	120.1
<b>HRA Debt</b>									
2	Capital Financing Requirement (CFR)	1,113.4	1,081.4	1,144.0	1,112.0	1,156.4	1,124.4	1,161.7	1,129.7
<b>Affordability</b>									
3	HRA financing costs	102.9	102.7	103.8	103.6	104.4	104.1	105.8	105.5
4	HRA revenues	281.5	279.3	288.1	288.1	296.2	296.2	304.2	304.2
5	HRA financing costs as % of revenues	36.6%	36.8%	36.0%	35.9%	35.2%	35.2%	34.8%	34.7%
6	HRA debt : revenues	4.0	3.9	4.0	3.9	3.9	3.8	3.8	3.7
7	Forecast Housing debt per dwelling	£18,782	£18,241	£19,271	£18,731	£19,513	£18,973	£19,764	£19,219

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.
- 7
- This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time.

DEBT AND PRUDENTIAL INDICATORS

Annex 3.4c

GENERAL FUND

	21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Capital Finance</b>								
1	Capital expenditure (including other long term liabilities)	551.6	660.4	329.8	363.4	150.1	218.0	118.2
2	Capital Financing Requirement (CFR)	3,683.7	3,632.7	3,747.5	3,656.4	3,566.9	3,509.2	3,451.0
<b>General Fund debt</b>								
3	Peak loan debt in year	2,626.6	2,519.2	2,573.7	2,485.1	2,503.3	2,418.3	2,290.3
4	+ Other long term liabilities (peak in year)	397.3	397.8	373.7	374.0	348.4	348.5	322.1
5	= Peak General Fund debt in year	3,023.9	2,917.0	2,947.4	2,859.1	2,851.7	2,766.8	2,612.4
<b>General Fund Affordability</b>								
6	Total General Fund financing costs	222.4	225.7	218.3	233.7	241.6	250.0	241.7
7	General Fund net revenues	828.7	828.7	852.2	852.2	872.4	872.4	909.7
8	General Fund financing costs (% of net revenues)	26.8%	27.2%	25.6%	27.4%	27.7%	28.7%	26.6%

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.

PRUDENTIAL INDICATORS

Annex 3.4d

TREASURY MANAGEMENT

		21/22	21/22	22/23	22/23	23/24	23/24	24/25	24/25
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
1	General Fund impact of an unbudgeted 1% rise in interest rates	£4.1m	£3.8m	£3.7m	£3.5m	£2.3m	£2.6m	£2.2m	£2.6m
2	Variable rate exposures vs upper limit 30%	19%	18%	18%	18%	18%	18%	17%	17%
Maturity structure of borrowing		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
(lower limit and upper limit)		Year End	Year End	Year End	Year End	Year End	Year End	Year End	Year End
3	under 12 months	18%	17%	18%	17%	16%	16%	16%	17%
4	12 months to within 24 months	1%	1%	2%	2%	2%	2%	2%	2%
5	24 months to within 5 years	5%	6%	7%	7%	8%	8%	9%	9%
6	5 years to within 10 years	16%	17%	14%	14%	15%	16%	14%	14%
7	10 years to within 20 years	23%	22%	24%	22%	22%	21%	23%	22%
8	20 years to within 40 years	35%	36%	33%	35%	35%	35%	34%	34%
9	40 years and above	2%	2%	2%	2%	2%	2%	2%	1%
Investments longer than 364 days									
upper limit on amounts maturing in:									
		Limit	Forecast	Limit	Forecast	Limit	Forecast	Limit	Forecast
10	1-2 years	400	0	400	0	400	0	400	0
11	2-3 years	100	0	100	0	100	0	100	0
12	3-5 years	100	0	100	0	100	0	100	0
13	later	0	0	0	0	0	0	0	0

Note

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

## **Capital Monitoring Summary - Period 3 2021/22**

Annex 4a

### **Expenditure**

	2021/22 £m	2022/23 £m	2023/24 £m	Later Years £m	Total Plan £m
Original Budget as at February 2021	739.934	495.285	1,694.947	0.000	2,930.166
Slippage/(Acceleration) - from 2020/21	39.951	0.049	0.623	0.000	40.623
New Resources / (Reductions) & Rephasing Period 3	(45.857)	(21.771)	(1,358.329)	1,605.798	179.841
<b>Budget Period 3</b>	<b>734.028</b>	<b>473.563</b>	<b>337.241</b>	<b>1,605.798</b>	<b>3,150.630</b>
Forecast Slippage Period 3	0.000	0.000	0.000	0.000	0.000
Forecast Overspend / (Underspend) Period 3	11.313	0.000	0.000	0.000	11.313
<b>Forecast Outturn at Period 3</b>	<b>745.341</b>	<b>473.563</b>	<b>337.241</b>	<b>1,605.798</b>	<b>3,161.943</b>

### **Resources**

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

Grants & Contributions	187.619	92.957	92.403	56.520	429.499
Earmarked Capital Receipts - RTB & Revenue Reform	114.878	53.350	41.515	161.354	371.097
Revenue Contributions - Departmental	26.216	16.337	11.955	3.119	57.627
Revenue Contributions - HRA	65.623	68.521	73.802	576.634	784.580

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

Corporate Resources	17.394	0.319	16.850	0.000	34.563
Prudential Borrowing	333.611	242.079	100.716	808.171	1,484.577

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

<b>745.341</b>	<b>473.563</b>	<b>337.241</b>	<b>1,605.798</b>	<b>3,161.943</b>
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## Capital Forecast 2021/22 by Directorate

Directorate	(a) 2021/22 Original Approved Budget  £m	(b) Slippage / Acceleration from 2020/21	(c) New Schemes, Resources & Rephasing  £m	(d) 2021/22 Period 3 Revised Budget (a+b+c)  £m	(e) Forecast Variation Period 3  £m	(f) 2021/22 Forecast Outturn  (e+f)  £m
<b>Adult Social Care</b>	<b>10.605</b>	<b>(1.031)</b>	<b>0.000</b>	<b>9.574</b>	<b>0.000</b>	<b>9.574</b>
<b>Education &amp; Skills</b>	<b>51.444</b>	<b>(3.157)</b>	<b>(1.416)</b>	<b>46.871</b>	<b>0.000</b>	<b>46.871</b>
<b>Neighbourhoods</b>						
Neighbourhood Other	37.499	4.590	2.522	44.611	0.000	<b>44.611</b>
Housing Revenue Account	125.957	1.828	(17.339)	110.446	12.098	<b>122.544</b>
<b>Total Neighbourhoods Directorate</b>	<b>163.456</b>	<b>6.418</b>	<b>(14.817)</b>	<b>155.057</b>	<b>12.098</b>	<b>167.155</b>
<b>Inclusive Growth</b>						
Planning & Development	45.100	0.804	4.696	50.600	0.000	<b>50.600</b>
Transportation	66.096	9.224	6.345	81.665	(0.785)	<b>80.880</b>
Highways	1.980	0.744	1.958	4.682	0.000	<b>4.682</b>
Housing Development	0.000	1.563	0.000	1.563	0.000	<b>1.563</b>
Perry Barr Residential Scheme	130.222	21.591	0.002	151.815	0.000	<b>151.815</b>
Property Services	59.719	0.862	0.048	60.629	0.000	<b>60.629</b>
<b>Total Inclusive Growth Directorate</b>	<b>303.117</b>	<b>34.788</b>	<b>13.049</b>	<b>350.954</b>	<b>(0.785)</b>	<b>350.169</b>
<b>Finance &amp; Governance</b>	<b>125.410</b>	<b>4.756</b>	<b>(40.702)</b>	<b>89.464</b>	<b>0.000</b>	<b>89.464</b>
<b>Digital &amp; Customer Services</b>	<b>9.758</b>	<b>1.526</b>	<b>(1.971)</b>	<b>9.313</b>	<b>0.000</b>	<b>9.313</b>
<b>Commonwealth Games</b>	<b>76.144</b>	<b>(3.598)</b>	<b>0.000</b>	<b>72.546</b>	<b>0.000</b>	<b>72.546</b>
<b>Assistant Chief Executive</b>	<b>0.000</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>	<b>0.000</b>	<b>0.250</b>
<i>TOTAL</i>	<b>739.934</b>	<b>39.952</b>	<b>(45.857)</b>	<b>734.029</b>	<b>11.313</b>	<b>745.342</b>

		Budget Movements							
		Current Year				All Years			
Ref.		Original Budget £m	Slippage /Acceleration from 2020/21 £m	New Resources / Rephasing £m	Current Budget £m	Change £m	Original Budget £m	Current Budget £m	Change £m
<b>ADULT SOCIAL CARE DIRECTORATE</b>									
<b>Adult Care &amp; Health</b>									
		0.169	0.107	0.000	0.276	0.107	0.169	0.276	0.107
		0.400	0.333	0.000	0.733	0.333	0.400	0.733	0.333
ASC1	●	10.036	(1.471)	0.000	8.565	(1.471)	10.036	8.565	(1.471)
<b>Total Adult Social Care Directorate</b>		<b>10.605</b>	<b>(1.031)</b>	<b>0.000</b>	<b>9.574</b>	<b>(1.031)</b>	<b>10.605</b>	<b>9.574</b>	<b>(1.031)</b>
<b>EDUCATION AND SKILLS DIRECTORATE</b>									
<b>Education &amp; Early Years</b>									
ED1	●	1.614	1.395	0.066	3.075	1.461	1.614	3.075	1.461
ED2	●	16.750	2.410	(4.796)	14.364	(2.386)	16.750	24.887	8.137
	●	31.443	(8.704)	1.341	24.080	(7.363)	41.443	59.821	18.378
		0.000	0.013	0.000	0.013	0.013	0.000	0.013	0.013
		0.600	0.483	0.000	1.083	0.483	1.200	1.683	0.483
ED3	●	0.000	(0.119)	1.973	1.854	1.854	0.000	1.854	1.854
<b>Total Education &amp; Early Years</b>		<b>50.407</b>	<b>(4.522)</b>	<b>(1.416)</b>	<b>44.469</b>	<b>(5.938)</b>	<b>61.007</b>	<b>91.334</b>	<b>30.327</b>
<b>Skills &amp; Employability</b>									
ED4	●	0.000	1.270	0.000	1.270	1.270	0.713	1.983	1.270
		1.037	0.095	0.000	1.132	0.095	4.037	4.132	0.095
<b>Total Skills &amp; Employability</b>		<b>1.037</b>	<b>1.365</b>	<b>0.000</b>	<b>2.402</b>	<b>1.365</b>	<b>4.750</b>	<b>6.115</b>	<b>1.365</b>
<b>Total Education and Skills Directorate</b>		<b>51.444</b>	<b>(3.157)</b>	<b>(1.416)</b>	<b>46.871</b>	<b>(4.573)</b>	<b>65.757</b>	<b>97.449</b>	<b>31.692</b>
<b>NEIGHBOURHOODS DIRECTORATE</b>									
<b>Street Scene</b>									
N1	●	21.533	1.230	4.625	27.388	5.855	67.091	74.628	7.537
N2	●	9.582	3.093	(0.755)	11.920	2.338	12.063	15.575	3.512
<b>Total Street Scene</b>		<b>31.115</b>	<b>4.323</b>	<b>3.870</b>	<b>39.308</b>	<b>8.193</b>	<b>79.154</b>	<b>90.203</b>	<b>11.049</b>
<b>Housing Services</b>									
		0.000	0.057	0.000	0.057	0.057	2.320	2.377	0.057
		0.734	0.085	(0.289)	0.530	(0.204)	1.404	1.598	0.194
<b>Housing Revenue Account</b>									
	●	64.675	(3.565)	5.070	66.180	1.505	606.426	679.929	73.503
N4	●	59.475	5.296	(22.409)	42.362	(17.113)	450.672	490.118	39.446
N5	●	1.807	0.097	0.000	1.904	0.097	16.999	19.292	2.293
<b>Total Housing Revenue Account</b>		<b>125.957</b>	<b>1.828</b>	<b>(17.339)</b>	<b>110.446</b>	<b>(15.511)</b>	<b>1,074.097</b>	<b>1,189.339</b>	<b>115.242</b>
<b>Total Housing Services</b>		<b>126.691</b>	<b>1.970</b>	<b>(17.628)</b>	<b>111.033</b>	<b>(15.658)</b>	<b>1,077.821</b>	<b>1,193.314</b>	<b>115.493</b>
<b>Neighbourhoods</b>									
		3.182	0.113	(1.070)	2.225	(0.957)	4.682	4.830	0.148
		0.000	0.013	0.000	0.013	0.013	0.000	0.013	0.013
		0.050	0.874	0.000	0.924	0.874	2.250	3.124	0.874
<b>Total Neighbourhoods</b>		<b>3.232</b>	<b>1.000</b>	<b>(1.070)</b>	<b>3.162</b>	<b>(0.070)</b>	<b>6.932</b>	<b>7.967</b>	<b>1.035</b>
<b>Regulation &amp; Enforcement</b>									
		0.000	0.184	0.068	0.252	0.252	0.000	0.252	0.252
		0.000	0.000	0.000	0.000	0.000	0.759	0.759	0.000
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
N6	●	2.418	(1.088)	(0.057)	1.273	(1.145)	2.418	1.330	(1.088)
		0.000	0.028	0.000	0.028	0.028	0.000	0.028	0.028
<b>Total Regulation &amp; Enforcement</b>		<b>2.418</b>	<b>(0.876)</b>	<b>0.011</b>	<b>1.553</b>	<b>(0.865)</b>	<b>3.177</b>	<b>2.369</b>	<b>(0.808)</b>
<b>Total Neighbourhoods Directorate</b>		<b>163.456</b>	<b>6.417</b>	<b>(14.817)</b>	<b>155.056</b>	<b>(8.400)</b>	<b>1,167.084</b>	<b>1,293.853</b>	<b>126.769</b>
<b>INCLUSIVE GROWTH DIRECTORATE</b>									
<b>Planning &amp; Development</b>									
<b>Major Projects</b>									
IG1	●	23.029	1.127	(2.271)	21.885	(1.144)	27.649	28.776	1.127
		15.094	(3.390)	3.807	15.511	0.417	807.196	806.027	(1.169)
IG2	●	6.627	2.544	3.160	12.331	5.704	6.627	16.600	9.973
<b>Total Major Projects</b>		<b>44.750</b>	<b>0.281</b>	<b>4.696</b>	<b>49.727</b>	<b>4.977</b>	<b>841.472</b>	<b>851.403</b>	<b>9.931</b>
<b>Public Realm</b>		<b>0.350</b>	<b>0.523</b>	<b>0.000</b>	<b>0.873</b>	<b>0.523</b>	<b>0.350</b>	<b>0.873</b>	<b>0.523</b>
<b>Infrastructure</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.234</b>	<b>0.234</b>	<b>0.000</b>
<b>Total Planning &amp; Development</b>		<b>45.100</b>	<b>0.804</b>	<b>4.696</b>	<b>50.600</b>	<b>5.500</b>	<b>842.056</b>	<b>852.510</b>	<b>10.454</b>
<b>Housing Development</b>									
IG3	●	0.000	1.563	0.000	1.563	1.563	6.337	7.900	1.563
<b>Total Housing Development</b>		<b>0.000</b>	<b>1.563</b>	<b>0.000</b>	<b>1.563</b>	<b>1.563</b>	<b>6.337</b>	<b>7.900</b>	<b>1.563</b>
<b>Transport Connectivity</b>									
<b>Major Schemes</b>									
		8.147	0.213	(3.256)	5.104	(3.043)	85.688	86.032	0.344
IG4	●	5.000	0.338	(0.535)	4.803	(0.197)	24.432	23.441	(0.991)
IG5	●	4.760	0.529	3.387	8.676	3.916	18.970	11.236	(7.734)

			Budget Movements							
			Current Year				All Years			
Ref.			Original Budget £m	Slippage /Acceleration from 2020/21 £m	New Resources / Rephasing £m	Current Budget £m	Change £m	Original Budget £m	Current Budget £m	Change £m
Snowhil Public Realm	IG6	●	2.932	0.118	1.024	4.074	1.142	4.571	5.714	1.143
Other (Major Schemes)	IG7	●	7.997	1.914	(4.302)	5.609	(2.388)	7.997	14.796	6.799
Total Major Schemes			28.836	3.112	(3.682)	28.266	(0.570)	141.658	141.219	(0.439)
Brum Breathes & Route To Zero	IG8	●	16.989	4.896	1.257	23.142	6.153	33.256	40.409	7.153
Active Travel	IG9	●	9.507	1.026	6.730	17.263	7.756	15.279	23.031	7.752
Public Transport	IG10	●	8.120	0.099	1.313	9.532	1.412	8.120	10.882	2.762
Infrastructure Development	IG11	●	0.893	(0.045)	0.709	1.557	0.664	11.411	8.762	(2.649)
Places for People (Local Neighbourhoods)			1.670	0.364	(0.198)	1.836	0.166	3.770	4.479	0.709
Section 278/106			0.081	(0.234)	0.216	0.063	(0.018)	0.081	0.063	(0.018)
Local Measure			0.000	0.006	0.000	0.006	0.006	0.000	0.006	0.006
Total Transport Connectivity			66.096	9.224	6.345	81.665	15.569	213.575	228.851	15.276
Highways Infrastructure	IG12	●	1.980	0.744	1.958	4.682	2.702	5.180	17.043	11.863
Property Services										
Perry Barr Residential Scheme	IG13	●	130.222	21.591	0.002	151.815	21.593	222.789	244.382	21.593
Property Strategy			47.000	0.000	0.000	47.000	0.000	64.458	64.458	0.000
Other Schemes	IG14	●	12.718	0.863	0.048	13.629	0.911	27.718	28.629	0.911
Total Property Services			189.940	22.454	0.050	212.444	22.504	314.965	337.469	22.504
Total Inclusive Growth Directorate			303.116	34.789	13.049	350.954	47.838	1,382.113	1,443.772	61.660
DIGITAL & CUSTOMER SERVICES DIRECTORATE										
ICT & Digital	DCS1	●	9.758	1.526	(1.971)	9.313	(0.445)	11.658	13.184	1.526
Total Digital & Customer Services Directorate			9.758	1.526	(1.971)	9.313	(0.445)	11.658	13.184	1.526
FINANCE & GOVERNANCE DIRECTORATE										
Development & Commercial										
Gateway/Grand Central Residual Costs			0.200	0.019	0.381	0.600	0.400	18.272	18.291	0.019
Capital Loans & Equity			0.500	0.000	0.000	0.500	0.000	2.541	3.032	0.491
Total Development & Commercial			0.700	0.019	0.381	1.100	0.400	20.813	21.323	0.510
Corporately Held Funds										
Revenue Reform Projects			39.467	4.237	0.000	43.704	4.237	39.467	43.704	4.237
Corporate Capital Contingency	F&G1	●	74.743	0.500	(47.643)	27.600	(47.143)	120.908	119.360	(1.548)
ERP Implementation			10.000	0.000	7.060	17.060	7.060	20.000	20.000	0.000
Total Corporately Held Funds			124.210	4.737	(40.583)	88.364	(35.846)	180.375	183.064	2.689
SAP Investments			0.500	0.000	(0.500)	0.000	(0.500)	3.733	3.733	0.000
Total Finance & Governance Directorate			125.410	4.756	(40.702)	89.464	(35.946)	204.921	208.120	3.199
ASSISTANT CHIEF EXECUTIVE DIRECTORATE										
Public Health			0.000	0.250	0.000	0.250	0.250	0.000	0.250	0.250
Total Assistant Chief Executive Directorate			0.000	0.250	0.000	0.250	0.250	0.000	0.250	0.250
COMMONWEALTH GAMES 2022										
CWG Alexander Stadium	CWG1	●	44.353	(7.192)	7.121	44.282	(0.071)	50.050	49.639	(0.411)
CWG Organising Cttee			31.791	3.593	(7.121)	28.263	(3.528)	37.979	34.791	(3.188)
Total Commonwealth Games 2022			76.144	(3.599)	0.000	72.545	(3.599)	88.029	84.430	(3.599)
Total Capital Programme			739.933	39.951	(45.857)	734.027	(5.906)	2,930.167	3,150.632	220.465



Capital Monitoring Period 3 2021/22 - Budget Changes  
Commentary

EDUCATION AND SKILLS DIRECTORATE			
			2021/22 Increase (Decrease) £m
Ref.	Project/Programme	Comments	
ED1	School Condition Allocations	The net variation is due to a rephasing of £9.939m grant allocation from 2021/22 to 2022/23, an additional £5.483m use of reserves and a transfer of £0.340m from SCA to Basic Needs as a contribution from reserves towards the Skilts project. All budget movements are as per the Education & Skills Capital Programme report to Cabinet on 16th March 2021.	(4.796)
ED2	Basic Need - Additional School Places	The net variation is due to a reduction of £10.122m following a nil allocation of grant funding from the Department for Education (DfE), £8.978m additional use of reserves, £1.915m additional use of S106 funding, £0.340m contribution from SCA to the Skilts relocation project and rephasing of £0.230m. All budget movements are as approved in the Education & Skills Capital Programme report to Cabinet on 16th March 2021.	1.341
ED3	Children's Trust Accommodation	An allocation from the Capital Modernisation Fund for the refurbishment of Children's Trust Accommodation as approved by Cabinet on 10th November 2020 (see below).	2.000

NEIGHBOURHOODS DIRECTORATE			
			2021/22 Increase (Decrease) £m
Ref.	Project/Programme	Comments	
N1	Waste Management Services	The net variation across the programme is due to; 1) Slippage from 2020-21 of £1.302m into 2021-22 & future years approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report, 2) adding new resources to the programme £6.235m approved by Cabinet for Atlas premises purchase-reported at month 2 and 3) Quarter 1 re-phasing (£1.610m) across various Parks schemes.	5.855
N2	Parks & Nature Conservation	The net variation across the programme is due to; 1) Slippage from 2020-21 of £3.093m into 2021-22 approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report, 2) adding new resources to the programme £0.419m approved by various delegated authorities for minor schemes and 3) Quarter 1 re-phasing (£1.174m) across various Parks schemes.	2.338
N3	Housing Improvement Programme	The net variation across the programme is due to; 1) Acceleration from 2021-22 of (£3.565m) into 2020-21 approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report and 2) adding new resources to the programme £77.068m in line with the 10 year HRA Business Plan, as approved by Cabinet 9th Februry.	1.505
N4	Redevelopment	The net variation across the programme is due to; 1) Slippage from 2020-21 of £5.296m into 2021-22 approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report , 2) adding new resources to the programme £34.150m in line with the 10 year HRA Business Plan, as approved by Cabinet 9th Februry and 3) Re-phasing of <b>BMHT budget (£17.042m)</b> - The programme has been rephased to take account of delays caused by a number of factors; there are shortages and delays in acquiring materials resulting in longer lead in times, as well as increasing prices. Highways approvals are also taking longer. Changes in policy and legislation have meant a need to adjust our standard house types and develop in tandem two eco projects. Therefore some caution has been exercised in the re-programming. The Clearance budget has been rephased by (£5.367m) as a result of the significant impact on clearance and rehousing activity due to the initial Covid 19 restrictions, which has had an effect on a number of services and combined with the lack of availability of suitable alternative properties, this is causing delays in the rehousing of households.	(17.113)
N5	Other Programmes	The net variation across the programme is due to; 1) adding new resources to the programme £2.196m in line with the 10 year HRA Business Plan, as approved by Cabinet 9th Februry and 2) some minor slippage of £0.097m from 2020/21 outturn as previously reported to Cabinet.	0.097
N6	Mortuary/Coroners	The net variation across the programme is due to; 1) Slippage from 2020-21 of £1.088m into 2021-22 & future years approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report, and 2) Quarter 1 re-phasing (£0.057m)	(1.145)

INCLUSIVE GROWTH DIRECTORATE			
			2020/21 Increase (Decrease) £m
Ref.	Project/Programme	Comments	
IG1	Enterprise Zone - Paradise Circus	The net variation across the programme is due to; 1) Slippage from 2020-21 of £1.127m into 2021-22 & future years approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report, and 2) Quarter 1 re-phasing (£2.271m)	(1.144)
IG2	Other Major Projects	The net variation across the programme is due to; 1) Slippage from 2020-21 of £2.544m into 2021-22 by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report and 2) adding new resources to the programme £7.430m approved by Cabinet April 2020 for ERDF grants to 3rd Parties.	5.704
IG3	In Reach	The net variation across the programme is due to Slippage from 2020-21 of £1.563m into 2021-22 & future years approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report.	1.563
IG4 to IG12	Transportation Connectivity & Highways Infrastructure	The net variation across the programme is due to; 1) Slippage from 2020-21 into 2021-22 approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report , and 2) Rephasing and adding new resources to the programme as approved by Cabinet on 09/02/2021 within the Transportation & Highways Capital Programme Annual update report. The report is a 6 year forecast, the annual update adds an additional planning year to the forecast i.e. financial year 2026/27 was added.	18.271
IG13	Perry Barr Residential Scheme	The net variation across the programme is due to; 1) Slippage from 2020-21 into 2021-22 approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report. A further update report is to be presented to Cabinet in due course.	21.593

DIGITAL & CUSTOMER SERVICES DIRECTORATE			
			2020/21 Increase (Decrease) £m
Ref.	Project/Programme	Comments	
DCS1	ICT & Digital	The net variation across the programme is due to; 1) Slippage from 2020-21 into 2021-22 of £1.526m approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report and 2) re-phasing of the current programme. The programme has been re-phased into 2022/23 as schemes are still being specked and further approvals will be presented for approval in due course	(0.445)

FINANCE & GOVERNANCE DIRECTORATE			
			2021/22 Increase (Decrease) £m
Ref.	Project/Programme	Comments	
F&G1	Corporate Capital Contingency & Modernisation Fund	The net variation across the programme is due to; 1) Slippage from 2020-21 into 2021-22 of £0.5m approved by Cabinet on the 29/06/2021 within the Financial Outturn 2020/21 report; 2) re-phasing of the current programme (£47.643m) and 3) (£2.048m) vired from Contingency to Birmingham Childrens Trust (£2.0m) and and Highbury Hall (£0.048m).	(47.143)

		Forecast Variations						
		Current Year			All Years			
Ref.		Current Budget £m	Current Actuals £m	Forecast Outturn £m	Variation £m	Current Budget £m	Forecast £m	Variation £m
<b>ADULT SOCIAL CARE DIRECTORATE</b>								
<b>Adult Care &amp; Health</b>								
Property Schemes		0.276	0.000	0.276	0.000	0.276	0.276	0.000
Adults IT		0.733	0.000	0.733	0.000	0.733	0.733	0.000
Independent Living		8.565	1.351	8.565	0.000	8.565	8.565	0.000
<b>Total Adult Social Care Directorate</b>		<b>9.574</b>	<b>1.351</b>	<b>9.574</b>	<b>0.000</b>	<b>9.574</b>	<b>9.574</b>	<b>0.000</b>
<b>EDUCATION AND SKILLS DIRECTORATE</b>								
<b>Education &amp; Early Years</b>								
Devolved Capital Allocation to Schools		3.075	0.106	3.075	(0.000)	3.075	3.075	0.000
School Condition Allocations		14.364	0.425	14.364	(0.000)	24.887	24.887	0.000
Basic Need - Additional School Places		24.080	0.683	24.080	0.000	59.821	59.821	0.000
Other Minor Schemes - Schools		0.013	0.007	0.013	0.000	0.013	0.013	0.000
IT Investment		1.083	0.000	1.083	(0.000)	1.683	1.683	0.000
Other Major Projects (Children's Trust Accom)		1.854	0.000	1.854	0.000	1.854	1.854	(0.000)
<b>Total Education &amp; Early Years</b>		<b>44.469</b>	<b>1.221</b>	<b>44.469</b>	<b>0.000</b>	<b>91.334</b>	<b>91.334</b>	<b>0.000</b>
<b>Skills &amp; Employability</b>								
Adult Ed & Youth		1.270	0.000	1.270	0.000	1.983	1.983	0.000
Birmingham Libraries		1.132	0.000	1.132	0.000	4.132	4.132	0.000
<b>Total Skills &amp; Employability</b>		<b>2.402</b>	<b>0.000</b>	<b>2.402</b>	<b>0.000</b>	<b>6.115</b>	<b>6.115</b>	<b>0.000</b>
<b>Total Education and Skills Directorate</b>		<b>46.871</b>	<b>1.221</b>	<b>46.871</b>	<b>0.000</b>	<b>97.449</b>	<b>97.449</b>	<b>0.000</b>
<b>NEIGHBOURHOODS DIRECTORATE</b>								
<b>Street Scene</b>								
Waste Management Services		27.388	8.170	27.388	0.000	74.628	74.628	0.000
Parks & Nature Conservation		11.920	2.458	11.921	0.001	15.575	15.575	0.000
<b>Total Street Scene</b>		<b>39.308</b>	<b>10.628</b>	<b>39.310</b>	<b>0.002</b>	<b>90.203</b>	<b>90.203</b>	<b>0.000</b>
<b>Housing Services</b>								
Housing Options Service		0.057	0.000	0.057	(0.000)	2.377	2.377	0.000
Private Sector Housing		0.530	0.071	0.530	(0.000)	1.598	1.598	0.000
<b>Housing Revenue Account</b>								
Housing Improvement Programme		66.180	17.282	78.278	12.098	679.929	692.027	12.098
Redevelopment		42.362	4.361	42.362	0.000	490.118	490.118	0.000
Other Programmes		1.904	(0.168)	1.904	0.000	19.292	19.292	0.000
<b>Total Housing Revenue Account</b>		<b>110.446</b>	<b>21.475</b>	<b>122.544</b>	<b>12.098</b>	<b>1,189.339</b>	<b>1,201.437</b>	<b>12.098</b>
<b>Total Housing Services</b>		<b>111.033</b>	<b>21.546</b>	<b>123.131</b>	<b>12.098</b>	<b>1,193.314</b>	<b>1,205.412</b>	<b>12.098</b>
<b>Neighbourhoods</b>								
Community, Sport & Events		2.225	0.019	2.225	0.000	4.830	4.830	0.000
Neighbourhoods		0.013	0.010	0.013	(0.000)	0.013	0.013	0.000
Cultural Development		0.924	0.030	0.924	(0.000)	3.124	3.124	0.000
<b>Total Neighbourhoods</b>		<b>3.162</b>	<b>0.059</b>	<b>3.162</b>	<b>0.000</b>	<b>7.967</b>	<b>7.967</b>	<b>0.000</b>
<b>Regulation &amp; Enforcement</b>								
Bereavement		0.252	0.000	0.252	0.000	0.252	0.252	0.000
Markets Services		0.000	0.006		0.000	0.759	0.759	0.000
Mortuary/Coroners		1.273	(0.082)	1.273	(0.000)	1.330	1.330	0.000
Illegal Money Lending		0.028	0.000	0.028	0.000	0.028	0.028	0.000
<b>Total Regulation &amp; Enforcement</b>		<b>1.553</b>	<b>(0.076)</b>	<b>1.553</b>	<b>0.000</b>	<b>2.369</b>	<b>2.369</b>	<b>0.000</b>
<b>Total Neighbourhoods Directorate</b>		<b>155.056</b>	<b>32.157</b>	<b>167.155</b>	<b>12.099</b>	<b>1,293.853</b>	<b>1,305.951</b>	<b>12.098</b>
<b>INCLUSIVE GROWTH DIRECTORATE</b>								
<b>Planning &amp; Development</b>								
<b>Major Projects</b>								
Enterprise Zone - Paradise Circus		21.885	0.797	21.885	0.000	28.776	28.776	0.000
Enterprise Zone - Other		15.511	(1.190)	15.511	0.000	806.027	806.027	0.000
Other Major Projects		12.331	0.470	12.331	0.000	16.600	16.600	0.000
<b>Total Major Projects</b>		<b>49.727</b>	<b>0.077</b>	<b>49.727</b>	<b>0.000</b>	<b>851.403</b>	<b>851.403</b>	<b>0.000</b>
<b>Public Realm</b>		<b>0.873</b>	<b>0.062</b>	<b>0.873</b>	<b>0.000</b>	<b>0.873</b>	<b>0.873</b>	<b>0.000</b>
<b>Infrastructure/Site Enabling Programme</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.234</b>	<b>0.234</b>	<b>0.000</b>
<b>Grants/Loans Programme</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Planning &amp; Development</b>		<b>50.600</b>	<b>0.139</b>	<b>50.600</b>	<b>0.000</b>	<b>852.510</b>	<b>852.510</b>	<b>0.000</b>
<b>Housing Development</b>								
In Reach		1.563	0.000	1.563	0.000	7.900	7.900	0.000
<b>Total Housing Development</b>		<b>1.563</b>	<b>0.000</b>	<b>1.563</b>	<b>0.000</b>	<b>7.900</b>	<b>7.900</b>	<b>0.000</b>
<b>Transport Connectivity</b>								
<b>Major Schemes</b>								
Tame Valley Phase 2 & 3		5.104	0.122	5.104	0.000	86.032	86.032	0.000
A457 Dudley Road		4.803	0.006	4.803	0.000	23.441	23.441	0.000
Birmingham City Centre Retail Core Public Realm		8.676	0.046	8.676	0.000	11.236	11.236	0.000
Snowhil Public Realm		4.074	0.768	4.074	0.000	5.714	5.714	0.000
Other (Major Schemes)		5.609	1.240	5.609	0.000	14.796	14.796	0.000
<b>Total Major Schemes</b>		<b>28.266</b>	<b>2.182</b>	<b>28.266</b>	<b>0.000</b>	<b>141.219</b>	<b>141.219</b>	<b>0.000</b>
Brum Breathes & Route To Zero		23.142	0.834	23.142	0.000	40.409	40.409	0.000
Active Travel		17.263	0.481	17.263	0.000	23.031	23.031	0.000
Public Transport		9.532	0.070	8.747	(0.785)	10.882	10.097	(0.785)
Infrastructure Development		1.557	0.065	1.557	0.000	8.762	8.762	0.000

Ref.	Forecast Variations						
	Current Year				All Years		
	Current Budget £m	Current Actuals £m	Forecast Outturn £m	Variation £m	Current Budget £m	Forecast £m	Variation £m
Places for People (Local Neighbourhoods)	1.836	0.034	1.836	0.000	4.479	4.479	0.000
Section 278/106	0.063	0.056	0.063	0.000	0.063	0.063	0.000
Local Measure	0.006	0.000	0.006	0.000	0.006	0.006	0.000
<b>Total Transport Connectivity</b>	<b>81.665</b>	<b>3.722</b>	<b>80.880</b>	<b>(0.785)</b>	<b>228.851</b>	<b>228.066</b>	<b>(0.785)</b>
<b>Highways Infrastructure</b>	<b>4.682</b>	<b>0.309</b>	<b>4.682</b>	<b>0.000</b>	<b>17.043</b>	<b>17.043</b>	<b>0.000</b>
<b>Property Services</b>							
Property Strategy	47.000	0.000	47.000	0.000	64.458	64.458	0.000
Perry Barr Residential Scheme	151.815	32.489	151.815	0.000	244.382	244.382	0.000
Other Schemes	13.629	(0.002)	13.629	0.000	28.629	28.629	0.000
<b>Total Property Services</b>	<b>212.444</b>	<b>32.487</b>	<b>212.444</b>	<b>0.000</b>	<b>337.469</b>	<b>337.469</b>	<b>0.000</b>
<b>Total Inclusive Growth Directorate</b>	<b>350.954</b>	<b>36.657</b>	<b>350.169</b>	<b>(0.785)</b>	<b>1,443.772</b>	<b>1,442.987</b>	<b>(0.785)</b>
<b>DIGITAL &amp; CUSTOMER SERVICES DIRECTORATE</b>							
ICT & Digital	9.313	0.108	9.313	0.000	13.184	13.184	0.000
<b>Total Digital &amp; Customer Services Directorate</b>	<b>9.313</b>	<b>0.108</b>	<b>9.313</b>	<b>0.000</b>	<b>13.184</b>	<b>13.184</b>	<b>0.000</b>
<b>FINANCE &amp; GOVERNANCE DIRECTORATE</b>							
<b>Development &amp; Commercial</b>							
Gateway/Grand Central Residual Costs	0.600	0.043	0.600	0.000	18.291	18.291	0.000
Capital Loans & Equity	0.500	0.000	0.500	0.000	3.032	3.032	0.000
<b>Total Development &amp; Commercial</b>	<b>1.100</b>	<b>0.043</b>	<b>1.100</b>	<b>0.000</b>	<b>21.323</b>	<b>21.323</b>	<b>0.000</b>
<b>Corporately Held Funds</b>							
Revenue Reform Projects	43.704	0.201	43.704	0.000	43.704	43.704	0.000
Corporate Capital Contingency	27.600	0.000	27.600	0.000	119.360	119.360	0.000
ERP Implementation	17.060	0.000	17.060	0.000	20.000	20.000	0.000
<b>Total Corporately Held Funds</b>	<b>88.364</b>	<b>0.201</b>	<b>88.364</b>	<b>0.000</b>	<b>183.064</b>	<b>183.064</b>	<b>0.000</b>
SAP Investments	0.000	0.001	0.000	0.000	3.733	3.733	0.000
<b>Total Finance &amp; Governance Directorate</b>	<b>89.464</b>	<b>0.245</b>	<b>89.464</b>	<b>0.000</b>	<b>208.120</b>	<b>208.120</b>	<b>0.000</b>
<b>ASSISTANT CHIEF EXECUTIVE DIRECTORATE</b>							
Public Health	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	44.282	8.103	44.282	0.000	49.639	49.639	0.000
CWG Organising Cttee	28.263	(0.989)	28.263	0.000	34.791	34.791	0.000
<b>Total Commonwealth Games 2022</b>	<b>72.545</b>	<b>7.115</b>	<b>72.545</b>	<b>0.000</b>	<b>84.430</b>	<b>84.430</b>	<b>0.000</b>
<b>Total Capital Programme</b>	<b>734.027</b>	<b>78.855</b>	<b>745.342</b>	<b>11.315</b>	<b>3,150.632</b>	<b>3,161.945</b>	<b>11.314</b>

Forecast Variations Commentary

NEIGHBOURHOODS DIRECTORATE			
Project/Programme	Comments	Current Year (£m)	All Years (£m)
N3 - Housing Improvement	A first quarter assessment of the various programmes and schemes in this year's investment programme has identified a need to increase the spend this year by £12.098m. This includes the large programme of fire protection works to High Rise Residential Blocks, in particular the replacement of external cladding and fire panels requiring completion by March 2022. As a result of this there are additional works identified as necessary where it is not possible to provide the solution in isolation e.g. unable to replace panels without replacing windows. There are also large structural rectification schemes requiring additional solutions to address further defects identified once works have commenced on site aswell as new urgent structural defects identified in an ageing high and low-rise stock. There is limited capacity to reduce other cyclical and annual planned works. This will be funded by an increase in revenue contribution of £3m and the use of Major Repairs Reserve of £9.098m.	12.098	12.098



**CAPITAL - QUARTER 1 2021/22 - 10 YEAR CAPITAL EXPENDITURE PLAN 2021/22 to 2030/31+**

ANNEX 4G

This appendix shows capital plans over the ten year Long Term Financial Plan period, for those projects where longer term plans have been developed. Long term plans will be subject to ongoing review to ensure that any expenditure plans are within a prudent forecast of resources. Please note that many projects do not have such long term planning horizons, and the absence of forecasts does not mean that no spend is anticipated, just that it cannot yet be reasonably quantified.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31+	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b><u>ADULT SOCIAL CARE DIRECTORATE</u></b>	<b>9.573</b>	-	-	-	-	-	-	-	-	-	<b>9.573</b>
<b><u>EDUCATION &amp; SKILLS DIRECTORATE</u></b>	<b>46.871</b>	<b>38.369</b>	<b>12.208</b>	-	-	-	-	-	-	-	<b>97.448</b>
<b><u>NEIGHBOURHOODS DIRECTORATE</u></b>											
Other - General Fund	44.611	29.679	16.994	11.207	-	-	-	0.329	-	1.693	104.514
HRA	122.545	143.155	152.399	128.631	104.532	101.237	96.729	100.225	122.805	129.179	1,201.436
<b>TOTAL CAPITAL - NEIGHBOURHOODS DIRECTORATE</b>	<b>167.156</b>	<b>172.835</b>	<b>169.393</b>	<b>139.838</b>	<b>104.532</b>	<b>101.237</b>	<b>96.729</b>	<b>100.554</b>	<b>122.805</b>	<b>130.872</b>	<b>1,305.950</b>
<b><u>INCLUSIVE GROWTH DIRECTORATE</u></b>											
<b><u>Planning and Development</u></b>											
Paradise Circus Redevelopment	21.885	3.187	1.790	1.914	-	-	-	-	-	-	28.776
Smithfield	1.715	2.491	-	-	-	-	-	-	-	145.073	149.279
LEP Investment Fund	-	-	-	-	-	-	-	-	-	20.000	20.000
HS2 - Interchange Site	-	-	-	-	-	-	-	-	-	20.000	20.000
HS2 Station Environment	0.363	0.126	5.696	19.245	6.848	-	-	-	-	24.996	57.273
Site Enabling Works	1.456	-	-	-	-	-	-	-	-	99.500	100.956
Local Transport Improvements	-	-	-	-	-	-	-	-	-	104.800	104.800
Digbeth Public Realm	0.073	15.628	-	-	-	-	-	-	-	70.123	85.825
Curzon Connecting Economic Opportunities	-	-	-	-	-	-	-	-	-	52.900	52.900
Metro Extension to East Birmingham/Solihull	-	-	-	-	-	-	-	-	-	183.300	183.300
EZ Other	11.903	3.410	4.411	5.449	2.007	2.270	0.952	-	-	1.525	31.927
Other Planning Schemes	13.204	3.440	0.830	-	-	-	-	-	-	-	17.474
<b>Total Planning &amp; Development</b>	<b>50.600</b>	<b>28.282</b>	<b>12.727</b>	<b>26.608</b>	<b>8.855</b>	<b>2.270</b>	<b>0.952</b>	<b>0.000</b>	<b>0.000</b>	<b>722.217</b>	<b>852.510</b>



	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31+	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing Development	1.563	3.817	2.520	-	-	-	-	-	-		7.900
Total Transportation	80.128	46.392	85.959	4.420	4.370	4.320	-	-	-		225.589
Total Highways	5.433	2.348	3.726	2.105	4.882	1.025	-	-	-		19.519
Total Property Services	212.444	119.925	5.100	-	-	-	-	-	-		337.468
TOTAL CAPITAL - INCLUSIVE GROWTH DIRECTORATE	350.168	200.763	110.032	33.133	18.107	7.615	0.952	0.000	0.000	722.217	1,442.987
COMMONWEALTH GAMES 2022	72.546	11.885	-	-	-	-	-	-	-	-	84.431
FINANCE & GOVERNANCE DIRECTORATE	89.464	45.990	45.458	27.208	-	-	-	-	-	-	208.119
DIGITAL & CUSTOMER SERVICES DIRECTORATE	9.313	3.721	0.150	-	-	-	-	-	-	-	13.184
PARTNERSHIPS, INSIGHT & PREVENTION DIRECTORATE	0.250	-	-	-	-	-	-	-	-	-	0.250
TOTAL CAPITAL PROGRAMME	745.341	473.563	337.241	200.178	122.639	108.852	97.681	100.554	122.805	853.088	3,161.943

#### Resources

##### Use of Specific Resources

Grants & Contributions	180.403	92.177	90.078	18.684	17.332	12.525	4.729	0.250	0.250	0.250	416.677
Use of earmarked Capital Receipts	114.878	53.350	41.515	29.442	20.780	13.594	11.292	12.045	32.376	41.824	371.097
Revenue Contributions - Departmental	24.138	13.594	13.781	1.098				0.329		1.693	54.633
- HRA (incl reserves & S106)	74.916	72.042	74.302	78.667	75.672	80.462	80.708	86.341	90.179	87.105	800.394
Total Specific Resources	394.335	231.164	219.676	127.891	113.784	106.582	96.729	98.965	122.805	130.872	1,642.802

##### Use of Corporate or General Resources

Corporate Resources	17.394	0.319	-	-	-	-	-	-	-	-	17.714
Unsupported Prudential Borrowing - Corporate	97.421	87.176	64.500	27.408	-	-	-	-	-	-	276.505
Unsupported Prudential Borrowing - Directorate	236.190	154.903	53.066	44.880	8.855	2.270	0.952	1.589	-	722.217	1,224.922
Total Corporate Resources	351.006	242.399	117.566	72.288	8.855	2.270	0.952	1.589	0.000	722.217	1,519.141

Forecast Use of Resources	745.341	473.563	337.241	200.178	122.639	108.852	97.681	100.554	122.805	853.088	3,161.943
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## INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 1 2021/22

**1 Portfolio objectives**

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

**2 Portfolio summary**

	<b>budget</b>	<b>forecast</b>	<b>variance</b>
	<b>£m</b>	<b>£m</b>	
Direct property	-23.73	-23.73	0.00
Loans on property			
less portfolio prudential borrowing	3.39	3.39	0.00
less management costs	2.14	2.14	0.00
net total	-18.21	-18.21	0.00

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

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

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

	<b>£m</b>
Sales completed in quarter 1	
Sales	0.00
Purchase	0.00

Commentary:

**5 Planned activity in the coming quarter****6 Assurance**

was the CIPFA Treasury Code complied with? yes

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

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

commentary:

All properties fully evaluated disposed with in the appropriate manner.