

BIRMINGHAM CITY COUNCIL

RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 28 JULY 2022 AT 14:00 HOURS
IN COMMITTEE ROOM C, COUNCIL HOUSE EXTENSION, 6
MARGARET ST, BIRMINGHAM, B3 3BG

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's meeting You Tube site (www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 APPOINTMENT OF COMMITTEE, CHAIR AND DEPUTY CHAIR

(i) To note the resolution of the City Council appointing the Committee, Chair and Members to serve on the committee for the period ending with the Annual Meeting of the City Council in 2023 as follows:-

Labour Group (5): Councillors Akhlaq Ahmed (Chair), Bushra Bi, Rashad Mahmood, Hendrina Quinnen and Sybil Spence

Conservative Group (2): Councillors Meirion Jenkins and Ken Wood

Liberal Democrat Group (1): Councillor Paul Tilsley

(ii) To elect a Deputy Chair, for the purposes of substitution for the Chair, if absent, for the period ending with the Annual Meeting of the City Council in 2023.

4 **DECLARATIONS OF INTERESTS**

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

5 **RESOURCES OVERVIEW & SCRUTINY COMMITTEE – TERMS OF REFERENCE**

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

5 - 10 6 **ACTION NOTES - 24 MARCH 2022**

To agree the action notes of the meeting held on 24 March 2022.

11 - 94 7 **PROVISIONAL FINANCIAL OUTTURN REPORT 2021/22**

To consider the Provisional Financial Outturn Report (considered at Cabinet on 28 June 2022).

95 - 126 8 **FINANCIAL MONITORING 2022/23 - QUARTER 1**

To consider the Quarter 1 Financial Monitoring Report (considered at Cabinet on 26 July 2022).

127 - 142 9 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To note the Cabinet report (considered on 26 July 2022) on planned procurement activity.

143 - 156 10 **WORK PROGRAMME**

To agree the work programme.

11 **DATES OF MEETINGS 2022/2023**

(i) The Chair proposes that meetings be held at 1400 hours on the following Thursday's.

2022

28 July 2022
08 September 2022
06 October 2022
17 November 2022
22 December 2022

2023

19 January 2023
02 March 2023
30 March 2023
27 April 2023

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

12 **REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

13 **OTHER URGENT BUSINESS**

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

14 **AUTHORITY TO CHAIR AND OFFICERS**

Chair to move:-

'In an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

15 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

Exempt Paragraph 3

PRIVATE AGENDA

16 **PLANNED PROCUREMENT ACTIVITIES EXEMPT APPENDIX 3**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

BIRMINGHAM CITY COUNCIL**RESOURCES O&S COMMITTEE – PUBLIC MEETING**

**1400 hours on Thursday 24 March 2022, Committee Room C, Council House
Extension, Margaret Street**

Action Notes

Present:

Councillor Mohammed Aikhlaq (Chair)

Councillors: Meirion Jenkins, Majid Mahmood, Shafique Shah and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director (on-line)

Jim Parkinson, Acting Category Head of Policy & Governance, Corporate
Procurement Service (CPS) (on-line)

Richard Peirce, Finance Manager, Financial Strategy (on-line)

Sara Pitt, Director of Finance (Deputy Section 151 Officer)

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Interim AD, Procurement (on-line)

Lisa Taylor, Interim Head of Financial Planning (on-line)

Christian Scade, Interim Head of Scrutiny and Committee Services

Amanda Simcox, Scrutiny Officer (on-line)

1. NOTICE OF RECORDING/WEBCAST

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2. APOLOGIES

Apologies were received from Councillor David Barrie.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

(See document No 1)

RESOLVED:-

The action notes of the meeting held on 10 February 2022 were agreed.

5. FINANCIAL MONITORING 2021/22 – MONTH 10

(See document No 2)

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources, was in attendance for this item, together with Sara Pitt, Director of Finance (Deputy Section 151 Officer), Mohammed Sajid, Interim Head of Financial Strategy, Lisa Taylor, Interim Head of Financial Planning, and Richard Peirce, Finance Manager – Financial Strategy.

Cllr Tristian Chatfield introduced the report and highlighted the following points:

- At the end of Month 10 they are now forecasting an underspend on the Council's General Fund of £600,000.
- They have met 91% of their total savings target which represents an increase of £1.9m in savings that are delivered or on track since Month 9. This is one of the first times they have successfully exceeded large scale corporate savings target in year.
- The national pay agreement of 1.75% was agreed and has been factored in.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- The 9% savings have been identified as part of the budget for this financial year and the £2.855 million, in table 10, paragraph 3.47 shows a mix high risk and undeliverable. However, 91% of savings is a significant improvement on what we have seen previously.
- Reassurance was given regarding the £600,000 underspend on the General Fund not being achieved by allocating to the £36m Covid spend, as they have been as accurate as they can be.
- Paragraph 2.14 refers to expected capital receipts with a potential shortfall of £18.5m. A few projects have slipped into the new financial year and there are ongoing negotiations, and these should be achieved early in the new year.
- The costs for the termination of the contract with North Birmingham Travel is set out in paragraph 3.7 and £3.3m is projected as the worst case scenario.
- In terms of an increase in energy costs the Council recently entered into a new contract, which went to Cabinet, so the Council is protected for the foreseeable future.

- Paragraph 3.41 refers to an overspend of £2m, made up of £1.7m pressure on commercial rent and a further £1.1m rent pressure reported within the Covid position. This would be £2.8m overall and the figures along with the mitigations in place were queried.

RESOLVED:-

The report was noted, and the Cabinet Member will seek clarification from the service area regarding paragraph 3.41 of the report and request details of the mitigations in place be provided.

6. ERP (IB PROGRAMME) UPDATE

(See document No 3)

James Couper, ERP Programme Director attended on-line for this item and provided the update. The main points included:

- They are very close to their go live date of 11th April 2022.
- The information provided in the presentation is about three weeks old so some of the RAG ratings have changed.
- They had a steering committee meeting this week and they have now confirmed that the Oracle solution in the majority of areas they are delivering are now through their testing cycle, and they have just completed their payroll comparison testing, with 8 out of the 11 payrolls having passed their 98% accuracy rating.
- They have a clear list of issues that they are working through to close out the majority of those issues and the members of the steering committee are updated.
- They have now gone through the process as to how they make decisions and slide 8 provides details of the decision making process.
- The final decision is on the 1st April 2022 at which point they will be asking to freeze the data and stop using SAP. On the 7th April 2022 they will start to look at access for people who need to process the payroll, and on the 10th April 2022, they have a final decision period to allow access to all end users on the 11th April 2022.
- They are looking at whether they need to put in additional resource to support any defect resolution they will have and help to correct any issues that they take across to Oracle.
- They remain within budget and they still have a contingency of c.£780,000 which they are not expecting to have to draw down on to any great extent.
- They are currently predicting to be on track for the 11th April 2022, subject to ratification of their steering committee, and by putting in mitigations for the three payrolls that have not met the 98% accuracy rating, and for the payrolls that have but still have corrections that need to be made.

In the course of the discussion, and in response to Members' questions, the following were among the main points raised:

- It is the decision for steering committee whether they go live, and they have been open and frank regarding the remaining issues.

- There is a clear process for closing down the SAP system and there will be access to the SAP for the close down team. However, from 1st April 2022 there will be no more operational transactions in SAP.

RESOLVED:-

The update was noted.

7. COMMERCIAL GOVERNANCE TASK AND FINISH GROUP

(See document No 4)

Steve Sandercock, Interim AD, Procurement was in attendance on-line for this item. He highlighted the research that had been undertaken and went through each of the 22 recommendations. Recommendations 3 and 4 were queried and it was confirmed that two of the three quotes had to be from local businesses where possible.

The Chair commented that the Committee had spent a lot of time on this since November 2021 and there had been a lot of discussion. He highlighted that pages 67 to 73 provided details of who has and has not agreed the recommendations, all the points have been detailed and it has been noted that Councillor Meirion Jenkins has not agreed with all the recommendations.

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources thanked the Committee for this very important work which has added value, and he particularly welcomed recommendations 12, 13, 20, and 21.

Recommendation 20 was queried, and it was agreed this can be reviewed and picked up when monitoring the recommendations.

The Cabinet Member advised that the recommendations have gone to him to be implemented as policy and he will pursue their implementation. If any constitutional changes are needed, these will be done after May 2022 at City Council.

Councillor Meirion Jenkins highlighted that the points he made in his letter were discussed in his group who could not agree all the recommendations.

RESOLVED:-

The report was agreed subject to changes being made to recommendations 3 and 4 by the Committee, apart from Councillor Meirion Jenkins who did not agree with all the recommendations.

8. BIRMINGHAM'S BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY

(See document No 5)

Steve Sandercock, Interim AD, Procurement and Jim Parkinson, Acting Category Head of Policy & Governance, Corporate Procurement Service (CPS) attended on-line for this item.

Jim Parkinson took Members through the report which provided a formal response to the request from Councillor Majid Mahmood, who had asked the Chair of the

Resources O&S Committee to instruct the relevant officer to bring a detailed report to the next Committee meeting so that it can be discussed.

Councillor Majid Mahmood highlighted that if a member of the public was looking on the website all they would be able to see is live or expired, which could be confusing due to not having access to all the information. He suggested that it could be reworded as “no longer contracted with the council” so members of the public can better understand this. Also, it may be beneficial if members of the public could see the action plans that have been delivered where possible. In addition, it would be good to see some joined up working with some large organisations.

The Cabinet Member would support publishing the action plans, but this may not be possible. In relation to the wording he suggested “in contract or not in contract” would be a helpful clarification.

The Chair thanked Cllr Majid Mahmood for raising this issue.

RESOLVED:-

The report was noted and officers to look at the wording on the website.

9. PLANNED PROCUREMENT ACTIVITIES REPORT

(See document No 6)

The Cabinet Member advised this report had recently been to Cabinet.

RESOLVED:-

The report was noted.

10. WORK PROGRAMME

(See document No 7)

Christian Scade, Interim Head of Scrutiny and Committee Services commented that this is the last meeting of the municipal year for this Committee. Collectively the Chairs at the Co-ordinating O&S Committee are looking at the work Members may wish to roll forward and requested that suggestions are provided by this afternoon.

Members thanked the Cabinet Member and Chair for their work and the Cabinet Member thanked the Committee. The Chair thanked everyone, including officers, and specifically Jayne Bowles, Scrutiny Officer who has done tremendous work and provided excellent support to him as Chair throughout the year and Christian Scade for his support.

The Chair highlighted that the items programmed for the April committee meeting had been brought forward to this meeting.

Councillor Majid Mahmood asked whether the long term debt strategy could be pencilled in for the next municipal year.

RESOLVED:-

The work programme was noted.

11. DATE OF NEXT MEETING

This is the last meeting of the committee for this municipal year.

12. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None.

13. OTHER URGENT BUSINESS

None.

14. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

That in an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee.

The meeting ended at 15.07 hours.

Birmingham City Council

Report to Cabinet

28TH JUNE 2022-CORRECTED VERSION



Subject: PROVISIONAL FINANCIAL OUTTURN 2021/2022

Report of: Director of Council Management and S151 Officer – Rebecca Hellard

Relevant Cabinet Member: Councillor Yvonne Mosquito – Finance & Resources

Relevant O &S Chair(s): Councillor Akhlaq Ahmed - Resources

Report author: Director of Finance (Deputy S151 Officer) – Sara Pitt

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010136/22		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 This report forms part of the City Council's robust arrangements for controlling its revenue and capital expenditure.
- 1.2 The provisional financial outturn report for 2021/22 is attached at Appendix A, together with the Capital Report as Appendix A Annex B, the Treasury Management Annual Report as Appendix A Annex C, the Housing Revenue Account outturn as Appendix A Annex D and the outturn position on the Collection Fund as Appendix A Annex E.

- 1.3 The report presents a healthy financial position for the Council at the end of the financial year 2021/22, with an underspend of **£17.8m** in a year where the Covid pandemic continued to have a legacy impact.

2 Recommendations

That the Cabinet:

- 2.1 Notes the City Council's Revenue Budget Provisional Outturn position for 2021/22 of £17.8m underspend, as detailed in the report and appendix (the finalisation of the figures remains on going and they will then be subject to External Audit)
- 2.2 Approves the transfer of the £17.8m revenue budget underspend to the Financial Resilience Reserve (FRR), as set out in paragraph 4.1.
- 2.3 Approves the other uses of and contributions to Grant and Earmarked Reserves and Balances set out in paragraph 4.13.
- 2.4 Approves the use of £1.0m of the Council Tax Hardship Reserve in 2022/23 to provide extra funding for Local Welfare Provision, as set out in paragraphs 4.14 to 4.16.
- 2.5 Approves the use of £1.3m of the FRR in 2022/23 to fund an extra 10% top-up to the allocation of £12.8m from the Government's Household Support Fund for the City, as set out in paragraph 4.17.
- 2.6 Approves the use of £0.2m of General Policy Contingency in 2022/23 for JNC staffing in Place, Prosperity & Sustainability as part of the new Council structure as set out in paragraph 4.19.
- 2.7 Notes the resource allocations within Specific and General Policy Contingency for Pension Fund costs, the Apprenticeship Levy, Highways Maintenance, and a JNC position, as set out in paragraph 4.18, these have already been agreed by the S151 Officer under delegated authority.
- 2.8 Approves the financing of capital expenditure for 2021/22 as set out in Appendix A Annex B.
- 2.9 Notes the Treasury Management Annual Report as set out in Appendix A Annex C, and that the Council remained within its prudential limits set under the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance
- 2.10 Notes the Housing Revenue Account outturn position as set out in Appendix A Annex D and the transfer of the balance to the ring fenced HRA reserve.
- 2.11 Notes the outturn position on the Collection Fund as set out in Appendix A Annex E, and how the final outturn position is taken into account when setting future years budgets

3 Background

- 3.1 On 23rd February 2021, the Council agreed a net revenue budget for 2021/22 of £828.7m funded by government grants, council tax and business rates.
- 3.2 The appendices of this report provide information about the 2021/22 outturn position of the Council, which will subsequently be incorporated into the Council's draft 2021/22 Statement of Accounts, which are statutorily due for handover to audit and public inspection by 31 July 2022. Audit Committee will consider for approval the draft statement of accounts at its meeting on 19 July 2022.
- 3.3 As the Council's accounts are being finalised and still subject to external audit there may be further accounting entries or post balance sheet events that require a revision to the outturn for the year. The Director of Council Management will make any necessary changes and will report any significant impact on the reported outturn position in a quarterly monitoring report.

4 Outturn

- 4.1 The general fund provisional outturn at the end of 2021/22 is an underspend of **£17.8m**. This underspend will be transferred to The Financial Resilience Reserve.
- 4.2 The revenue Outturn is detailed in Appendix A. There is a balanced position after transferring the underspend of £17.8m to reserves as set out in paragraph 2.2. This is summarised in Table 1 in Appendix A.
- 4.3 This is after applying **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, **£5.9m** of Public Health Grant to fund Covid related spending in 2021/22, funding received for income losses of **£2.8m** and **£11.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 of Government Covid funding.
- 4.4 Savings of **£33.6m** were delivered in 2021/22, which represent **91%** of the savings programme planned in the budget.
- 4.5 The Housing Revenue Account underspent by **£4.1m** and this will be transferred to the ring fenced Housing Revenue Account for future use by the HRA.
- 4.6 The Dedicated Schools Grant (DSG) underspent by **£8.3m**, which will be transferred to the Ring Fenced DSG reserve. This underspend is after allocating £5m as agreed in the High Needs Block deficit repayment plan and £0.5m for Developing Local Provision (DLP).
- 4.7 The capital programme outturn spend position for the 2021/22 financial year is **£528.1m**. This is **£236.4m** below the planned expenditure of **£764.4m**. The variance is largely due to slippage of £262.9m offset by £26.6m net overspend.
- 4.8 At the 31st March 2022, the Council's gross loan debt stood at **£3,107.8m** and **£146.3m** of investments were held. The Council also held investments of **£73.8m** as an accountable body. The Council did not breach any of its prudential limits.

Treasury management net borrowing costs totalled **£234.7m** gross. This was **£0.9m** under the budget after including the Council's other long term liabilities.

- 4.9 The Council share of the Council Tax outturn is a deficit of **£3.5m**, compared to a deficit of £15.8m forecast when setting the 2022/23 budget. The improvement is mainly due to decreases in the provision for bad debts.
- 4.10 The Council share of the Business Rates outturn is a surplus of **£0.5m** compared with a £19.8m forecast deficit when setting the 2021/22 budget. Again, the improvement is mainly due to decreases in the provision for bad debts.
- 4.11 The change in the net outturn position for Council Tax and Business Rates will not impact on the General Fund until 2023/24 and will be taken into account as part of the 2023/24 budget setting process.

Reserves

- 4.12 At the start of the financial year, the Council held reserves balances of £1,062.3m. At the end of the year, if the proposed transfers are approved, there will be an increase of reserves balances to £1,071.6m.
- 4.13 This increase includes transfers to and uses of reserves, with full details set out in Appendix A Annex A10. General Fund reserves including the Financial Resilience Reserve total £230m and the specific Earmarked Reserves total £841.6m. This level of reserves is considered to be robust for the size of the City Council and demonstrates good resilient financial management.

Local Welfare Provision

- 4.14 Birmingham's Local Welfare Provision (LWP) is a discretionary scheme which helps vulnerable people in short-term crisis with food and essential items. It is grant-based, which means people who receive help from it will not have to repay anything. The scheme is funded on an annual basis and once the fund has been exhausted for that financial year, there are no further awards. The Council is currently under additional pressure due to the rising level of Local Welfare Provision claims. This follows a two-year period of gradual rising in claims. Looking ahead, the challenges facing people on low incomes are considerable with numerous issues potentially impacting on personal budgets (e.g. energy prices, inflation, loss of Covid support measures). Further pressure on this scheme has come from the 50% cuts in discretionary housing payments from central government.
- 4.15 It is proposed to set-up an "emergency team" of staff on an initial 12-month contract with an option to extend. The team would consist of 8 Grade 3 benefit officers who would initially concentrate on LWP backlog but could be utilised to address other spikes in workload. This would also enable the additional staff currently undertaking the work, to return to their normal duties and tackle the rise in housing benefit work outstanding. The additional staffing costs are around £350,000, and additional supplement for the LWP fund is £650,000.

- 4.16 The emergency team is set up in 2022/23 as proposed in paragraph 4.15 above and is funded from the utilisation of £1.0m of the Council Tax Hardship Reserve.

Household Support Grant Top Up

- 4.17 It is recommended that £1.3m of the FRR is used in 2022/23 to fund a 10% top up to the £12.8m received from the Government for the Household Support Grant to give extra support to families and pensioners struggling with the cost-of-living crisis.

Policy Contingency

- 4.18 The following allocations in 2021/22 of Specific and General Policy Contingency have been approved by the Section 151 Officer under delegated authority as shown below.

Use of	Reason	Value (£m)	Reference to Paragraph in Appendix A
Specific Policy Contingency	Pension Fund Costs - Contingency for under recovery	0.718	Annex A8 para 2.2
Specific Policy Contingency	Apprenticeship Levy	1.143	Annex A8 para 2.2
Specific Policy Contingency	Highways Maintenance	0.077	Annex A8 para 2.2
General Policy Contingency	Place, Prosperity & Sustainability JNC Position	0.059	Annex A8 para 2.1

- 4.19 The use of £0.2m of General Policy Contingency in 2022/23 is recommended to be used to fund JNC staffing in Place, Prosperity & Sustainability as part of the new Council structure.

5 Options considered and Recommended Proposal

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

6 Consultation

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

7 Risk Management

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

8 Compliance Issues:

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

- 8.1.1 The budget is integrated with the City Council Financial Plan 2021-25, and resource allocation is directed towards policy priorities.
- 8.1.2 The Financial Outturn gives a summary of the City Council's financial activity during 2021/22 and the provisional financial position at 31 March 2022. The budget against which the outturn position is compared was initially set out in the

City Council Financial Plan 2021-25 to the Council and has been revised throughout the year.

8.1.3 Total City Council revenue spend was budgeted at around £3.8 billion. This includes the General Fund, HRA, delegated Schools budgets, etc.

8.1.4 The General Fund net controllable budget was £828.7m (excluding benefit payments, HRA, delegated schools budgets) with a savings requirement of £36.7m for 2021/22 (including savings achieved on a one-off basis in 2020/21). This outturn report builds on the budget monitoring reports to Cabinet throughout the year.

8.2 Legal Implications

8.2.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

8.3 Financial Implications

8.3.1 The Corporate Revenue and Capital Budget Monitoring within Appendix A gives details of monitoring of service delivery within available resources.

8.4 Procurement Implications (if required)

8.4.1 N/A

8.5 Human Resources Implications (if required)

8.5.1 N/A

8.6 Public Sector Equality Duty

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

9 Background Documents

9.1 City Council Financial Plan 2021-25 approved at Council 23rd February 2021

9.2 Quarter 1 Financial Monitoring Report approved by Cabinet 27th July 2021

9.3 Quarter 2 Financial Monitoring Report approved by Cabinet 9th November 2021

Quarter 3 Financial Monitoring Report approved by Cabinet 8th February 2022

PROVISIONAL OUT-TURN REPORT 2021/22

(year to 31st March 2022)

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Outturn Report**1. Executive Summary**

- 1.1 The 2021/22 financial year was another challenging year for the City Council with services continuing to operate within a global pandemic, the ongoing impact of Brexit on the costs of goods especially in the construction industry and now the impact from the unrest in Ukraine. Despite these challenges and alongside another one-year funding settlement for local government we have managed to live within our means and spend within budget as well as being able to transfer monies to the Financial Resilience Reserve to manage financial risk.
- 1.2 At the start of the financial year CIPFA awarded the Council a 3 Star Financial Management rating, a significant improvement from the 1 star awarded in 2019. This improvement is demonstrated throughout this report as we have delivered 91% (£33m) of our planned savings, we have maintained healthy reserves balances, reduced borrowing levels and put in place measures to manage costs down.
- 1.3 The 2021/22 financial year ended on the 31st March 2022 and this report provides the detail of the financial position of the City Council at the year end.
- 1.4 The Council's net revenue budget for 2021/22 was **£828.7m**.
- 1.5 The General Fund revenue outturn at the end of 2021/22 is an underspend of **£17.8m** as shown in table 1 below. This underspend will be transferred to the Financial Resilience Reserve (FRR).

Table 1: High level Provisional Outturn position

Table1 :High Level Summary	A	B	C
Directorate	Current Budget	Provisional Outturn	Total Over/(Under) Spend
	£m	£m	£m
Children & Families *	300.378	314.621	14.243
City Operations	187.698	191.084	3.386
City Housing	12.245	14.131	1.886
Place, Prosperity and Sustainability **	62.360	63.938	1.578
Strategy, Equalities and Partnerships	2.220	2.167	(0.053)
Adult Social Care	334.055	332.239	(1.816)
Council Management	35.805	31.222	(4.583)
Directorate Sub Total	934.760	949.401	14.641
Corporate Budgets	(106.089)	(91.449)	14.640
Application of Tranche 5 Funding	0.000	(11.470)	(11.470)
Covid Funding	0.000	(17.470)	(17.470)
Specific Grant Funding	0.000	0.000	0.000
Public Health Grant	0.000	(5.945)	(5.945)
Income Loss Scheme Funding	0.000	(2.838)	(2.838)
Corporate funding for Home to School Transport	0.000	(9.366)	(9.366)
Corporate Subtotal	(106.089)	(138.538)	(32.449)
City Council General Fund	828.671	810.863	(17.808)
Transfer to FRR			17.808
City Council General Fund after transfers to reserves	828.671	810.863	0.000

* Children and Families was previously known as Education & Skills Directorate

** Place, Prosperity and Sustainability was previously known as City & Municipal Development Directorate.

- 1.6 The year-end financial position of £17.8m underspend is after applying Covid funding; **£17.5m** of un-ringfenced Covid-19 grant funding from the government received in 2020/21 carried forward into 2021/22, **£5.9m** of Public Health Grant to fund Covid related spending in 2021/22, funding received for income losses of **£2.8m** and **£11.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 of Government Covid funding.
- 1.7 The 2021/22 budget included a **£36.7m** saving programme. **£33.6m** of these savings were delivered in the year, representing 91% of the total savings programme. This included delivery of £20.5m corporate establishment cost savings; the first time a corporate saving of this magnitude has been achieved. Our savings delivery compares to 78% of savings achieved in 2020/21, and 84% delivered in 2019/20.
- 1.8 To help manage costs and mitigate the in-year forecast overspend the council introduced a series of spending controls during the financial year. The key areas of spend under control were staffing, properties / facilities management, and procurement. These controls were implemented in November 2021 and continue

to remain in place. The panels operate to provide some rigour and corporate oversight to spend and not to prevent all spend.

- 1.9 The Dedicated Schools Grant (DSG) underspent by **£8.3m**, (made up of £4.4m schools and £3.9m non-schools) which will be transferred to the Ring Fenced DSG reserve. This underspend is after allocating £5m as agreed in the High Needs Block deficit repayment plan and £0.5m for Developing Local Provision (DLP).
- 1.10 The Housing Revenue Account (HRA) underspent by **£4.1m** and this has been transferred to the ring fenced HRA reserve for future use by the HRA.
- 1.11 The Capital Programme spent **£528.1m** in 2021/22. This is £236.4m below the planned expenditure of £764.4m. This is after the review of planned expenditure carried out at Quarter 3, which released £108.9m of capital budget to support new schemes and reduce capital financing costs.
- 1.12 At the start of the year, the Council held reserves totalling **£1,062.3m**.
- 1.13 The Council anticipated the net use of £155.9m of specific reserves in setting the 2021/22 budget. A further £37.4m uses of reserves were approved by Cabinet as part of the 2020/21 Outturn, and there was a net £6.8m budgeted use of reserves that was not required in 2021/22.
- 1.14 At year end it is recommended to make a net contribution to reserves of **£195.8m**. **Full details are provided in Annex A10. Approval is sought from Cabinet for these to be approved.** This will mean that there will be a net increase in reserves in year of £9.3m, leaving a new balance of **£1,071.6m**. The changes to reserves are summarised in the table below:

Table 2

Table 2: High Level Reserves Summary	£m
Balance as at 31st March 2021	1,062.310
Original Budgeted Net Use	(155.914)
Change approved at Outturn 2020/21	(37.434)
Original Budgeted Net Use not processed	6.816
Changes Proposed at Outturn	195.791
Total Proposed Net Contribution at Outturn	9.260
Proposed Outturn Balance at 31st March 2022	1,071.570

- 1.15 The City Council's financial accounts for 2021/22 are still being prepared and are subject to audit by the Council's external auditors. There may be further accounting entries or post balance sheet events that require a revision to the outturn for the year and therefore the information contained in this report is a provisional position. The Director of Council Management will have authority to make necessary changes and will report any significant impact on the reported outturn position in a quarterly monitoring report.

2. **Detailed**

General Fund

- 2.1 The Council set a net budget of £828.7m for 2021/22 at its meeting on 23rd February 2021. This net budget included a savings programme of £36.7m, made up of savings of £33.1m plus a further £3.6m of savings that were previously achieved on a one-off basis in 2020/21.
- 2.2 The General Fund revenue outturn position for 2021/22 is shown in detail above in table 1 and shows an underspend of **£17.8m**.
- 2.3 Cabinet is asked to approve the transfer of the **£17.8m** underspend into the Financial Resilience Reserve (FRR). The effect of this will be to increase the FRR to **£147.0m**.

Covid-19 Pandemic

- 2.4 The 2021/22 financial year continued to see the world live with the Covid Pandemic and the impact on council services and citizens continued to be significant, with demand for services including Housing and Social care increasing and revenue generation from services including leisure and parking reducing. The net financial impact of covid on the Council's revenue budget after applying grant received was **£1.4m** in 2021/22.
- 2.5 To help mitigate Covid costs the Council carried forward £17.5m of un-ringfenced Covid19 related government grant funding from 2020/21 in to 2021/22. In addition, £2.8m has been reclaimed from the Government's Income loss scheme up to the scheme end on the 30th June 2021.

- 2.6 The Council also funded £11.5m of Corporate covid costs in 2021/22 through the use of Tranche 5 of Government un-ringfenced grant funding. £1.0m of Directorate pressures were also funded.
- 2.7 In accordance with ring-fenced grant conditions, £5.9m of Public Health Grant was used to fund Covid related spending in 2021/22.
- 2.8 Ring-fenced grants for additional reliefs and support schemes were spent on the additional measures set out in government guidance.
- 2.9 Table 3 below shows the breakdown of covid costs and funding for 2021/22.

Table 3: Covid-19 Financial Position

Table 3 : Covid-19 financial position	Covid cost £m
Directorate covid overspend	27.654
Corporate budgets overspend	11.470
Total Covid-19 overspend	39.124
Application of Tranche 5 Funding	(11.470)
Covid grants carried forwards	(17.470)
Public Health Grant	(5.945)
Income compensation	(2.838)
Total Covid income	(37.723)
Net deficit	1.401

- 2.10 A summary of the outturn position for each directorate is set out in Table 1 above and detailed directorate commentaries are in Annexes A1-A7. Details of reserve requests are provided in Annex 10 and Cabinet are requested to approve the use of and contributions to reserves set out.

3. Capital

- 3.1 The capital programme spend for 2021/22 is **£528.1m** as shown in table 4. This is £236.4m below the planned expenditure of £764.4m.

Table 4: Capital Programme spend 2021/22

Summary of Capital Programme spend	2021/22 £m
Revised Budget	764.415
Cumulative Slippage	(262.915)
Actual (under) / overspends	26.577
Outturn Expenditure in year	528.077

- 3.2 The City Council analyses the capital programme budget variations between:
- Changes in the timing of budgeted expenditure - where the expenditure is still required but takes place later than planned this is called slippage and shown in brackets, and acceleration if earlier than planned; and
 - Underspends or overspends - which represent a decrease or increase in the total capital cost of a project, which may be over several years.
- 3.3 The year end slippage is £262.9m along with a net overspend of £26.6m as shown in table 4 above.
- 3.4 It is important to note that no financial resources will be lost because of the slippage. The resources and planned expenditure will be “rolled forward” into future years. The in-year overspend totalling £26.6m is fully funded and there is no impact on future year’s resources.

4. Treasury Management

- 4.1. At the 31st March 2022, the Council's total loan debt net of treasury investments was **£2,961.5m**, compared to net loan debt of £3,162.3m as at 31st March 2021.
- 4.2. The Council's treasury investments held at 31st March 2022 were **£146.3m**. This was higher than originally planned due to energy relief and additional Covid relief grants received in advance from the Government. The Council also held investments of £73.8m as an accountable body.
- 4.3. The Council did not breach any of its prudential limits set under the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance.
- 4.4. Treasury management net borrowing costs totalled £234.7m. This was £0.9m below the budget after including the Council's other long term liabilities.

5. Housing Revenue Account

- 5.1 The Housing Revenue Account underspent by **£4.1m**. This underspend will be transferred to the Ring Fenced HRA revenue reserve and increases it from £11.2m to **£15.3m**. Further details are provided in Annex D of this report.

6. Collection Fund

- 6.1 The Collection Fund collects business rates and council tax income and pays it over to the precepting bodies. Council tax and business rates income has been heavily impacted by Covid-19. At the year end, the Council's share of the Collection Fund is a deficit of £3.0m (£3.5m deficit for Council Tax and a £0.5m surplus for Business Rates). This deficit has massively reduced since quarter 3 where it was a forecast deficit of £35.6m (£15.8m deficit for Council Tax and a £19.8m deficit for Business Rates)
- 6.2 The main reasons for the improvement in the deficit are decreases in the expected level of bad debt provision required of £14.7m for Council Tax and £13.6m for Business Rates. This is due to an increase in collection rates above the anticipated forecast.
- 6.3 The original deficit forecast has been taken into account in setting the 2022/23 budget. The decrease in the deficit will be taken into account in setting the budget for 2023/24.
- 6.4 Full details are provided in Annex E of this report.

7. Savings Programme

- 7.1. The 2021/22 budget included a **£36.7m** savings programme as shown in tables 5 and 6 below. Within this savings programme was a savings target of **£20.1m** relating to establishment costs.
- 7.2. **£33.6m (91%)** of the budgeted savings have been delivered. £3.1m of savings have not been delivered. The establishment savings have overachieved by £0.4m and are detailed in table 6 below. Savings delivery is a major improvement on previously years, with 73% of savings being delivered in 2020/21 and 84% in 2019/20.

Table 5: Total Savings Programme

2021-22 Saving Programme Summary		
Directorate	Budgeted Total Saving	Saving Delivered
	£m	£m
Adult Social Care	8.793	8.793
City Operations	2.181	0.673
Council Management	3.385	3.269
Children & Families	0.050	0.050
Place, Prosperity and Sustainability	1.045	0.685
Corporate	21.279	20.132
Directorate Sub Total	36.733	33.602

- 7.3. Details of the savings programme by directorate are shown below:-
- 7.4. **Corporate** had a saving target of £21.2m, of which 95%, £20.1m has been achieved. £1.1m has not been achieved due to £0.7m of contract savings and £0.4m transport savings not being delivered.
- 7.5. **Adult Social Care** has delivered all £8.8m of the savings target.
- 7.6. **Place, Prosperity and Sustainability** had a £1.0m savings target of which £0.7m has been achieved and £0.4m has not been achieved, the non-achievement mainly relates to Public Hubs.
- 7.7. **City Operations** had a £2.2m savings target. £1.5m of those savings have not been delivered. The key areas of non-delivery are: £0.6m Street Services redesign, £0.2m Consultation of land sales, £0.2m implementation of commercialisation programme (car parks), and £0.5m continued extensive hire of waste vehicles and repairs and maintenance costs.

- 7.8. **Council Management** had a £3.4m saving target of which £3.3m has been achieved.
- 7.9. Table 6 below details the savings specifically related to establishment costs and shows that the target of £20.1m has been over achieved by £0.4m.

Table 6: Achievement of Establishment Savings

Table 6: Establishment Saving Summary by Directorate	Total Saving Achieved
	£m
Adult Social Care	7.641
Children & Families	0.605
Place, Prosperity and Sustainability	1.452
City Operations	0.820
City Housing	1.882
Council Management	2.921
Strategy, Equalities and Partnerships	2.231
Total Directorates	17.552
Unallocated Increment Budget remaining	3.000
Total	20.552
Saving Target	20.132
Savings over achieved	0.420

8. Reserves

- 8.1 In overall terms reserves will increase by **£9.3m** from **£1,062.3m** at 1st April 2021 to **£1,071.6m** at 31st March 2022.
- 8.2 The Council operates a policy of not using reserves unless they have been set aside for specific purposes and not using reserves to mitigate the requirement to make savings or meet on-going budget pressures, except in exceptional circumstances.
- 8.3 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 decided to set money aside to fund specific costs when they occur in later years.
- 8.4 The Council anticipated the net use of £155.9m of reserves in setting the 2021/22 budget. A further £37.4m of uses of reserves were approved by Cabinet as part of the Outturn Report on June 29th 2021.
- 8.5 There was a net £6.8m of budgeted use of reserves that have not been made in 2021/22.

- 8.6 At outturn the recommended total net contribution to reserves is £195.8m, as detailed in paragraphs 4.13 to 4.14 of the Cabinet Report. Approval is sought from Cabinet for these to be approved.
- 8.7 The largest contribution to reserves is £93.8m of Section 31 funding received from the Government to compensate for Business Rates relief in 2021/22 that will impact the Council in 2022/23. The summary position is set out in Table 7 below with the detail contained in Annex 10.

Table 7: Summary of Reserves Balances

Table 7: Reserves Summary	£m
Balance as at 31st March 2021	1,062.310
Total Proposed Net Contribution at Outturn	9.260
Proposed Outturn Balance at 31st March 2022	1,071.570

Detail of General Reserves and Balances**Delivery Plan Reserve – year end balance £66.2m**

- 8.8 The Delivery Plan Reserve was established to enable the necessary investment required by the Council's Delivery Plan to support the transformation agenda.
- 8.9 £20.0m to fund the Delivery Plan was approved by Cabinet in April, July, and November 2021. Only £3.4m has been spent this year. A budget has been created in Specific Policy Contingency in 2022/23 for £13.6m which is the remaining balance.
- 8.10 In October 2021 Cabinet approved the use of £4.8m of the Delivery Plan Reserve in 2021/22 to fund improvements in SEND and Home to School Transport. Of this, **£2.3m** has been spent in 2021/22. The balance is required in 2022/23.
- 8.11 There is a recommended further use of **£0.8m** of the Delivery Plan Reserve to fund New Ways of Working (NWOW) as approved by Cabinet in July 2021. Cabinet approved a release of £4.8m over 2021/22 and 2022/23. A budget in 2022/23 was created in the Directorate for most of the remainder.
- 8.12 There is the use of **£0.7m** of the Delivery Plan Reserve to fund the Corporate Programme Management Office and the Chief Executive's Delivery Unit project team. This is within the funding of £1.1m approved by Cabinet in April 2021.

Financial Resilience Reserve – year end balance £147.0m

- 8.13 The Financial Resilience Reserve (FRR) was created in 2017/18, the reserve is held to manage risk and provide a contingency fund in case the Council faces financial difficulties in the future.
- 8.14 It is recommended to transfer the **£17.8m** underspend for the year to the FRR, subject to Cabinet approval as part of this report.

- 8.15 In order to facilitate further improvements to the SEND service Cabinet approved the drawdown of **£5.1m** from the FRR in July 2021.
- 8.16 Cabinet approved in February 2022 the use of **£6.1m** of the FRR to fund one-off pressures identified relating to Home to School Transport.
- 8.17 Cabinet also approved in February 2022 the use of up to **£3.3m** of the FRR to cover the costs of needing to procure a new provider for the Home to School Transport service. It is recommended for this to be drawn down via this report.
- 8.18 It is recommended that **£0.6m** of the FRR is drawn down via this report to fund costs within the Housing Options Service.
- 8.19 Cabinet approved the use of **£0.3m** of the FRR to fund costs of the Route to Zero (R20) team in October 2021.
- 8.20 There is a recommended contribution to FRR of **£1.3m**, which will be called upon in future years to fund the non-statutory elements of redundancy, which are not capitalisable under the new capital receipts flexibility guidance.

Other Corporate Reserves – year end balance £329.6m

- 8.21 Other recommended Corporate contributions to reserves of **£128.8m** largely relate to:
- As set out in paragraph 3.3 in the Collection Fund section (Annex E), the Council received additional Government grants of **£93.8m** to offset the Collection Fund deficit caused by the granting of reliefs to businesses. This was received into the General Fund in 2021/22 and will be required to be set aside as a contribution to reserves in the current year, to be used to offset the forecast deficit in the Collection Fund related to 2021/22 that will be charged to the General Fund in 2022/23.
 - Covid pressures related to reduced income and potential increases in demands for services, particularly social care and housing, have been identified as ongoing in 2022/23. To fund this, a **£12.8m** Covid specific reserve has been created.
 - **£3.2m** to Policy Contingency Reserves from an underspend in Policy Contingency on Modernisation Fund-Social Care ensure monies continue to be available in 2022/23 for this programme.
 - **£14.5m** from Government's Local Council Tax Support Grant to be set aside to fund Council Tax Hardship payments that will affect the Collection Fund in 2021/22 and will be charged to the General Fund in 2022/23.
 - A contribution of funding received at the end of 2021/22 from the Government of **£3.6m** for discretionary support for energy bills has been transferred to reserves to enable payments to be made in 2022/23.
 - **£14.5m** to the Capital Fund that has been identified from the in year Direct Revenue Financing of Capital to be utilised in future years to support the Capital Programme.
- 8.22 There is 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 the Council received less compensation than was expected from the Government.

8.23 This is partially offset by uses of reserves for the following:

- The **£17.5m** of Covid Reserves carried forward from 2020/21 is required in 2021/22 as referred to in paragraph 1.2.
- **£17.7m** of Covid related Corporate Grant Reserves have been fully utilised in 2021/22.

Grant Reserves – year end balance of £340.7m

8.24 The Council holds Grant Reserves for the unused element of grant support for which the conditions of the grant are expected to be met. At outturn, there is a net **£44.3m** recommended contribution to Grant Reserves to meet future years' expenditure. All uses and contributions are in line with the Council's Reserves Policy.

Earmarked Reserves – year end balance £75.3m

8.25 At outturn there are recommended net contributions of **£13.3m** to Earmarked Reserves in line with the Reserves Policy approved in the Financial Plan 2022-2026.

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

Dedicated Schools Grant (DSG) Reserves

8.27 At outturn there is a recommended net contribution of **£5.0m** to High Needs Block Reserves as agreed in the deficit repayment plan.

8.28 There is a recommended contribution of **£0.5m** for Developing Local Provision (DLP) to ensure that the £14.0m commitment to DLP over the two-year programme is honoured.

8.29 It is recommended to transfer the **£8.3m** DSG underspend to DSG Reserves, of which £4.4m would go to Schools Reserves and £3.9m would go to non Schools DSG Reserve.

List of Annexes

- A1-7. Directorate Summaries**
- A8. Corporate Accounts Summary**
- A9. Dedicated Schools Grant**
- A10. Reserves Requests**
- A11. Savings Programme**
- B. Capital Programme**
- C. Treasury Management**
- D. Housing Revenue Account (HRA)**
- E. Collection Fund**

Annex A1 Adult Social Care Directorate**1. Summary**

The Adult Social Care directorate has an underspend of **£1.8m** which represents 0.5% of the net budget. This outturn position is after recommended net transfers to reserves of £40.8m. This transfer to grant reserves predominately funds future investment in health and social care system wide transformation. The notable remainder relates to covid ring fenced funding that will be carried forward to be spent in 2022/23. Further details are provided in Annex A10.

Table 1: 2021-22 Provisional Outturn Summary of Adults Social Care

Adult Social Care	Current Budget	Outturn	Outturn Variation over/(under) spend	Recommended Transfer to/ (from) Reserves	In Year Variation over/(under) spend
	£m	£m	£m	£m	£m
Director	12.799	(4.261)	(17.060)	17.419	0.359
Commissioning	29.720	5.764	(23.956)	22.945	(1.011)
Package of Care	220.327	220.044	(0.283)	0.000	(0.283)
Community & Social Work Operations	71.209	69.917	(1.292)	0.412	(0.880)
Directorate	334.055	291.463	(42.592)	40.776	(1.816)

* Below is further detailed commentary where the variations are above or equal £0.5m

2. Detailed Service Highlights (where a material variance)

Commissioning (£1.0m underspend) - Due to lower than budgeted activity on third sector grant allocations together with additional funding from the Better Care Fund.

Community & Social Work Operations – (£0.9m underspend) - Due to lower than anticipated Discharge Facilitator costs of £0.3m together with additional income for training, course fees and supplier quantity discounts of £0.2m, and £0.3m of additional support from the NHS Regional Discharge Fund.

Annex A2 Council Management.**1. Summary**

The Council Management Directorate has an underspend of **£4.6m** which represents 1% of the net budget of £35.8m.

The outturn position is after recommended net transfers to reserves of £7.0m. This largely relates to £1.8m to fund the Cyber Security programme in future years, and £1.6m to support the Revenues Service in catching up with business as usual work following the pandemic and work to improve income collection. Further details are provided in Annex A10.

Table 1: 2021-22 Outturn Summary of Council Management

Council Management	Current Budget	Outturn	Outturn Variation over/(under) spend	Recommended Transfer to/ (from) Reserves	In Year Variation over/(under) spend
	£m	£m	£m	£m	£m
Business Improvements	11.948	11.570	(0.378)	0.378	0.000
IT & Digital Services	14.546	12.836	(1.710)	3.293	1.583
Customer Services	6.596	6.340	(0.256)	0.147	(0.109)
Revenues & Benefits	0.426	(6.726)	(7.152)	2.470	(4.682)
Director of DC&S	0.186	0.167	(0.019)		(0.019)
Digital Customer Services sub-total	33.702	24.187	(9.515)	6.288	(3.227)
Director of Council Management	0.347	0.332	(0.015)	0.000	(0.015)
Development and Commercial	1.527	1.090	(0.437)	0.480	0.043
Finance	(20.230)	(20.079)	0.151	0.000	0.151
City Solicitor	8.079	7.639	(0.440)	0.000	(0.440)
Audit	1.743	1.511	(0.232)	0.007	(0.225)
Finance and Governance sub-total	(8.534)	(9.507)	(0.973)	0.487	(0.486)
Schools	0.194	(0.585)	(0.779)	0.218	(0.561)
HR Services	7.023	6.708	(0.315)	0.213	(0.102)
Human Resources sub-total	7.217	6.123	(1.094)	0.431	(0.663)
Corporate Programme Mgt Office	1.250	1.243	(0.007)	0.000	(0.007)
Business Improvement and Change	1.628	1.689	0.061	(0.210)	(0.149)
Chief Executive's Office	0.494	0.493	(0.001)	0.000	(0.001)
Chief Exec's Delivery Unit	0.048	0.000	(0.048)	0.000	(0.048)
Directorate	35.805	24.228	(11.577)	6.996	(4.583)

* Below is further detailed commentary where the variations is £0.5m or above.

2. Detailed Service Highlights (where a material variance)**Digital Customer Services (£3.2m underspend)****IT & Digital Services (£1.5m overspend)**

The service had covid related costs of £2.1m for equipment purchases and staff time. This was partially mitigated by active engagement of spend controls across the service.

Revenues & Benefits (£4.7m underspend)

- Benefits Service - Housing Benefit Overpayment recovery performed better than last year, the ongoing review of Supported Exempt Accommodation (SEA) identified Landlords where that status was not applicable resulting in clawback of overpaid Housing Benefit. Improved collection of overpayments contributed to a surplus on our benefit subsidy claim of £3.5m for 2021/22.
- Revenues Service: The service received a refund of £1.1m from the Ministry of Justice in relation to overcharged court costs in prior years.

Finance, Procurement, Legal and Governance (£0.5m underspend)

No individual service variances are greater than £0.5m

Human Resources (underspend of £0.7m)**Schools HR £0.6m underspend**

- £0.7m staff vacancy savings are partly offset by £0.1m reduced income.

Annex A3 Children & Families

1. Summary

The Children & Families Directorate has an overspend of **£14.2m**, which represents 4.7% of the net budget.

This is after recommended net transfers to reserves of £3.6m. These largely related to transfers of £1.5m for Section 106 Grant Reserves and £1.7m for Covid Local Support Grant. Further details are provided in Annex A10.

The major additional cost to the directorate relates to Inclusion & SEND, at £15.0m. We have also included the impact of the Birmingham Children's Trust (BCT), with monies set aside for and £3.5m.

Table 1: 2021-22 Outturn Summary of Children & Families

Children & Families'	Current Budget	Outturn	Outturn Variation over/(under) spend	Recommended Transfer to/ (from) Reserves	In Year Variation over/(under) spend
	£m	£m	£m	£m	£m
Education & Early Years	13.368	7.417	(5.950)	2.238	(3.712)
Inclusion & SEND	29.889	44.900	15.011	0.000	15.011
Children's Trust	203.611	207.066	3.455	0.000	3.455
Strategic Leadership	19.371	19.246	(0.125)	0.802	0.677
Skills & Employability	28.338	26.345	(1.993)	0.536	(1.457)
Commissioning	5.801	6.070	0.270	0.000	0.270
Directorate	300.378	311.044	10.668	3.576	14.243

*Below is further detailed commentary where the variations are above or equal £0.5m.

2. Detailed Service Highlights (where a material variance)

Education & Early Years (£3.7m underspend)

- Special Schools in Financial Difficulty (£3.0m underspend)**

One-off corporate funding set aside to cover deficits associated with special school closures and academisations was not required in 2021/22.

- Early Years and Schools Settings & Improvements (£0.5m underspend)**

Reductions have been achieved on staffing and associated costs by holding vacancies.

Inclusion & SEND (£15.0m overspend)

- Travel Assist (£15.2m overspend)**

An overspend on Travel Assist made up of; £10.9m overspend on transport costs, £1.0m overspend on guide costs, £3.3m overspend due to the termination of a contract with a major supplier.

Birmingham Children's Trust (BCT) (£3.5m overspend)

BCT incurred additional costs of £1.6m, arising from the impact of Covid-19. This is made up of:

- £0.8m staffing costs
- £0.5m property costs
- £0.3m legal costs

BCT also had £6.4m of additional placement costs and reduced placement related income, broken down as follows:

- £3.6m supported accommodation
- £1.6m disabled children
- £1.2m shortfall in contributions from NHS partners

Whilst some of this can be attributed to an increase in the care population, the rate of increase in the number of children in care has reduced from around 6% to less than 3%. A key reason for the increase in placement costs is that children's needs are increasing in complexity, including mental health and trauma caused by domestic abuse and exploitation. The shortfall in income contributions is also a cause for concern, particularly health given the complexity of need.

Despite other pressures in the system, the Trust have achieved one-off mitigations, delivered savings and additional income which total £2.3m and which reduced the overall pressure to £5.7m. This pressure has been further reduced by the approval by an allocation of £2.3m from the Household Support Fund.

The Trust continues to promote better outcomes for children and its Stronger Families initiative is intended to place more children with their families which in turn reduced costs by £2.0m in 2021/22. This benefit is included in the overall figures above.

Strategic Leadership (£0.7m overspend)

£1.6m of additional covid related costs were managed centrally by the directorate, details of significant variations are as follows: £0.9m extra costs of Travel Assist provision, additional to the costs which were funded by the Department for Education through the West Midland Combined Authority. £0.4m additional agency staffing costs for the Special Educational Needs and Disability Information, Advice and Support Service (SENDIASS) team due to expansion of the multi-agency front-door service.

This was partially offset by underspends against the premature retirement budget of £0.4m due to reducing liabilities, and a planned reduction in spend against centrally managed budgets of £0.5m.

Skills & Employability (£1.5m underspend)

One-off corporate funding to smooth the transition for the anticipated loss of European funding for the World of Work and Youth Employment Initiatives was not required in 2021/22.

Annex A4 City Operations

1. Summary

City Operations Directorate overspent by **£3.4m**, which represents 1.8% of the net budget.

The Outturn position is after recommended net transfers to reserves of £3.9m. This largely relates to a contribution of £3.0m to reserves to fund agreed schedule of capital projects for bus lanes in future years. Further details are provided in Annex A10.

Table 1: 2021-22 Outturn Summary of City Operations

City Operations	Current Budget	Outturn	Outturn Variation over/(under) spend	Recommended Transfer to/ (from) Reserves	In Year Variation over/(under) spend
	£m	£m	£m	£m	£m
Emergency Planning & Resilience	1.632	1.617	(0.015)	0.000	(0.015)
Street Scene	93.364	89.320	(4.044)	0.748	(3.296)
Neighbourhoods	20.056	25.126	5.070	(2.735)	2.335
Regulation & Enforcement	3.302	4.358	1.056	(1.139)	(0.083)
Business Support	16.677	16.975	0.298	(0.455)	(0.157)
Highways & Infrastructure	52.667	49.783	(2.884)	7.487	4.602
Directorate	187.698	187.179	(0.519)	3.906	3.386

*Below is further detailed commentary where the variations are above or equal £0.5m.

2. Detailed Service Highlights (where a material variance)

Street Scene (£3.3m underspend)

Year-end underspend of £3.3m resulting from additional costs of £11.4m offset by cost reductions of £14.7m.

The main costs include agency cover related to Covid of £3.2m, PPE costs of £1.3m associated with the cleaning of vehicles as a result of Covid, £1.7m overspend on employees due to delays in service redesign, trade waste income shortfall of £1.8m, an overspend of £0.7m for the waste vehicle garage due to a shortfall in income from a reduced client base and £0.6m on maintenance and vehicle hire.

The main cost reductions are an underspend of £3.7m on borrowing costs due to delays in procurement of the new fleet (74 new vehicles are now in operation in 2021/22), waste disposal contract underspend and additional income generated at the Tyseley Plant of £4.7m, an underspend of £1.1m on the Environmental improvements/cleanliness budgets and further Garden and Bulky Waste income of £0.8m achieved. £3.9m one-off city clean up funding has not been spent in year.

Neighbourhoods (£2.3m overspend)

As a result of Covid there was a £1.1m loss of income from the closure of internally operated leisure and community facilities. Management fee income from external leisure contractors of £2.2m has not been received in year and additional support has been provided above the National Leisure Recovery Fund (NLRF) funding. External leisure provider forecasts indicate service recovery to pre-Covid levels by October 2022.

These additional costs have been partially offset by underspends of £0.7m related to reduced prudential borrowing and funding of major repairs via the capital programme and £0.5m as both the indoor track and Handsworth Wellbeing Centre Roof Repair have been funded from capital.

Highways & Infrastructure (£4.6m overspend)

£6.1m overspend due to reduced car parking income from national covid restrictions. This is made up of £1.5m on-street parking, £3.3m off-street parking, £0.8m civil parking enforcement income, £0.5m local car parking income.

The loss of income is partially offset by £1.6m capital and grant funding for projects and employee recharges, savings in supplies & services budgets including supplier contracts, and additional licensing income.

Annex A5 Place, Prosperity and Sustainability Directorate**1. Summary**

Place, Prosperity and Sustainability Directorate, overspent by **£1.6m** which represents 2.5% of the net budget.

The outturn position is after net transfers of £6.8m to reserves. This largely relates to contribution of £4.2m to grant reserves, in particular £1.9m for City Region Sustainable Transport Settlements (CRSTS) Capacity Fund and £1.8m for Clean Air Zone Grant Allocations. Further details are provided in Annex A10.

Table 1: 2021-22 Outturn Summary of Place, Prosperity and Sustainability

Place, Prosperity & Sustainability Directorate	Current Budget £m	Outturn £m	Outturn Variation over/ (under) spend £m	Recommended Transfer to / (from) Reserves £m	In Year Variation over/ £m
P&D - City Centre, EZ	(1.209)	(0.734)	0.475	(0.266)	0.209
Transport & Connectivity	47.893	40.346	(7.547)	6.444	(1.103)
P&D - Strategy & BDI	5.122	4.246	(0.876)	0.498	(0.378)
Property Services	0.691	3.472	2.781	(0.083)	2.698
Housing Development	0.515	0.473	(0.042)	(0.054)	(0.096)
Inclusive Growth Director	9.082	9.283	0.201	0.047	0.248
Route To Zero	0.266	0.093	(0.173)	0.173	0.000
Directorate	62.360	57.179	(5.181)	6.759	1.578

*Below is further detailed commentary where the variations are above or equal £0.5m.

2. Detailed Service Highlights (where a material variance)**Transportation & Connectivity (£1.1m underspend)**

The underspend includes a £0.3m underspend on Integrated Transport Levy Payments (ITA Levy) to the West Midlands Combined Authority (WMCA). Income and fees of £0.8m have been generated from employee recharges to capital projects, Local Land Charges and Traffic Management work.

Property Services (£2.7m overspend)

The overspend is primarily due to an under-recovery on commercial income of £4.0m partially managed by underspends of £1.3m (core services budgets £0.5m, security £0.3m and central admin buildings £0.5m including a business rates refund on Lancaster Circus). Bad debt provision of £0.9m has been provided as a result of the moratorium on debt recovery proceedings during the Covid period which was offset by £0.9m of prudential borrowing fall-out from the former Working for the Future programme.

3. Clean Air Zone (CAZ)

The CAZ Income & Expenditure actual for 2021/22 shows a contribution to establish the CAZ usable reserve of £22.3m.

The higher levels of Penalty Charge Notices (PCNs) being issued compared to the estimate included in the Full Business Case continues to make a significant contribution to overall revenues. The level of PCNs issued to the end of March 2022 was over 700,000 compared with an estimated volume of 69,000 in the Full Business Case. The number of non-compliant vehicles entering the CAZ remains consistent with the assumptions in the Full Business Case, however, the payment rate of the CAZ daily fee remains lower than originally expected.

Additional staffing and other resources have been allocated to the Parking Services team to help manage the volume of PCN's and associated representations funded through the additional revenues.

The transfer to reserves of £22.3m includes £2m for decommissioning at the end of the scheme and £5m to maintain operation in the period when charging is ceased due to the minimum standard of air quality being achieved but ongoing sustainability still being confirmed.

Annex A6 City Housing**1. Summary**

The City Housing Directorate overspent by **£1.9m**, which represents 15.4% of the net budget. The outturn position is after recommended net transfers to reserves of £0.2m.

Table 1: 2021-22 Outturn Summary of City Housing

City Housing	Current Budget £m	Outturn £m	Outturn Variation over/ (under) spend £m	Recommended Transfer to / (from) Reserves £m	In Year Variation over/ (under) spend £m
Housing Operations	12.487	14.249	1.762	0.187	1.949
Shelforce	(0.242)	(0.305)	(0.063)	0.000	(0.063)
Directorate	12.245	13.944	1.699	0.187	1.886

*Below is further detailed commentary where the variations are above or equal £0.5m.

2. Detailed Service Highlights (where a material variance)**Housing Options Service (£1.9m overspend after use of £0.6m of Financial Resilience Reserve)**

Covid created reduced capacity in temporary accommodation resulting in increased costs, this along with social distancing requirements and sickness levels in hostels, resulted in increased costs of £1.6m. Plus £0.3m due to uncollected debts as a result of the national eviction ban.

The major additional cost of £3.1m relates to the greater use of leased properties which are cheaper than bed & breakfast placements but more expensive than the block and framework contracts, as they are paid on a nightly rate.

Mitigations have generated cost reductions of £2.5m. This includes £1.0m savings in procurement and funding of commissioned services, £1.2m of furniture and other underspends and the improvement in use of void dispersed properties £0.3m.

An appropriation from the Financial Resilience Reserve £0.6m has been applied to fund the Housing Options additional costs that could not be fully mitigated.

Annex A7 Strategy, Equalities and Partnerships

1. Summary

Strategy, Equalities and Partnerships Directorate underspent by **£0.1m**, which represents 2.4% of the net budget.

The outturn position is after recommended net transfers from reserves of £5.3m. This largely relates to use of £6.4m of Public Health Test and Trace Grant Reserves in 2021/22. Further details are provided in Annex A10.

Table 1: 2021-22 Outturn Summary of Strategy, Equality and Partnerships

Strategy, Equality and Partnerships	Current Budget £m	Outturn £m	Outturn Variation over/ (under) £m	Recommended Transfer to / (from) Reserves £m	In Year Variation over/ (under) £m
Communication & Marketing	1.730	1.735	0.005	0.000	0.005
Public Health	0.000	5.704	5.704	(5.636)	0.068
Director of SEP	(0.590)	(0.541)	0.049	(0.070)	(0.021)
Community Safety	1.080	0.589	(0.491)	0.386	(0.105)
Directorate	2.220	7.487	5.267	(5.320)	(0.053)

*Below is further detailed commentary where the variations are above or equal £0.5m.

As the above table shows, there are no major variations in the directorate's performance against the budget during the financial year.

Annex A8 Corporate Accounts

The table below sets out the position on corporate costs:

Table 1: Corporate Accounts Outturn

Corporate Accounts Outturn	£m
Cost of Pay Award above budgeted inflation rate	7.120
Shortfall in Tax Income Guarantee	7.679
Under achievement of Contract savings	0.747
Under achievement of Transport savings	0.400
Over achievement of Establishment savings	(0.420)
Commonwealth Games	1.037
Balance Sheet Management	(2.052)
Shortfall in Capitalisation	13.336
Treasury Management	(0.937)
Policy Contingency	(24.184)
Other	0.444
Sub-total Non-Covid costs	3.170
Covid-19 Corporate costs funded as part of budget setting	11.470
Total Corporate Costs	14.640

1. Variations

The overspend of £14.6m on the budget includes:

Non-Covid £3.1m overspend

- There was a cost of **£7.1m** for Pay Inflation that was not budgeted for in 2021/22.
- There was a cost of **£7.7m** due to a shortfall in local tax support received relating to 2020/21 compared to the forecast.
- The Council was unable to achieve the corporate target to make savings on **£0.7m** on contracts.
- The Council was also unable to achieve a corporate target of **£0.4m** on transport savings.
- There was an overachievement of **£0.4m** on council wide establishment savings.
- There was an overspend on the Commonwealth Games of **£1.0m** mainly relating to legal and consultancy costs.
- An underspend of **£2.1m** following a review of outstanding purchase orders no longer required.
- A shortfall in capitalisation of transformation activities across the council of **£13.3m** mainly due to slippage in projects. The government has extended the flexibility to use capital receipts for transformational projects for another three years.

- There was an underspend of **£0.9m** on Treasury Management costs as described in Annex C.
- An underspend of **£24.2m** on Policy Contingency, described in paragraph 2.4.
- **£0.4m** of other net overspends have been identified.

2. Policy Contingency

2.1 Release of General Policy Contingency

The release of £0.1m of General Policy Contingency to fund JNC positions within Place, Prosperity & Sustainability has been approved by the Section151 Officer under delegated authority.

2.2 Release of Specific Policy Contingency

The Section151 Officer has approved the following releases of Specific Policy Contingency in year:

- £0.7m to fund the under recovery of Pension costs.
- £1.1m to fund the Apprenticeship Levy.
- £3.2m Modernisation Fund-Social Care
- £0.1m to fund the Highways and Infrastructure service for highways inventory change

2.3 Policy Contingency Reserves

There is a recommended transfer to reserves of £4.2m from Policy Contingency for approved funding which will enable projects to be carried out in later years, relating to the following:

- Modernisation Fund-Social Care £3.2m
- Early help Programme £0.6m
- Civic History £0.04m
- Home To School Transport £0.02m
- Communications £0.3m
- Cities £0.1m

There is a recommended transfer from reserves of £0.2m to fund projects, relating to the following:

- HR Records (£0.2m)

2.4 Policy Contingency Outturn

After these recommended transfers to and from Policy Contingency Reserve, there is a net underspend on Policy contingency of £24.2m as set out in the table below. The underspend of £9.3m on Redundancy and Exit costs had already been reported in the Quarter 3 forecast. The remaining underspends arise from the budgeted provision for costs proving to be higher than was required, and the avoidance of unnecessary expenditure.

Table 2: Policy Contingency Outturn

Name of Policy Contingency	Amount of Overspend/ (Underspend) £m
Redundancy and Exit Costs	(9.281)
Inflation	(7.921)
Workforce Equalities	(1.795)
Delivery Plan Programme Management	(1.250)
Highways Maintenance	(0.064)
Loss of Income from Car Park Closures	(0.252)
Apprenticeship Levy	(0.116)
Corporate Funding for ODP	(0.129)
Policy contingency allocated not required	(0.149)
General Policy Contingency	(3.227)
Total Policy Contingency Underspend	(24.184)

Annex A9 Dedicated Schools Grant (DSG)

1. DSG Outturn 2021/22

The DSG outturn position for 2021/22 is an underspend of **£8.3m**. The breakdown by DSG blocks is set out in the table below:

	Allocation	Spend	(Under) / Over	HN* Deficit Repayment	DLP**- To Ensure £14m Over 2yrs	Revised (Under) / Overspend
	£m	£m	£m	£m	£m	£m
School Block - School	374.192	369.811	(4.381)	0.000	0.000	(4.381)
School Block - Non School	6.742	3.093	(3.649)	0.000	0.000	(3.649)
Central School Service Block	18.284	17.283	(1.001)	0.000	0.000	(1.001)
Early Years Block	81.537	80.108	(1.429)	0.000	0.000	(1.429)
Higher Needs Block	180.556	177.186	(3.370)	5.000	0.512	2.142
Total	661.311	647.481	(13.830)	5.000	0.512	(8.318)

*HN: High Needs

**DLP: Developing Local Provision

2. Schools Block – schools and non schools underspend £8.0m

The Schools' Block is underspent by £8.0m due to:

- Schools' net underspends of £4.4m.
- An underspend of £0.9m on the de-delegated Closing Schools Contingency Fund as no deficit was required to be funded by Birmingham City Council for primary or secondary school closures or academy conversions during Financial Year 2021/22.
- A total underspend of £2.7m for Growth Funding and Falling Pupil Funding.
- A £0.1m overspend on other items, including tree maintenance and minor adjustments for academy capitalisations.

3. Central Schools Services Block (CSSB) Underspend £1.0m

The CSSB underspend is mainly due to:

- School Admissions - a £0.5m underspend due to delays in the recruitment to vacancies, additional income generated for appeals services provided to Academy Schools and the deferral of IT development costs.
- An unallocated £0.4m budget, which will be allocated for Financial Year 2022/23 onwards.
- Minor underspends totalling £0.2m against historic commitments, such as equal pay and nursery redundancy costs, together with other small underspends on the Schools Forum budget and other miscellaneous items

4. High Needs Block £2.1m Overspend

The net overspend on the High Needs Block for 2021/22 is £2.1m, 1.0% of the gross High Needs Block allocation. This is after setting aside £5.0m for the deficit repayment plan and £0.5m for Developing Local Provision (DLP) to ensure that the financial commitment to DLP over the two-year programme is honoured.

The overspends are mainly in relation to significant increases for demand led services, which have been offset by underspends in relation to consultancy costs for new service provision. The key over and under spends are summarised below:

- £7.2m overspend on demand led service - Top Ups, sixth day provision, independent, Further Education and Other Local Authority school places.
- £1.7m underspend on transformation projects.
- £1.6m underspend against the contingency budget.
- £1.1m underspend due to Special Educational Needs Assessment and Review (SENAR) Team costs budgeted but not eligible to be funded from High Needs Block. This has now subsequently been corrected for future year budget setting.

5. Early Years (EY) Block-£1.4m Underspend

The final 2021/22 DSG Early Years Block allocation is yet to be confirmed by the Department for Education (DfE), we have estimated that an additional £0.1m is owed to the local authority for 2021/22. Actual allocations are expected in July 2022. Schools Forum will be updated at the June meeting regarding the position.

The EY underspend is mainly due to:

- The original estimate of clawback for Financial Year 2020/21 was £3.5m, £0.8m higher than the actual clawback was £2.7m.
- Other minor in-year underspends on Early Years totalling £0.5m.

Annex A10 Reserves Requests**1. Reserve position:**

As detailed in Section 8 of the report, the opening reserves balance was £1,062.3m. The closing balance is £1,071.6m. This is shown in table 1 below, and details of the recommended uses of and contributions to reserves are shown in table 2 below.

Table 1: Reserves	Balance as at 31st March 2021	Original Budgeted (Use) / Contribution	Change approved at Outturn 2020/21	Original Budgeted Use / (Contribution) not processed	Changes Proposed at Outturn	Total Proposed (Use) /Contribution at Outturn	Proposed Outturn Balance at 31st March 2022
	£m	£m	£m	£m	£m	£m	£m
Corporate General Fund Balance	38.382	0.000	0.000	0.000	0.000	0.000	38.382
Delivery Plan Reserve	70.097	3.296	0.000	0.000	(7.197)	(3.901)	66.196
<i>Financial Resilience Reserve Gross</i>	<i>101.119</i>	<i>42.964</i>	<i>0.000</i>	<i>0.000</i>	<i>2.877</i>	<i>45.841</i>	<i>146.960</i>
<i>Net Borrowing from Financial Resilience Reserve</i>	<i>(11.863)</i>	<i>(9.017)</i>	<i>0.000</i>	<i>(0.600)</i>	<i>0.000</i>	<i>(9.617)</i>	<i>(21.480)</i>
Financial Resilience Reserve Net	89.257	33.947	0.000	(0.600)	2.877	36.224	125.480
General Reserves and Balances	197.735	37.243	0.000	(0.600)	(4.320)	32.323	230.058
Other Corporate Reserves	420.025	(203.454)	(21.954)	6.167	128.780	(90.462)	329.563
Grant	318.141	(7.419)	(15.480)	1.249	44.250	22.601	340.741
Earmarked	44.361	17.717	0.000	0.000	13.251	30.968	75.329
Schools	69.389	0.000	0.000	0.000	9.382	9.382	78.771
Non Schools DSG	12.660	0.000	0.000	0.000	4.448	4.448	17.108
Subtotal Other Reserves	864.575	(193.156)	(37.434)	7.416	200.111	(23.063)	841.512
Grand total	1062.310	(155.914)	(37.434)	6.816	195.791	9.260	1071.570

Table 2 Recommended changes to Reserves at Outturn

Detailed Breakdown of Proposed (Use of)/ Contribution to Reserves at Outturn					
Directorate making request	Reserve	Reason for request	Budget Approved Period 9*	Changes Proposed at Outturn	(Use) /Contribution at Outturn
			£m	£m	£m
Corporate	Financial Resilience Reserve	Budgeted use to fund changes in MRP	(5.000)		(5.000)
Corporate	Financial Resilience Reserve	Budgeted Contribution from replacement of DRF in 2021/22	9.304		9.304
Corporate	Financial Resilience Reserve	Further Budgeted Contribution	38.660		38.660
Corporate	Financial Resilience Reserve	Budgeted Net Borrowing from FRR	(9.617)		(9.617)
Corporate	Financial Resilience Reserve	Funding improvements in SEND Service approved by Cabinet		(5.100)	(5.100)
Corporate	Financial Resilience Reserve	Funding Route to Zero approved by Cabinet		(0.250)	(0.250)
Corporate	Financial Resilience Reserve	Funding Home To School Transport (HTST) approved by Cabinet		(6.076)	(6.076)
Corporate	Financial Resilience Reserve	Funding costs of up to £3.3m to HTST of replacement for North Birmingham Travel approved by Cabinet		(3.290)	(3.290)
Corporate	Financial Resilience Reserve	Use of FRR to fund Housing Options		(0.576)	(0.576)
Corporate	Financial Resilience Reserve	Use of FRR to fund deficits of schools that became Academies in 2021/22		(0.939)	(0.939)
Corporate	Financial Resilience Reserve	contribution to FRR of £1.3m, which will be called upon in future years to fund the non-statutory elements of redundancy, which are not capitalisable under the new capital receipts flexibility guidance		1.300	1.300
Corporate	Financial Resilience Reserve	Moving Underspend to the FRR		17.808	17.808
Corporate	Delivery Plan Reserve	Budgeted Net Repayment to DPR	3.296		3.296
Corporate	Delivery Plan Reserve	Drawdowns approved by Cabinet		(20.000)	(20.000)
Corporate	Delivery Plan Reserve	Slippage in projects to be funded from drawdowns		16.576	16.576
Corporate	Delivery Plan Reserve	Funding of CPMO and Chief Executives Delivery Unit approved by Cabinet		(0.681)	(0.681)
Corporate	Delivery Plan Reserve	Funding of New Ways of Working approved by Cabinet		(0.768)	(0.768)
Corporate	Delivery Plan Reserve	Funding of improvement in SEND/HTST approved by Cabinet		(2.323)	(2.323)
	Subtotal (Use of)/Contribution to General Reserves		36.643	(4.320)	32.323
Corporate	Covid Grant	Use of Grant carried forwards from 2020/21	0.000	(17.470)	(17.470)
Corporate	Covid Grant	Carry forward resources to 2022/23	0.000	12.759	12.759
Corporate	Income Compensation re Collection Fund	Reduction in use of reserve carried forwards from 2020/21	(13.197)	5.369	(7.828)
Corporate	Business Rates S31 Grant Income	Funding received from Government to compensate for Business Rates refunds announced by the Government	(177.261)	93.760	(83.501)
Corporate	Business Rates Volatility Contingency	To increase reserves available to cover volatility in Business Rates	1.784	2.516	4.300
Corporate	Discretionary Support for Energy Bills Rebate Reserve	Carry forward reserves to 2022/23 to allow support to be given to citizens	0.000	3.606	3.606
Corporate	Community Recovery Plan Reserve	to fund community recovery in 2021/22	0.000	(0.200)	(0.200)
Corporate	SEND/Inspection Reserve	Use of reserve carried forwards from 2020/21	0.000	(0.819)	(0.819)
Corporate	Covid 19 Hardship Fund Reserve	Carry forward reserves to 2022/23	0.000	14.493	14.493
Corporate	Delivery Plan Programme Management Reserve	Reserves not required in 2021/22	(1.810)	1.810	0.000
Corporate	Local Restrictions Support Grant Reserve	Use of reserve carried forwards from 2020/21	0.000	(1.642)	(1.642)
Corporate	Additional Restrictions Support Grant Reserve	Use of reserve carried forwards from 2020/21	0.000	(8.907)	(8.907)
Corporate	Funding Council Tax Hardship payments	Use of reserve carried forwards from 2020/21	0.000	(7.184)	(7.184)
Corporate	Unidentified Income	£0.9m requested appropriation from the reserve draws down the unidentified income balances from 2020/21, carried forward into 2021/22 to allow this income to be claimed as per existing practice. £3.4m is then requested to be carried forwards into 2022/23.	0.000	2.534	2.534
Corporate	Insurance Reserves	To fund insurance costs incurred in 2021/22	2.000	(2.635)	(0.635)
Corporate	Leasing Smoothing Reserve	Use of leasing reserve set up to cover technical accounting charges in future years	0.000	(0.067)	(0.067)
Corporate	Policy Contingency	Budgeted use	(10.700)	0.000	(10.700)
Corporate	Policy Contingency-HR Records and Repayment carry forwards	To fund project in 2021/22 from reserves carried forwards	0.000	(0.170)	(0.170)
Corporate	Policy Contingency-Social Care Modernisation	To fund project in 2022/23 from slippage in Policy Contingency	0.000	3.155	3.155
Corporate	Policy Contingency-Social Care Modernisation	To continue funding project in 2022/23 following slippage	0.000	0.602	0.602
Corporate	Policy Contingency-Civic History	To continue funding project in 2022/23 following slippage	0.000	0.044	0.044
Corporate	Policy Contingency-Home To School Transport	To continue funding project in 2022/23 following slippage	0.000	0.021	0.021
Corporate	Policy Contingency-Communications	To continue funding project in 2022/23 following slippage	0.000	0.276	0.276
Corporate	Policy Contingency-3 Cities	To continue funding project in 2022/23 following slippage	0.000	0.090	0.090
Corporate	Cyclical maintenance reserve -LoB	Planned Corporate contribution	1.800		1.800
Corporate	Cyclical maintenance reserve -LoB	To fund cyclical maintenance of the Library of Birmingham in future years following slippage of planned works in 2021/21.	(1.600)	1.403	(0.197)
Corporate	new Corp Reserve re F&G-name tbc	to fund the completion of programme	0.000	1.929	1.929
Corporate	Capital Fund	Net Contributions to Capital Fund	0.275	14.510	14.785
Corporate	Council House Refurbishment Reserve	To fund costs in 2022/23 following slippage in 2021/22	(2.500)	2.325	(0.175)
Corporate	WMP Grant - Resilience Team	Resilience Team staffing costs incurred to deliver CWG security & resilience.	0.000	(0.052)	(0.052)
Corporate	CWG Legacy Programme	To fund CWG Legacy Programme spend in 2022/23.	0.000	2.171	2.171
Corporate	CWG City Operations/ Readiness	To fund CWG City Readiness Programme in 2022/23 in preparation for the Games.	0.000	4.553	4.553
Corporate	Other Net Uses of Corporate Reserves		(18.032)		(18.032)
	Subtotal (Use of)/Contribution to Corporate Reserves		(219.241)	128.780	(90.462)

Table 2 Recommended changes to Reserves at Outturn (Continued)

Directorate making request	Reserve	Reason for request	Budget Approved Period 9* £m	Changes Proposed at Outturn £m	(Use) /Contribution at Outturn £m
Children and Families	Section 106	Contributions to Section 106 Reserves	(1.956)	1.499	(0.457)
Children and Families	Strategic Libraries	The LoB Business & Intellectual Property Centre project has incurred additional costs in 21/22 which need to be offset by drawing down this reserve	0.000	(0.030)	(0.030)
Children and Families	Rev Grant Lifelong Learning (Education & Skills Funding	Funding for Adult Education is ring-fenced and will be utilised in future years.	0.000	0.127	0.127
Children and Families	LACES	To fund continuation of project over the next two years	0.000	0.034	0.034
Children and Families	Oakland Young People Centre	To fund activities for young people during school holidays reducing violent behaviour	0.000	(0.006)	(0.006)
Children and Families	Lozells Youth Provision	To fund activities for young people during school holidays reducing violent behaviour	0.000	(0.011)	(0.011)
Children and Families	ERDF Funding Project Plus	To fund project in 2022/23 following delays due to Covid	(0.168)	0.168	0.000
Children and Families	Youth Promise Plus	Use of grant reserve in 2021/22 to support the Careers Service	0.000	(0.080)	(0.080)
Children and Families	Emergency Assistance Grant	Use of Grant Reserve to fund the costs of the BVSC provision in period Apr-Jun 2021.	0.000	(0.100)	(0.100)
Children and Families	Holiday Activity Fund	To fund the HAF (Holiday Activities & Food) programme	0.000	(0.823)	(0.823)
Children and Families	Virtual School Head Extension Grant	To fund project in 2022/23	0.000	0.152	0.152
Children and Families	Section 31 Grant Post 16 PP+ DFE pilot	Funding that was received too late in 2021/22 to all be spent this year.	0.000	0.230	0.230
Children and Families	Covid Local Support Grant	Reserves held that may need to be repaid to the Government. Grant was not fully utilised as not all Free School Meal vouchers were redeemed	0.000	1.725	1.725
Children and Families	Partnerships for People and Place work	To fund project in 2022/23	0.000	0.133	0.133
Children and Families	Neighbourhood Nurseries	Grant unspent that may need to be returned to Government	0.000	0.019	0.019
City Operations	Historic England Grant Moseley Rd Pool	Funding for Moseley Baths to be used in future years for repairs	0.000	0.014	0.014
City Operations	- HLS Grasslands	Grant funding to be used in future years	0.000	0.090	0.090
City Operations	- HLS Lickies	Grant funding to be used in future years	0.000	0.009	0.009
City Operations	Illegal Money Lending Reserve	To fund specific work in 2022/23	0.000	0.015	0.015
City Operations	Various - See CDBAL4a	Net uses of Section 106 funding	0.000	(0.402)	(0.402)
City Operations	Section 106 Place Directorate-Handsworth Park	Net contribution to Section 106 funding for Parks	0.000	0.007	0.007
City Operations	S106 Parks Various	Net contribution to Section 106 funding for Parks	0.000	0.248	0.248
City Operations	Regional Intelligence Team	To fund costs incurred in 2021/22	0.000	(0.020)	(0.020)
City Operations	Future Parks Accelerator Fund Grant	Specific grant to fund works slipped into 22/23	0.000	0.019	0.019
City Operations	MHCLG Grant Supported Housing Oversight Pilot	Due to delays some of this pilot grant activity has slipped into 2022/23 and MHCLG has agreed for the Council to carry forward underspend into 2022/23 to meet costs	0.000	(0.408)	(0.408)
City Operations	National Leisure Recovery Fund	To fund external leisure contractors whilst returning to pre-covid demand	0.000	(2.965)	(2.965)
City Operations	Sousse Memorial	Grant from Foreign & Commonwealth Office to fund memorial in Cannon Hill Park in future years	0.000	(0.003)	(0.003)
City Operations	Underpayments & Disputed Sum Reserve	Funds required for delivery of Highways PFI contract	0.000	3.839	3.839
City Operations	Highways Commuted Sums	Commuted Sums received to be applied in future years for highway maintenance	(0.128)	0.509	0.381
City Operations	Boosting Action on Surface Water	Funding to Update Local Surface Water Modelling and Mapping information in Key areas	0.000	(0.012)	(0.012)
City Operations	Highways Act (1980) - Section 38 Developer Contributions	Funding for Future Supervision until Adoption	0.000	0.068	0.068
City Operations	Environmental DEFRA Food Allergens	Funding ringfenced to Food Allergen projects including samples / laboratory	0.000	0.007	0.007
City Operations	Capital Asset Value for Amenity Trees (CAVAT)	Specific funding for tree replacement - funding to be used in future years	0.000	0.025	0.025
Place, Prosperity & Sustainability	Clean Air Zone Project Reserve	Fund in year Clean Air Project	0.000	(0.204)	(0.204)
Place, Prosperity & Sustainability	Climate KIC Reserve	To fund in year Climate KIC & Climate Kic Saturn Projects	0.000	(0.029)	(0.029)
Place, Prosperity & Sustainability	Unlocking Social and Economic Innovative Together	To fund in year costs of project	0.000	(0.037)	(0.037)
Place, Prosperity & Sustainability	Jewellery Quarter Neighbourhood Forum	To fund ongoing work on Neighbourhood Planning	0.000	0.005	0.005
Place, Prosperity & Sustainability	Perry Barr NDP	To fund in year work on Neighbourhood Planning	0.000	(0.008)	(0.008)
Place, Prosperity & Sustainability	COSAFE Project	To fund project delayed due to COVID	(0.002)	0.002	0.000
Place, Prosperity & Sustainability	Section 106 Reserves	Net contributions into Section 106 Reserves	0.000	1.010	1.010
Place, Prosperity & Sustainability	CIL - City Wide Projects	Net use of CIL in year to fund project costs	(1.250)	(1.605)	(2.855)
Place, Prosperity & Sustainability	CIL- Other	CIL received in year to fund future project costs	0.000	0.981	0.981
Place, Prosperity & Sustainability	Clean Air Zone Grant Allocation	Lower spend than anticipated on requests for allocations of mitigations grant.	(3.093)	1.804	(1.290)
Place, Prosperity & Sustainability	DFT E Cycle Extension Grant	To fund project in 2021/22	0.000	(0.199)	(0.199)
Place, Prosperity & Sustainability	City Region Sustainable Transport Settlements (CRSTS)	Grant received in advance to fund activities in 2022/23	0.000	1.894	1.894
Place, Prosperity & Sustainability	Food Trails Horizon	Grant received in advance to fund activities in 2022/23	0.000	0.311	0.311
Place, Prosperity & Sustainability	Ladywood Regeneration: Homes Eng Grant	Grant received in advance to fund activities in 2022/23	0.000	0.050	0.050
Place, Prosperity & Sustainability	Levelling Up Fund (LUF)Capacity Funding Tranche 1	New grant received not fully spent - Project continuing 2022/23	0.000	0.051	0.051
Place, Prosperity & Sustainability	PropTech Engagement Fund	New grant received - project starting 2022/23	0.000	0.071	0.071
Place, Prosperity & Sustainability	General Neighbourhood Planning	New grant received - project starting 2022/23	0.000	0.050	0.050
Place, Prosperity & Sustainability	Building Birmingham Academy	Surplus on Project to fund future Bursary Payments as per Developer	0.000	0.039	0.039

Table 2 Recommended changes to Reserves at Outturn (Continued)

Directorate making request	Reserve	Reason for request	Budget Approved Period 9* £m	Changes Proposed at Outturn £m	(Use) /Contribution at Outturn £m
Adult Social Care	Section 256 - Frail Elderly Fund	To fund Fairer Future Fund activities in 2022/23	0.000	14.828	14.828
Adult Social Care	Syrian Refugee Programme	To fund services for Syrian refugees over coming years	(0.300)	0.100	(0.200)
Adult Social Care	Better Care Fund - Carry Forward	To fund Better Care Funded activities in 2022/23 onwards as a Transformation Reserve	(10.184)	18.621	8.438
Adult Social Care	PURE - ESF	This grant supports vulnerable citizens into employment, education or training opportunities. Due to COVID-19 the project has an even bigger challenge in supporting these individuals. Therefore all resources are being ringfenced to	(0.145)	0.148	0.003
Adult Social Care	Rough Sleeping Initiative	To fund project in 2022/23	(0.082)	0.179	0.097
Adult Social Care	Out of Hospital Care	This funding relates to a ring fenced grant allocation to provide support to citizens out of hospital to prevent rough sleeping and homelessness. Delays in recruitment due in part to the pandemic have resulted in the project crossing multiple financial years.	0.000	0.515	0.515
Adult Social Care	Crowd Funder-Changing Futures	Project fully spent in 2021/22	0.000	(0.015)	(0.015)
Adult Social Care	Community Discharge Grant	The Community Discharge Grant is a ring Fenced grant and unspent funds are to be used in 22/23	0.000	0.159	0.159
Adult Social Care	Clinically Extremely Vulnerable (CEV) Grant Covid	To enable continued support to the Clinically Extremely Vulnerable in 2022/23	0.000	1.667	1.667
Adult Social Care	Emergency Assistance Grant EAG (Covid)	Project fully spent in 2021/22	0.000	(0.377)	(0.377)
Adult Social Care	Infection Control Fund (ICF) Covid Grant	Use of reserves to fund activities, together with a further appropriation of the 21/22 allocation to enable continued support in 2022/23.	0.000	(0.099)	(0.099)
Adult Social Care	DA Support - Capacity Build Officer	To fund project in 2022/23	0.004	0.020	0.023
Adult Social Care	DA Support- Third Party Grant	To provide safe accommodation and support for all victims of domestic abuse.	0.000	2.206	2.206
Adult Social Care	RTOF-Refugee Transition Outcome	Underspend on Grant allocation carried forwards into 2022/23	0.000	0.036	0.036
Adult Social Care	Housing First	To enable continuation of the Housing First project into 2022/23.	0.000	0.873	0.873
Adult Social Care	Covid-Omicron Support Grant	To provide funding to be spent in 2022/23	0.000	1.400	1.400
Adult Social Care	UK Resettlement Scheme	To fund services over coming years	0.000	0.112	0.112
Adult Social Care	Afghan Resettlement Scheme	To fund services over coming years	0.000	0.129	0.129
Adult Social Care	Physical Spaces	To fund project in 2022/23	0.000	0.252	0.252
Adult Social Care	MILE Project	To fund project in 2022/23	0.000	0.020	0.020
City Housing	Gambling Commission	To fund 2 year pilot scheme preventing homelessness due to gambling	0.000	0.187	0.187
Council Management	Self Isolation Payments Grant	To fund Self Isolation payments made to claimants in 21/22	0.000	(0.257)	(0.257)
Council Management	Brexit WMCA funding	Appropriation required to fund actual project spend in 21/22.	0.000	(0.080)	(0.080)
Council Management	EUSS Grant	Appropriation required to fund actual project spend in 21/22.	0.000	(0.030)	(0.030)
Council Management	Brexit funding	To fund planned spend in year.	0.000	(0.101)	(0.101)
Council Management	Local Digital Cyber Fund	Carry forward of grant to be spent in 2022/23.	0.000	0.170	0.170
Council Management	Local Digital Fund Round 5-Field Worker Platform	Carry forward of grant to be spent in 2022/23.	0.000	0.350	0.350
Council Management	Local Digital Fund Round 5-Placements Portal	Carry forward of grant to be spent in 2022/23.	0.000	0.079	0.079
Council Management	Benefits Burdens Funding	Carry forward of grant to be spent in 2022/23.	0.000	0.212	0.212
Strategy, Equality and Partnerships	Public Health	To fund Public Health expenditure	1.381	(0.140)	1.241
Strategy, Equality and Partnerships	Prevent - Out of School (OSS)	To improve safeguarding in Out of School settings.	0.000	(0.050)	(0.050)
Strategy, Equality and Partnerships	EU migration fund	To fund the provision of a community engagement project in future years	(0.030)	0.041	0.011
Strategy, Equality and Partnerships	Strategic Migration Partnership	To provide support and accommodation for refugees and asylum seekers.	0.000	(0.071)	(0.071)
Strategy, Equality and Partnerships	Community Safety Strategy - BCSP	To fund Birmingham Community Safety Partnership work	(0.141)	0.396	0.255
Strategy, Equality and Partnerships	Public Health - Test and Trace	To fund Test and Trace response for Covid 19	0.000	(6.444)	(6.444)
Strategy, Equality and Partnerships	Public Health - Community Champions	To fund Test and Trace response for Covid 19 to support engagement with most at risk communities	0.000	(0.440)	(0.440)
Strategy, Equality and Partnerships	Public Health - Operation Eagle	To fund community search testing programme in response to Covid 19	0.000	(0.093)	(0.093)
Strategy, Equality and Partnerships	Public Health - Rough Sleepers Grant	To support the delivery of the Govt's rough sleeping strategy	0.000	(0.844)	(0.844)
Strategy, Equality and Partnerships	Public Health - Obesity Trailblazers	Grant from Dept of Health & Social Care to formulate and deliver plans to tackle childhood obesity.	0.000	0.154	0.154
Strategy, Equality and Partnerships	Public Health - Vaccine Champions	Grant from DH&SC to fund community vaccine Champions in response to Covid 19	0.000	0.185	0.185
Strategy, Equality and Partnerships	Public Health - Fast Track Cities	Grant from NHS England & NHS Improvement to support the appropriate infrastructure & commission engagement with community partners to support the delivery of the Fast Track Cities initiative	0.000	(0.105)	(0.105)
Strategy, Equality and Partnerships	Public Health - additional drug treatment crime and harm reduction	Grant from Public Health England to fund additional drug treatment crime and harm reduction activity	0.000	0.756	0.756
Strategy, Equality and Partnerships	Public Health - Children and Families Weight Mgt	Grant from Dept of Health & Social Care to support children and families weight management	0.000	0.267	0.267
Strategy, Equality and Partnerships	Public Health - Better Mental Health	Grant from Public Health England for Better Mental Health project	0.000	0.374	0.374
Strategy, Equality and Partnerships	Public Health - Adult Weight Management	Grant from Public Health England for Adult Weight Mgt project	0.000	0.338	0.338
Strategy, Equality and Partnerships	Public Health - Oral Health Improvement	Grant from NHS England & NHS Improvement for oral health improvement	0.000	0.057	0.057
Strategy, Equality and Partnerships	Public Health - Oral Health Food Banks	Grant from NHS England & NHS Improvement for oral health food banks	0.000	0.300	0.300
Various	Other Net (Uses) of/Contributions to Grant Reserves		(5.555)		(5.555)
Subtotal (Use of)/Contribution to Grant Reserves			(21.650)	44.250	22.601

Appendix A

Annex A10 Reserves Requests

Table 2 Recommended changes to Reserves at Outturn (Continued)

Directorate making request	Reserve	Reason for request	Budget Approved Period 9*	Changes Proposed at Outturn	Proposed (Use) /Contribution at Outturn
			£m	£m	£m
Children and Families	Youth Promise Plus-Delivery Costs	To be utilised in future years to support the World of Work and Youth Promise Plus Projects when ESF funding reduces/ceases	(0.157)	0.026	(0.131)
Children and Families	Youth Promise Plus-Match Funding	Spend in 21/22 was less than planned, putting back in to reserves to fund critical Employment & Skill activity	(0.131)	0.140	0.010
Children and Families	LOB - Archives Development Fund	Spend in 21/22 was less than planned, putting back in to reserves	(0.087)	0.068	(0.019)
Children and Families	School Improvement Grant	To fund school improvement functions while the funding regime is in	(0.300)	0.720	0.420
Council Management	Audit - POCA Reserve	2021/22 POCA funding received in year net of spend. This is ring-fenced funding that can only be spent on anti-fraud activity. The reserve will be used to fund anti-fraud activity including training and additional data mapping.	0.000	0.007	0.007
Council Management	Finance Birmingham Loan Contingency	In keeping with the nature of this reserve, any in-year surpluses or in-year impairments are transferred to/from this reserve to support transactions associated with the portfolio.	0.000	0.506	0.506
Council Management	Procurement Transport Strategy	Funding of project spend in 2021/22 and writing off small balance remaining	0.000	(0.026)	(0.026)
Council Management	Benefits Service Transformation 2	Reserve is needed for the cost of catching up with Business As Usual (BAU) work post Covid using burdens funding from Government	(0.323)	0.913	0.590
Council Management	Customer Services Access Strategy Programme Project Support	Customer service complaints programme underspend due to programme delayed start to fund future years expenditure as this time limited to 2 years with 22/23 being the final year.	0.000	0.147	0.147
Council Management	ITDS Business Enablement Programme Slippage	To fund planned programme expenditure from prior year reserve.	0.000	(0.472)	(0.472)
Council Management	Schools HR IT	To fund planned spend in 2022/23 for JADU development costs, this reflects revised project timelines.	(0.088)	0.088	0.000
Council Management	Schools HR IT	To fund planned spend to provide support for Oracle implementation. Spend will now be in 2022/23 to reflect Oracle implementation timelines.	(0.130)	0.130	0.000
Council Management	Tech Refresh Lancaster Circus	To fund technical refresh of IT equipment that was at Lancaster Circus delayed due to silicone shortage.	0.000	1.210	1.210
Council Management	To fund additional complaints staff in Customer Services	Carry forward of complaints programme underspend to fund ongoing programme staff costs in 2022/23.	0.000	0.378	0.378
Council Management	Corporate HR	Continuation and further development of the Apprentice Succession Planning programme into 2022/23	0.000	0.213	0.213
Council Management	Service Now	To fund planned programme expenditure in 2022/23	0.000	0.176	0.176
Council Management	Revenues Invest to Deliver Business case	This underspend will be used to fund cost of catching up with BAU activities post covid and improve income collection.	0.000	1.602	1.602
Council Management	Cyber Security Programme	Cyber Security Programme underspend to fund ongoing future years Expenditure	0.000	1.780	1.780
City Operations	Proceeds of Crime Act (POCA) - Illegal Money Lending Team	To fund community & crime prevention projects ringfenced under the Act in 2021/22	0.000	(0.242)	(0.242)
City Operations	Proceeds of Crime Act (POCA) - Trading Standards	To fund community & crime prevention projects ringfenced under the Act in future years	0.000	0.162	0.162
City Operations	Hackney Carriages	Ring fenced deficit to be recovered from fees in future years - needs to cost recover	0.000	(0.556)	(0.556)
City Operations	BMT Loan Guarantee	Repayment of BMT loan	0.000	0.097	0.097
City Operations	Licensing Entertainment/General	Ring fenced deficit to be recovered from fees in future years	0.000	(0.153)	(0.153)
City Operations	Major Events (Subvention)	Net drawdown funding events programme	0.000	(0.032)	(0.032)
City Operations	POCA Regional Investigation Team	To fund community & crime prevention projects ringfenced under the Act in future years	0.000	0.048	0.048
City Operations	Maintenance of Bereavement Infrastructure Assets	Use of reserve to maintain assets	0.000	(0.015)	(0.015)
City Operations	Localisation - Post COVID Recovery	Reserve to assist the essential post covid community recovery program to enable and enhance stability capacity building and support recovery	0.000	0.070	0.070
City Operations	Local Grants Vol Organisations/Leader's Portfolio Funding	Use of reserve to fund projects in 2021/22	0.000	(0.024)	(0.024)
City Operations	Parks Pool Cyclical Maintenance	As per Cabinet report 2018, Parks service providing revenue contribution to fund capital safety works in future years	0.000	0.300	0.300
City Operations	Highways Commuted Sums	Commutated Sums received from other BCC Directorates to be applied in future years for highway maintenance.	(0.002)	0.125	0.124
City Operations	Bus Lane Enforcement Equipment Renewal (TVV)/Ring-fenced Income	In Year surplus to reserves to fund agreed schedule of capital projects in future years.	0.000	2.960	2.960
City Operations	Sheldon Transport Action Group (VAS Signs)	Use of reserve to fund maintenance of Vehicle Activated Speed signs	0.000	(0.003)	(0.003)
City Operations	Environmental H&S Vue Cinema	Reserve ringfenced to costs / compensation for current legal case (Vue Cinema)	0.000	0.056	0.056
City Operations	Licensing Street Trading	Reserve ringfenced specifically for Street Trading Licensing	0.000	(0.033)	(0.033)
City Operations	Museums Repair and Maintenance	Ongoing works slipped across financial years - budget carried forward to fund	0.000	0.055	0.055
City Operations	Tourism Development Fund	Grants for production of Tourism Strategy - £50k	0.000	0.050	0.050
Place, Prosperity & Sustainability	Fire Insurance (old CO-OP Building)	Use of Fire damage insurance proceeds re. the Co-op building at Jennens Road	0.000	(0.266)	(0.266)
Place, Prosperity & Sustainability	Speed Camera	Surplus from Speed Cameras to fund expansion and maintenance	(0.037)	0.042	0.005
Place, Prosperity & Sustainability	General Maintenance Tenants	Additional collection from tenants carried forward to 22/23 service charge	0.000	0.504	0.504
Place, Prosperity & Sustainability	Portfolio Reserve	Use of Reserve to fund Graduates cost in 2021/22	0.000	(0.045)	(0.045)
Place, Prosperity & Sustainability	Graduate Hub	To fund Graduate costs in 2021/22	0.000	(0.163)	(0.163)
Place, Prosperity & Sustainability	Invest to Save - Central Admin Buildings	Delay in use of Invest to Save budget to engage consultants to bring forward CAB disposals	0.000	0.237	0.237
Place, Prosperity & Sustainability	Invest to Save - Commercial Property - Investment Strategy	Use of Invest to Save Reserve to engage Avison Young to bring forward	0.000	(0.158)	(0.158)
Place, Prosperity & Sustainability	Invest to Save - Public Hubs	Delay in use of Invest to Save budget to engage consultants to bring forward Public Hubs proposals (colocate of services), which has been superseded by NWOW	0.000	0.175	0.175
Place, Prosperity & Sustainability	Invest to Save - Work Place Parking Levy	Proposal to levy additional business rates where employee car parking is provided and been postponed due to Covid but not cancelled	0.000	0.270	0.270
Place, Prosperity & Sustainability	Health & Safety Surveys	Use of funding as part of four year programme of surveys finishing in 2023/24 to identify H&S requirements for non-HRA/non-schools property portfolio	0.000	(0.641)	(0.641)
Place, Prosperity & Sustainability	Route to Zero	Use of reserve to fund project in 2021/22	0.000	0.173	0.173
Place, Prosperity & Sustainability	CAZ Projects	Operating Balance on CAZ - To fund Relevant CAZ Projects	19.663	2.652	22.315
Various	Other Net (Uses) of/Contributions to Earmarked Reserves		(0.691)		(0.691)
	Subtotal (Use of)/Contribution to Earmarked Reserves		17.717	13.251	30.968
Children and Families	Non-Schools Dedicated Schools Grant (DSG)	Carry forward of DSG Grant	0.000	4.448	4.448
	Subtotal Non Schools DSG		0.000	4.448	4.448
Children and Families	School's Reserves	Net increase in Schools Carry Forward balances	0.000	4.382	4.382
Children and Families	DSG-High Needs	Contribution to Higher Needs Block as agreed in Repayment Plan	0.000	5.000	5.000
	Subtotal School's Reserves		0.000	9.382	9.382
	Total (Use of)/Contribution to Reserves		(186.531)	195.791	9.260

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

ANNEX A11 Savings

Annex A11 Detailed Savings Programme

2021-22				
Directorate:	Savings Description	Budgeted Saving (£m)	Savings Delivered (£m)	Savings Not Delivered (£m)
Adult Social Care	Effective and efficient workforce	(1.293)	(1.293)	0.000
Adult Social Care	Adult Packages of Care	(7.500)	(7.500)	0.000
	Total Savings Adult Social Care	(8.793)	(8.793)	0.000
Council Management	Customer Services Team	(0.274)	(0.274)	0.000
Council Management	Application Platform Modernisation	(0.623)	(0.623)	0.000
Council Management	Wide Area Network Review and Redesign	(0.500)	(0.500)	0.000
Council Management	Corporate voice and mobile telephony rationalisation.	(0.500)	(0.500)	0.000
Council Management	Utilisation of corporate Microsoft Enterprise Agreement	(0.300)	(0.300)	0.000
Council Management	Renewal of bulk printing contract including Revenues and Benefits	(0.031)	(0.031)	0.000
Council Management	Debt Collection Costs	(0.089)	(0.089)	0.000
Council Management	City Finance	(0.140)	(0.140)	0.000
Council Management	Legal Services efficiencies	(0.200)	(0.200)	0.000
	Subtotal Savings in Financial Plan	(2.657)	(2.657)	0.000
	Savings delivered on a one-off basis in 2020/21			
Council Management	ITDS Organisation Structure Review	(0.200)	(0.200)	0.000
Council Management	Debt Collection Costs	(0.208)	(0.208)	0.000
Council Management	1 - Commercialisation	(0.116)	0.000	(0.116)
Council Management	2 - Commercialisation	(0.004)	(0.004)	0.000
Council Management	Reduced external legal spend	(0.200)	(0.200)	0.000
	Subtotal One-off savings	(0.728)	(0.612)	(0.116)
	Total Savings Council Management	(3.385)	(3.269)	(0.116)
Children & Families	Birmingham Careers Service - Employee Reduction	(0.050)	(0.050)	0.000
	Total Savings Children & Families	(0.050)	(0.050)	0.000
Place, Prosperity and Sustainability	Commercial income in Property Services Growth	(0.277)	(0.277)	0.000
Place, Prosperity and Sustainability	Civil parking Enforcement	0.000	0.000	0.000
Place, Prosperity and Sustainability	Expansion of City Centre on-street parking, concessions and restrictions	0.000	0.000	0.000
	Subtotal Savings in Financial Plan	(0.277)	(0.277)	0.000
	Savings delivered on a one-off basis in 2020/21			
Place, Prosperity and Sustainability	Operational Hub Programme	(0.322)	0.000	(0.322)
Place, Prosperity and Sustainability	1- Council administrative buildings reduction	(0.238)	(0.238)	0.000
Place, Prosperity and Sustainability	2 - Council administrative buildings reduction	(0.118)	(0.118)	0.000
Place, Prosperity and Sustainability	3 - Council administrative buildings reduction	(0.052)	(0.052)	0.000
Place, Prosperity and Sustainability	Inreach	(0.038)	0.000	(0.038)
	Subtotal One-off savings	(0.768)	(0.408)	(0.360)
	Total Savings Place, Prosperity and Sustainability	(1.045)	(0.685)	(0.360)

ANNEX A11 Savings

2021-22				
Directorate:	Savings Description	Budgeted Saving (£m)	Savings Delivered (£m)	Savings Not Delivered (£m)
City Operations	Removal of universal superloos	(0.134)	(0.134)	0.000
City Operations	Revenue savings from Waste Management Replacement Strategy capital project	(0.500)	0.000	(0.500)
City Operations	Neighbourhoods and Communities - Community	0.000	0.000	0.000
City Operations	Reduction in grant to the Active Wellbeing Society	(0.108)	(0.108)	0.000
	Subtotal Savings in Financial Plan	(0.742)	(0.242)	(0.500)
	Savings delivered on a one-off basis in 2020/21			
City Operations	Reduction in grant to the Active Wellbeing Society	(0.108)	(0.108)	0.000
City Operations	Allocation of Workforce Savings - Street Scene	(0.292)	0.000	(0.292)
City Operations	Review of managerial arrangements Street Scene	(0.158)	0.000	(0.158)
City Operations	Parks and Nature Conservation	(0.200)	0.000	(0.200)
City Operations	Review of managerial arrangements Street Scene	(0.158)	0.000	(0.158)
City Operations	Disposal of unwanted/under utilised parks land (8 acres per year)	(0.200)	0.000	(0.200)
City Operations	Expansion of City Centre on-street parking, concessions and restrictions	(0.309)	(0.309)	0.000
City Operations	Allocation of Workforce Savings	(0.011)	(0.011)	0.000
City Operations	Commercialisation	(0.003)	(0.003)	0.000
	Subtotal One-off savings	(1.439)	(0.431)	(1.008)
	Total Savings City Operations	(2.181)	(0.673)	(1.508)
Corporate Items	Establishment Costs	(20.132)	(20.132)	0.000
Corporate Items	Consolidation Programme – Transport workstream	(0.400)	0.000	(0.400)
	Subtotal Savings in Financial Plan	(20.532)	(20.132)	(0.400)
	Savings delivered on a one-off basis in 2020/21			
Corporate Items	Contract savings	(0.747)	0.000	(0.747)
	Subtotal One-off savings	(0.747)	0.000	(0.747)
	Total Savings in Corporate	(21.279)	(20.132)	(1.147)
	Grand Total savings	(36.733)	(33.602)	(3.131)

Annex B Capital

1.0 Overview

The capital programme final spend position for 2021/22 is £528.1m. This is £236.4m below the planned expenditure of £764.4m as shown in the table below:

Table 1 Capital Programme Summary

Summary of Capital Programme spend	2021/22 £m
Revised Budget	764.415
Cumulative Slippage	(262.915)
Actual (under) / overspends	26.577
Outturn Expenditure in year	528.077

- 1.1 The City Council analyses the capital programme budget variations between: Changes in the timing of budgeted expenditure - where the expenditure is still required but takes place later than planned this is called slippage and shown in brackets, and acceleration if earlier than planned.
- 1.2 The Capital programme projected slippage of £107.7m and an overspend £12.7m for the year at Month 9. Details of this can be found in the Month 9 Corporate Monitoring Report presented to Cabinet in February 2022. Further slippage of £155.2m and an overspend of £13.9m are now being reported as the final outturn for 2021/22. This means that full year slippage is £262.9m along with a net overspend of £26.6m as shown in the table above.
- 1.3 It is important to note that no financial resources will be lost as a result of the slippage. The resources and planned expenditure will be “rolled forward” into future years. The in-year overspend of £26.6m is fully funded and there is no impact on future year’s resources.

2. Reasons for variations

- 2.1 Annex B4a summarises the capital expenditure for 2021/22 by Directorate and Annex B4c provides this in greater detail. Annex B4b provides details of the budget changes between Month 9 and year end and Annex B4d describes the reasons for the major variations.
- 2.2 The reasons for these variations have been reported in quarterly financial monitoring reports to Cabinet throughout the year and the major variations are summarised as follows:

2.3 Commonwealth Games. Total variation £7.5m slippage

- 2.3.1 **Alexander Stadium – slippage of £2.8m** – due to minor changes to the timing of completion works, with practical completion taking place during April 2022 (originally planned for completion by 1st April 2022).
- 2.3.2 **Organising Committee – slippage of £4.8m** - £3.2m of contingency sums unused by the year-end slipped into 2022/23 for any remaining variations to price or scope as individual schemes are completed in advance of the Games . This is in addition to the deferral of some elements of expenditure into Q1 2022/23 as a result of delayed start on site for a number of small infrastructure schemes and the Aquatics Centre, with practical completion during May 2022, £1.5m.
- 2.4 **Council Management - Total variation of £33.2m.** The main variances are:
- 2.4.1 **Revenue Reform Projects – Slippage of £22.0m** – This budget was available to fund eligible projects to support transformational projects as and when required. The budget has been slipped into future years as the government has also extended the flexibility to use capital receipts for transformational projects for another three years.
- 2.4.2 **Corporate Capital Contingency – Slippage of £5.0m** – This budget of £5m is available to fund unexpected capital requirements that may arise during the year. There was no call on this budget in the year and the budget has been carried forward into future years.
- 2.4.3 **ERP Implementation – Slippage of £2.1m.** The slippage is mainly due costs relating to SAP that the project was expecting to incur but were funded from the current ITDS base budget.
- 2.4.4 **ICT & Digital Services – Slippage of £5.1m.** The slippage is mainly due to the Application Platform Modernisation programme, where pressures on global hardware supply chains caused by lasting Covid impacts on the production of microchips and subsequent backlogs through to end suppliers. This has resulted in a delay to scheduling of expenditure on hardware and installation services. This has not impacted on anticipated revenue savings which were predicated on the contractual end date for systems later in the 22/23 financial year, by which point the new solution will be in place.
- 2.4.5 **New Ways of Working & Brum Account Phase 3 slippage** - minor slippages on these projects including the telephony tender which was withdrawn during the year following review of clarification questions from suppliers. This delay will move the project spend on this item into next financial year. This will not affect operational delivery of the existing service.
- 2.5 **City Operations Directorate. Total directorate variation of £18.5m. The main variances are as follows:**
- 2.5.1 **Street Scene – Waste Management Services – Slippage of £8.5m** – This is due to Montague Street Depot (Atlas Works) where there was a delay in the

purchase of the land and subsequent demolition works. The project is currently in the design and delivery phase.

- 2.5.2 **Parks & Nature Conservation - slippage of £2.0m-** £1.2m slippage on Grounds Maintenance Vehicles. Although all the vehicles have been procured there has been a delay in full delivery due to demand and market forces. It is expected that the remaining vehicles will be delivered in 2022/23. A further £0.7m of minor variances across a number of projects in the Parks & Nature Conservation service.
- 2.5.3 **Private Sector Housing – Slippage of £1.4m** - This is predominantly due to slippage on the Energy Efficiency scheme £1.1m due to delays in identifying qualifying properties (EPC ratings D,E,F,G) whilst resident engagement and sign up was very slow initially. Residents were not keen to allow people into their properties to carry out surveys. In addition, resources were difficult to recruit and there were delays in onboarding assessors to carry out the retrofit assessments which this had a major impact on the project.
- 2.5.4 **Highways Infrastructure - Slippage of £3.0m.** Ward Minor Transports Measures, School Streets, Flood Risk Management and the Roads Safety programme contain many small city wide schemes. Expenditure has slipped into future years as the selection of schemes needs to be robust and involves consultations with a wide range of stakeholders and lengthy Traffic Regulation Orders legal processes, and thus takes time to finalise, develop, design, seek approval, procure, and implement selected schemes within a financial year. In addition, this year has also been impacted by COVID restrictions.
- 2.6 City Housing. Total variation of £4.1m. The main variations are as follows:**
- 2.6.1 **Housing Improvement Programme – net overspend of £7.9m** – A first quarter assessment of the various programmes and schemes in this year's investment programme identified a need to increase the spend this year. 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 were 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 was limited capacity to reduce other cyclical and annual planned works. This was funded by contributions from the Housing Revenue Account (HRA).
- 2.6.2 **Housing Redevelopment – net slippage of £12.0m** – This is made up of net slippage on New Build Homes due to delays on site from the supply chain; elongated processes requiring additional authorities or retendering where tenders have come in over the projected tender price due to increases across the housing market. There is also net slippage on the Clearance Programme. Alongside the impact of the pandemic on clearance, rehousing and demolition activity, other factors such as the materials shortages and planning conditions have continued to cause delays to planned demolition programmes that were scheduled to take place in 2021/22. The lack of social housing has caused

delays with clearance and rehousing households, particularly those with larger families whereby suitable alternative properties have not become available.

2.7 Place, Prosperity & Sustainability. Total variation of £160.8m. The main variances are as follows:

- 2.7.1 Enterprise Zone - Other – slippage of £9.9m** – The Southside Public Realm project has slipped by £5.8m as the original appointed contractor went into administration. £1.4m slippage due to changes required to the EZ programme forecast drawdown for the current year in line with the latest GBSLEP approved Enterprise Zone model assumptions. There were other minor variances which include Wholesale Market Enabling Works.
- 2.7.2 Tame Valley Phase 2 & 3 – slippage of £4.7m** – Tame Valley Viaduct. : Invitation to tender for the main works contract occurred in September 2020 following on from the Testing Contract but were delayed due to COVID resource requirements. Due to advice received on legal aspects of the tender, there were various extensions to the tender period and final tenders were submitted at end of April 2021 and have now been evaluated. The contract commencement date was expected to be 8th March 2022 and with a contract delivery period of 4 years 9 months. The actual contract period is however expected to be shorter. The formal award of the contract has been delayed due to inflationary pressure concerns raised by the Contractor. Discussions regarding these are ongoing and a paper setting out the Contractors position is expected to be presented to the Council in early 2022/23.
- 2.7.3 Birmingham City Centre Retail Core Public Realm – slippage of £7.1m-** Due to proximity of the Commonwealth Games, a high-level decision was taken to reduce the scope of works to avoid any clashes during the games.
- 2.7.4 Brum Breathes & Route to Zero – slippage of £19.3m** – the slippage relates to spend against the original Mitigations Budget profile as a result of the delayed implementation of the Clean Air Zone (CAZ). This budget is also demand led with spend taking place after actions required are confirmed i.e. Taxi & HGV upgrades, Demand for grants that support Birmingham's taxi community has been positive due to the introduction of the Clean Air Zone (CAZ. By contrast demand for the Heavy-Duty Vehicle (HDV) Fund has been lower than forecast due to a higher than modelled level of compliance in the Heavy Goods Vehicle (HGV) and coach vehicle categories. Applications for the scrappage scheme has increased as exemptions for workers ended on 31st May 2022.

Active Travel – slippage of £14.7m – The slippage relates to the Commonwealth Games Public Realm schemes - there have been delays in getting the full business case approved in 2021-22, this delay has had an impact on key milestones of the project. The works will be delivered in time for the Commonwealth Games, but construction was pushed back to end of the financial year rather than starting in February as originally planned. The other major slippage into next year relates to the A45 Coventry Road Cycle Route. The funding for the scheme is subject to a drawdown procedure via the West Midlands Combined Authority (WMCA) / Transport for West Midlands

(TfWM). The funding drawdown will be part of the full business case process and was only available once the scheme development has been completed.

Public Transport – slippage of £4.4m - Slippage into future years across a number of schemes but mainly in relation to Sprint projects (Sutton to Birmingham via Langley, Birmingham to Airport & Birmingham to Walsall) pending approvals from Transport for West Midlands (TfWM), Section 278 and proposals being put on hold until post the Commonwealth Games.

2.7.5 Perry Barr Residential Scheme – net slippage of £43.5m – Due to delays to construction on the core residential plots, including COVID impacts £14.3m, delays in payments in relation to the National Express (NX) bus depot in line with contractual terms £15.3m, slippage of unused contingency sums to 2022/23 to align with anticipated completion of key elements of the scheme £11.5m, delays to completion of highways works to reflect unanticipated additional complexity of integration with other works being undertaken in the area £1.8m. Occupancy is expected to commence during the first quarter of 2022-23.

2.7.6 Property Strategy – slippage of £47.0m - The Acquisition budget slippage of £42m is used as and when suitable opportunities arise. It does not represent a target acquisition programme. There were 2 significant acquisitions in the pipeline for completion by March 2022, totalling £19.9m. However additional due diligence was required which has meant the acquisitions have been delayed and are now targeted for completion in early 2022/23. The budget has been slipped into future years for acquisitions as and when opportunities arise. Public Hub Programme – slippage of £5m into future years pending completion of a Cabinet Report setting out the strategic plan – due to go to Cabinet in early 2022/23

2.8 Children & Families. Total variation of £12.9m. The main variances are as follows:

2.8.1 Basic Need – Additional School Places – slippage of £6.8m – due to the pandemic forecasted pupil numbers have reduced and therefore the requirement for additional places has reduced. There is a level of uncertainty around pupil numbers due to Covid, Elective Home Education and Brexit. Cohort numbers on roll in schools reduced between 2019/20 and 2020/21, leading to a reassessment of required permanent expansions. There is also less domestic migration than previous years.

3 Financing of Capital Expenditure

3.1 The financing arrangements in respect of the City Council capital expenditure in 2021/22 of £528.1m are summarised in the table below:

Table 2: Financing of capital spend

Financing method	£m
Borrowing (including Enterprise Zone)	296.284
Government Grants	89.379
Capital Receipts	50.25
Other Grants and Contributions	7.844
HRA use of Revenue Resources (incl. MRR)	84.32
Total financing	528.077

- 3.2 The Budget 2021+ included a strategy to maximise the availability of capital receipts to fund equal pay liabilities, and to use the Government's capital receipts flexibility to meet the cost of eligible projects generating revenue savings. Accordingly, borrowing where possible has been used to finance the outturn capital programme in place of capital receipts, in order to make receipts available for equal pay and the capital receipts flexibility.
- 3.3 Actual prudential borrowing of £296.3m is less than the £369.7m originally planned in the Financial Plan 2021-2025. This is due largely to slippage in the capital programme described above and in previous corporate monitoring reports. Monitoring of the full prudential indicators at outturn is set out in Appendix 5 of the Treasury Management annual report (Annex C)

Capital Outturn 2021-22 by Directorate

Annex B4a

Directorate	(a) 2021/22 Period 12 Revised Budget	(b) 2021/22 Outturn	(c) 2021/22 Variation
	£m	£m	(b-a) £m
Commonwealth Games	72.545	65.014	(7.531)
Council Management			
Development & Commercial	1.100	2.139	1.039
Corporately Held Funds	66.364	37.196	(29.168)
ICT & Digital	9.313	4.260	(5.053)
Total Council Management	76.777	43.595	(33.182)
City Operations			
Control Centre Upgrade	0.995	0.880	(0.115)
Street Scene	39.564	29.153	(10.411)
Private Sector Housing	2.710	0.274	(2.436)
Neighbourhoods	2.862	0.506	(2.356)
Regulation & Enforcement	1.553	1.378	(0.175)
Highways Infrastructure	4.895	1.877	(3.018)
Total City Operations	52.579	34.068	(18.511)
City Housing			
Housing Options Service	2.057	3.654	1.597
HRA	118.343	112.664	(5.679)
Total City Housing	120.399	116.318	(4.081)
Place, Prosperity & Sustainability			
Planning & Development	53.900	43.152	(10.748)
Transport & Connectivity	83.238	26.483	(56.755)
Housing Development	1.563	(0.000)	(1.563)
Perry Barr Residential Scheme	182.353	138.894	(43.459)
Property Services	60.629	12.309	(48.320)
Total Place, Prosperity & Sustainability	381.682	220.838	(160.844)
Children & Families	46.924	33.988	(12.936)
Adult Social Care	13.509	14.256	0.747
TOTAL	764.415	528.077	(236.338)

COUNCIL MANAGEMENT

Ref.	Project/Programme	Comments	2020/21 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CM1	Corporate Capital Contingency & Modernisation Fund	Corporate Capital Contingency Budget rephased in line with the Financial Plan 2023+ and as approved in the Month 9 Monitoring report that went to Cabinet on 8th February 2022.	(13.100)	0.000

CITY OPERATIONS

Ref.	Project/Programme	Comments	2021/22 Increase (Decrease) £m	All Years Increase /(Decrease) £m
CO1	Waste Management Services	The budget movement reflects the Full Business Case relating to the New Build Depot for the Relocation of Montague Street and Redfern Road Depots (Atlas Works) as reported to Cabinet in October 2021	6.209	6.231

Capital Outturn 2021/22 - Outturn Variations

Ref.	2021-22 Capital Outturn		
	Period 12 Budget £m	2021/21 Outturn £m	Period 12 Variation £m
COMMONWEALTH GAMES 2022			
CWG Alexander Stadium	45.024	42.268	(2.756)
CWG Organising Cttee	27.521	22.746	(4.775)
TOTAL COMMONWEALTH GAMES	72.545	65.014	(7.531)
COUNCIL MANAGEMENT			
Development & Commercial			
Gateway/Grand Central Residual Costs	0.600	2.139	1.539
Capital Loans & Equity	0.500	0.000	(0.500)
Total Development & Commercial	1.100	2.139	1.039
Corporately Held Funds			
Revenue Reform Projects	43.704	21.670	(22.034)
Corporate Capital Contingency	5.000	0.000	(5.000)
ERP Implementation	17.660	15.513	(2.147)
Total Corporately Held Funds	66.364	37.183	(29.181)
SAP Investments	0.000	0.013	0.013
ICT & Digital Services			
ICT & Digital	9.313	4.260	(5.053)
Total Digital & Customer Services Directorate	9.313	4.260	(5.053)
TOTAL COUNCIL MANAGEMENT	76.777	43.595	(33.182)
CITY OPERATIONS			
Control Centre Upgrade			
Control Centre Upgrade - CCTV Cameras	0.995	0.880	(0.115)
Total Control Centre Upgrade	0.995	0.880	(0.115)
Street Scene			
Waste Management Services	33.597	25.139	(8.458)
Parks & Nature Conservation	5.967	4.014	(1.953)
Total Street Scene	39.564	29.153	(10.411)
Private Sector Housing	2.710	0.274	(2.436)
Neighbourhoods			
Community, Sport & Events	2.225	0.457	(1.768)
Neighbourhoods	0.013	0.019	0.006
Cultural Development	0.624	0.030	(0.594)
Total Neighbourhoods	2.862	0.506	(2.356)
Regulation & Enforcement			
Bereavement	0.252	0.000	(0.252)
Markets Services	0.000	0.028	0.028
Mortuary/Coroners	1.273	1.262	(0.011)
Illegal Money Lending	0.028	0.088	0.060
Total Regulation & Enforcement	1.553	1.378	(0.175)
Highways Infrastructure	4.895	1.877	(3.018)
TOTAL CITY OPERATIONS	52.579	34.068	(18.511)
CITY HOUSING			
Housing Options Service	2.057	3.654	1.597
Housing Revenue Account			
Housing Improvement Programme	74.076	81.937	7.861
Redevelopment	42.363	30.392	(11.971)
Other Programmes	1.904	0.335	(1.569)
Total Housing Revenue Account	118.343	112.664	(5.679)
TOTAL CITY HOUSING	120.399	116.318	(4.081)
PLACE, PROSPERITY & SUSTAINABILITY			
Planning & Development			
Major Projects			
Enterprise Zone - Paradise Circus	21.885	21.228	(0.657)
Enterprise Zone - Other	20.496	10.555	(9.941)
Other Major Projects	10.645	10.859	0.214
Total Major Projects	53.026	42.642	(10.384)
Public Realm	0.873	0.348	(0.525)
Infrastructure	0.000	0.162	0.162
Total Planning & Development	53.899	43.152	(10.747)

Capital Outturn 2021/22 - Outturn Variations

2021-22 Capital Outturn				
Ref.	Period 12 Budget £m	2021/21 Outturn £m	Period 12 Variation £m	
Transport Connectivity				
Major Schemes				
Tame Valley Phase 2 & 3	CMD4	5.104	0.360	(4.744)
A457 Dudley Road		4.803	4.734	(0.069)
Birmingham City Centre Retail Core Public Realm	CMD5	8.676	1.586	(7.090)
Snowhill Public Realm		4.074	3.619	(0.455)
Other (Major Schemes)	CMD6	5.432	1.331	(4.101)
Total Major Schemes		28.089	11.630	(16.459)
Brum Breathes & Route To Zero	CMD7	23.868	4.595	(19.273)
Active Travel	CMD8	17.226	2.560	(14.666)
Public Transport		10.267	5.872	(4.395)
Infrastructure Development		1.804	0.924	(0.880)
Places for People (Local Neighbourhoods)	CMD9	1.960	0.357	(1.603)
Section 278/106		0.024	0.530	0.506
Local Measure		0.000	0.015	0.015
Total Transport Connectivity		83.238	26.483	(56.755)
Housing Development				
In Reach	CMD10	1.563	0.000	(1.563)
Total Housing Development		1.563	0.000	(1.563)
Perry Barr Residential Scheme	CMD11	182.353	138.894	(43.459)
Property Services				
Property Strategy	CMD12	47.000	0.000	(47.000)
Other Schemes	CMD13	13.629	12.309	(1.320)
Total Property Services		60.629	12.309	(48.320)
TOTAL PLACE, PROSPERITY & SUSTAINABILITY		381.682	220.838	(160.844)
CHILDREN & FAMILIES				
Education & Early Years				
Devolved Capital Allocation to Schools	ED1	3.075	1.674	(1.401)
School Condition Allocations	ED2	14.364	12.914	(1.450)
Basic Need - Additional School Places		24.080	17.330	(6.750)
IT Investment		1.083	0.185	(0.898)
Other Major Projects (Children's Trust Accom)	ED3	1.854	0.542	(1.312)
Total Education & Early Years		44.456	32.645	(11.811)
Skills & Employability				
Adult Ed & Youth		1.270	1.225	(0.045)
Birmingham Libraries		1.198	0.118	(1.080)
Total Skills & Employability		2.468	1.343	(1.125)
TOTAL CHILDREN & FAMILIES		46.924	33.988	(12.936)
ADULT SOCIAL CARE DIRECTORATE				
Adult Care & Health				
Property Schemes		0.276	0.003	(0.273)
Adults IT		0.733	0.000	(0.733)
Independent Living	ASC1	12.500	14.253	1.753
TOTAL ADULT SOCIAL CARE		13.509	14.256	0.747
TOTAL CAPITAL PROGRAMME		764.415	528.077	(236.338)

COMMONWEALTH GAMES DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
CWG1	Alexander Stadium	Minor changes to timing of completion works, with practical completion during April 2022 (originally planned for completion by 1 April 2022)	(3.106)
CWG2	Organising Committee	Contingency sums unused by the year-end slipped into 2022/23 to allow for any remaining variations to price or scope as individual schemes are completed in advance of the Games (£3.2m). This is in addition to the deferral of some elements of expenditure into Q1 22/23 as a result of delayed start on site for a number of small infrastructure schemes and the Aquatics Centre, with practical completion during May 2022 (£1.5m).	(4.775)

COUNCIL MANAGEMENT DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
CM1	Gateway/Grand Central Residual Costs	An additional budget of £3m was created in January 2022 to appoint solicitors for ongoing negotiations with Network Rail. This was a call-off order and therefore costs are paid as and when required. The remaining budget, along with other minor slippage, has been rephased into future years.	(3.161)
CM2	Revenue Reform Projects	This budget was available to fund eligible projects to support transformational projects as and when required. The budget has been slipped into future years as the government has extended the flexibility to use capital receipts for transformational projects for another three years.	(5.700)
CM3	Corporate Capital Contingency	This is a technical adjustment to align the forecast to the revised budget approved in the Month 9 monitoring report.	7.500
CM4	ERP Implementation	The slippage between Month 9 and the final outturn of circa £2m is due to: 1) £1.2m of costs relating to SAP that the project was expecting to incur was a double count as these were to be paid from the current ITDS base budget, 2) A reduction of £(0.6)m on staffing costs chiefly around the backfill staffing costs (£0.4m) due to not all roles needing to be backfilled. 3) The remaining variation is due to various miscellaneous underspends across the programme.	(1.990)
CM5	ICT & Digital	ICT & Digital Services outturn for 2021/22 is £4.260m. £2.771m has been slipped into 2022/23. The reason for the slippage is mainly due to Application Platform Modernisation £1.5m due to pressures on global hardware supply chains caused by lasting Covid impacts on the production microchips and subsequent backlogs through to end suppliers. This has resulted in a delay to scheduling of expenditure on hardware and installation services. This has not impacted on anticipated revenue savings which were predicated on the contractual end date for systems later in the 22/23 financial year, by which point the new solution will be in place. New Ways of Working & Brum Account Phase 3 slippage £(1.0)m - minor slippage across the above 2 projects. Minor slippage of £(0.1)m on various schemes and minor underpends of £(0.1)m on the Revenue & Benefits IT and Online Transactional Services – BRUM Account programmes.	(2.771)

CITY OPERATIONS DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
CO1	Waste Management Services	This is due to Montague Street Depot (Atlas Works) where there was a delay in the purchase of the land and subsequent demolition works. The project is currently in the design and delivery phase.	(5.436)
CO2	Parks & Nature Conservation	(£1.2)m slippage on Grounds Maintenance Vehicles. Although all the vehicles have been procured there has been a delay in full delivery due to demand and market forces. It is expected that the remaining vehicles will be delivered in 2022/23. A further (£0.7m) of minor variances across a number of projects in the Parks & Nature Conservation service.	(1.953)
CO3	Private Sector Housing	This is predominantly due to slippage on the Energy Efficiency scheme (£1.1m) due to delays in identify qualifying properties (EPC ratings D,E,F,G) whilst resident engagement and sign up was very slow initially. Residents were not keen to allow people into their properties to carry out surveys. In addition, resources were difficult to recruit and there were delays in onboarding assessors to carry out the retrofit assessments which this had a major impact on the project.	(1.428)
CO4	Highways Infrastructure	Ward Minor Transport Measures, School Streets, Flood Risk Management and the Roads Safety programme contain many small city wide schemes. Expenditure has slipped into future years as the selection of schemes needs to be robust and involves consultations with a wide range of stakeholders and lengthy Traffic Regulation Orders legal processes, and thus takes time to finalise, develop, design, seek approval, procure and implement selected schemes within a financial year. In addition this year has also been impacted by COVID restrictions.	(1.534)

CITY HOUSING DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
CH1	Housing Improvement	This is predominantly due to slippage on the Energy Efficiency scheme £4.2m due to delays in identifying qualifying properties (EPC ratings D,E,F,G) whilst resident engagement and sign up was very slow initially. Residents were not keen to allow people into their properties to carry out surveys. In addition, resources were difficult to recruit and there were delays onboarding assessors to carry out the retrofit assessments which has had a major impact on the project. Other net slippage of (£1.8m) predominantly on the Windows (1.1m) and Fire Protection (£2.8m) programmes both of which are mainly due to slippage of works at Speedwell, Waltham, Sandhurst and Loweswater being delayed by slow contractor performance; acceleration on the Heating programme £1.5m due to increased boiler failure rates and £0.6m on the rewire programme due to increased levels resulting from test and inspections. £1.2m of overspends on the Adaptations £0.4m; Structural Investigations £0.3m; Door Entry £0.3m programmes plus other minor overspends of £0.2m across a number of programmes. This has been funded by in-year revenue contributions from the HRA.	(4.875)
CH2	Redevelopment	This is made up of net slippage of £(3.5)m on New Build Homes due to delays on site from the supply chain; elongated processes requiring additional authorities or retendering where tenders have come in over the projected tender price due to increases across the housing market. There is a net slippage of £(1.0)m Clearance Programme. Alongside the impact of the pandemic on clearance, rehousing and demolition activity, other factors such as the materials shortages and planning conditions have continued to cause delays to planned demolition programmes that were scheduled to take place 2021/22, but have not yet commenced. Schemes have been paused due to extensive contamination and asbestos found underground and the remediation work at Yardley Brook has not yet progressed as the Environmental Agency continue to deliberate on the methodology. The lack of social housing has caused delays with clearance and rehousing households, particularly those with larger families whereby suitable alternative properties have not become available.	(4.385)
CH3	Other Programmes		(0.369)
PLACE, PROSPERITY & SUSTAINABILITY			
Ref	Project/Programme	Comments	Current Year (£m)
CMD1	Enterprise Zone - Paradise Circus	A revised expenditure profile for the Paradise Project (PCLP Phase 2) was submitted by MEPC (property investment company) and agreed with the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) resulting in a lower level of spend for 21/22 than earlier anticipated. this will slip into future years.	(2.890)
CMD2	Enterprise Zone - Other	The Southside Public Realm project has been slipped by (£5,806m) as the original contractor that was appointed went into administration. A new contractor is being sourced in line with the Council's procurement policy. There were other minor variances of totalling (£1.211m) which include Wholesale Market Enabling Works of (£0.772m)	(7.017)
CMD4	Transport & Connectivity - Tame Valley Phase 2 & 3	Tame Valley Viaduct. The contract commencement date was expected to be 8th March 2022 and with a contract delivery period of 4 years 9 months. The actual contract period is however expected to be shorter. The formal award of the contract has been delayed due to inflationary pressure concerns raised by the Contractor. Discussions regarding these are ongoing and a paper setting out the Contractors position is expected to be presented to the Council during May 2022 for consideration by BCC. The formal contract award is expected to be on 11th May 2022. The delay in commencement resulted in slippage for 2021-22.	(1.008)
CMD5	Transport & Connectivity - Birmingham City Centre Retail Core Public Realm	The slippage is due to the change in construction activity and works on site resulting in a reduction of the original forecast for 2021/2022. The main changes were: 1) Descoping of Hostile Vehicle Mitigation (HVM) measures on New street and Eden passage. 2) Unforeseen technical issues with the Victoria Square Fountain which have delayed the original programme. 3) Contractor Compensation Event (CE's) have been submitted which request increased payment. However, these need to be assessed by BCC and agreed by both BCC and the Contractor, which has been delayed and now this activity will be completed in 2022/2023. Due to these reasons phase 2 design work, which was originally forecasted to be carried out and paid for in 2021/2022 has now slipped into 2022/2023.	(1.114)
CMD6	Transport & Connectivity - Major Schemes other	The forecast variation relates to the Iron Lane Scheme, costs have reduced due to statutory undertaker reductions on site and contingency / risk allowance not materialising. Some value engineering also took place on site. There is expected to be an overall saving of approximately £(1.0)m on the scheme, although this needs to be held for the foreseeable future due to a pending land compensation claims. If the land compensation payments do not materialise then an underspend will be declared against the project and resources redirected to other projects subject to approval.	(1.302)
CMD7	Transport & Connectivity - Brum Breathes & Route to Zero	As reported in January the slippage in spend against the original profile is primarily due to a later than planned implementation of the Clean Air Zone (i.e. 1 June 2021 v. 1 January 2020) and relates to the utilisation of the Mitigations budget. Demand for grants that support Birmingham's taxi community has been positive due to the introduction of the Clean Air Zone and the daily fee which has encouraged the owners/drivers of non-compliant vehicles to upgrade or replace these vehicles. By contrast demand for the Heavy Duty Vehicle Fund has been lower than forecast due to a higher than modelled level of compliance in the HGV and coach vehicle categories. Applications for the scrappage scheme has increased as exemptions for workers end on 31st May 2022. Plans to broaden the HDV scheme have been shared with the government, but have yet to receive formal approval. As a result, further slippage against the original spend profile into next year has occurred.	(2.089)

CMD8	Transport & Connectivity - Active Travel	The forecast variation is primarily attributed to the following schemes within the programme - 1) A45 Coventry Road Cycle Route Scheme (£0.679m) due to the original forecast including funding (£0.400m) that has been transferred directly to the delivery organisation (WMCA Sprint Project) from the funding body (WMCA). The remaining balance (£0.279m) is for FBC development which has slipped to the next financial year 22/23 due to resource constraints. 2) Emergency Active Travel Fund Tranche 1 (£0.495m) slippage due revisions to the original forecast 3) Pershore Road / Priory Road Scheme (£0.420m) due to an extension of the construction programme meaning funds are due to be spent in the next financial year 22/23, additional resource is in place to mitigate the extension and completion is still forecast pre CWG. Other minor schemes have also slipped from 21/22 into 22/23 after resource agreements with the funding body.	(2.107)
CMD9	Transport & Connectivity - Places for People	The significant factor for the slippage in Places for People has been the lack of resources to deliver the challenging programme of Local Safety Scheme which through an existing back log could not be resourced. There are insufficient resources with appropriate experience to develop these sorts of schemes within projects. Additional resources are to be commissioned to deal with this years programme and to deliver the outstanding projects in the Local Safety Scheme programme.	(1.489)
CMD10	Housing Development - InReach	This budget was to provide additional equity investment into InReach Ltd, a wholly owned subsidiary of the Council supporting the Private Rented Sector, as it undertook its next project at Key Hill. As a result of pressures in the supply chain and increased costs the business case has been updated and requires strategic review to determine if this is a suitable delivery vehicle to achieve the Councils strategic objective.	(1.563)
CMD11	Perry Barr Residential	Slippage of (£47.2m) due to delays to construction and associated costs reflecting progress on the core residential plots and site assembly / demolition costs, including COVID impacts (£14.3m), delays in payments in relation to the NX bus depot in line with contractual terms (£15.3m), slippage of unused contingency sums to 2022/23 to align with anticipated completion of key elements of the scheme (£11.5m), delays to completion of highways works to reflect unanticipated additional complexity of integration with other works being undertaken in the area (£1.8m). Occupancy is expected to commence during the first quarter of 2022-23.	(43.459)
CMD12	Property Strategy	This budget is used as and when suitable opportunities arise. It does not represent a target acquisition programme. There were 2 significant acquisitions in the pipeline for completion by March 2022, totalling £19.9m. However additional due diligence was required which has meant the acquisitions have been delayed and are now targeted for completion in early May 2022. The budget has been slipped into future years for acquisitions as and when opportunities arise.	(42.000)
CMD13	Property Services - Other		(1.320)

CHILDREN & FAMILIES DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
ED1	Devolved Capital Allocations to Schools	Spend is informed by individual school decisions and schools can carry forward their allocation for up to 3 years.	(1.401)
ED2	Schools Condition Allowance	£(1.0)m of the slippage relates to the funding earmarked for the condition and asbestos surveys across the whole of the schools estate. As access to schools was limited due to Covid, only around 1/3 of the surveys were actually carried out in 21/22. This funding will be slipped into 22/23 for the remaining surveys. A further £(0.6)m slippage relates to projects that were reprofiled into 2022/23, as further investigations redefined the priority rating and as such these schemes will now progress in 22/23. £4.8m overspend due to school's capitalisation funded by Direct Revenue Financing. Expenditure in relation to school's capitalisation has historically been difficult to predict due to both the volume of schools within Birmingham and spend is not within our control so is therefore not budgeted for in-year. Other minor slippage of £(0.6)m.	2.550
ED3	Birmingham Children's Trust Accommodation	Positive progress on key projects has delivered the provision of an additional Children's Home and wider improvements to existing Children's Homes stock, which remained open during the pandemic. The pandemic response has diverted capacity for other projects to the emergency response with much of the estate closed for long periods delaying some pipeline works. These are projects have now restarted including major works such as roof replacements and heating upgrades.	(1.312)

ADULTS SOCIAL CARE DIRECTORATE			
Ref	Project/Programme	Comments	Current Year (£m)
ASC1	Independent Living	During 2020/21, and due to the pandemic, works to citizens homes were either paused or delayed due to lockdowns and shortages of building materials. During 2021/22 there has been increased activity to ensure all eligible citizens are able to remain independent in their own homes through both major and minor adaptations. The variation compared to the previous year and compared to Month 9 reflects the increased activity now all Covid restrictions have been eased.	1.753

Annex C Treasury Management**1. Outline**

This section reviews the results of the full financial year as well as providing quarter 4 monitoring information in line with normal quarterly management reporting. The most significant elements of treasury management activity during 2021/22 were:

- At 31st March 2022, the Council's total loan debt net of treasury investments stood at £2,961.5m, compared to net loan debt of £3,162.3m as at 31st March 2021.
- The Council's treasury investments held at 31st March 2022 were £146.3m. This was higher than originally planned due to energy relief and additional COVID relief grants received in advance from the Government. The Council also held investments of £73.8m as accountable body.
- The Council did not breach any of its prudential limits set under the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance.
- Treasury management net borrowing costs totalled £234.7m and £117.6m after recharges to other services. This was £0.9m below the budget after including the Council's other long term liabilities.

2. Background

- 2.1 The Council, like all local authorities, is permitted by government to finance capital investment and day to day cash flows from borrowing, in accordance with the prudential borrowing system. The Council's net loan debt at 31st March 2022 stood at £2,961.5m (excluding accountable body investments). This report reviews how the debt and associated investments were managed during the financial year 2021/22.
- 2.2 The Council has adopted CIPFA's Code of Practice for Treasury Management in the Public Services which includes the requirement to present a treasury management annual report.
- 2.3 During 2021 CIPFA undertook extensive consultations on its revised Prudential Code and Treasury Management Code. CIPFA published the revised Codes in late December 2021 and recommended a soft implementation for 2022/23 with full implementation by 2023/24. The Council already complies with the core principles of the revised Prudential Code and the revised Treasury Management Code.

- 2.4 Loans and investments are shown at nominal value unless otherwise indicated, consistent with budget and monitoring reports and the Prudential Indicators. The basis of accounting in the Financial Accounts is different in some cases where required by proper accounting practices.

3. The objective of treasury management

- 3.1 CIPFA defines the objective of Treasury Management as “the management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”. In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise return. This requires a balance to be struck when borrowing, between:

- The security offered by long term fixed rate funding
- The expected cost of short term and variable rate funding, compared with long term funding

- 3.2 When investing surplus funds, the emphasis should be on the security of capital invested rather than maximising the rate of return.

4. Economic review 2021/22

- 4.1 The start of the financial year for the global economy was dominated by the continued economic recovery from the coronavirus pandemic. As restrictions eased, persistent inflation was now perceived as a threat to growth, exacerbated by the recent conflict in Ukraine and impact on commodity prices.
- 4.2 The UK economy grew by 7.4% in 2021 which was the fastest annual growth rate since the second world war. It came after the UK had suffered one of the largest annual economic contractions of any major economy when GDP fell by 9.4% in 2020 amid the fallout from the first wave of the pandemic.
- 4.3 With the economic recovery, the Bank of England initially deemed inflation as temporary as strong demand encountered supply shortages and transport dislocations. With CPI inflation reaching 7% in March 2022 (from 0.7% in March 2021), the Bank of England have now acknowledged the potential continuance of high inflation from business pricing power and tight labour market conditions.
- 4.4 The threat of persistent inflation caused the Bank of England to raise Bank Rate three times from 0.1% at the beginning of the financial year to 0.75% in March 2022, the highest level since March 2020. At its March 2022 meeting, the Bank of England also noted the economic impact from the invasion of Ukraine with higher inflationary forecasts. The Bank stressed that some further modest tightening in monetary policy may be appropriate in the coming months but would review the data when received.

- 4.5 Similar to the UK, the US economy rebounded in 2021 by 6.9%, following the pandemic induced contraction in 2020. High inflation remains a negative factor for economic recovery leading the Federal Reserve to raise the Fed Funds rate to between 0.25% and 0.50% in March 2022, with further rate increases outlined in the coming months. The Federal Reserve also repeated its plan to reduce its asset purchase programme which could start by May 2022. Headline inflation in the Eurozone remains high at 7.5% in March 2022, putting pressure on the European Central Bank's stance of holding its main interest rate at 0%.
- 4.6 Treasury yields in the US and the UK remain volatile due to the tensions between high inflation and the flight to safety brought about by the war in Ukraine; however yields are on an upward trajectory as a result of higher interest rates.
- 4.7 Credit Risk Default Swaps (CDS) for UK banks, an indicator of credit risk, were largely stable during the financial year. This reflected better economic growth prospects and the general resilience of the UK banking sector with their improved capital positions.

5. Treasury strategy and activities during the year

- 5.1 The Council's treasury management strategy for 2021/22, included as part of the Financial Plan 2021-25, was approved by full Council on 23 February 2021.
- 5.2 The Council's actual net loan debt at 31st March 2022 was £2,961.5m compared to the expected net loan debt at the time of the Original Budget in February 2021 of £3,681.8m. Actual net loan debt was lower due to a revised capital programme and the receipt of COVID support grants during the year. This meant that additional long-term loans taken during the year only amounted to £30m compared to the planned assumption of £130m.
- 5.3 The treasury strategy implemented in the year:
- Maintained a balanced strategy which enabled the Council to benefit from low short term interest rates, by maintaining a significant short term and variable rate loan portfolio.
 - Acknowledged the risk that maintaining a significant short term and variable rate loan debt may result in increasing borrowing costs in the longer term, but balanced this against the savings arising from cheaper variable rates in the short term.
 - Reviewed treasury management activity in the context of the Council's current financial position together with the outlook for interest rates.
 - Continuously reviewed the advantages and disadvantages of different sources of borrowing.
 - Opportunities to improve risk management or make savings by prematurely repaying loans were kept under review.
- 5.4 The Council's Treasury Strategy in recent years has sought to maintain a significant exposure to short-term and variable-rate borrowing in order to take advantage of cheaper short-term rates at around Bank Rate. Variable short term borrowing was £136.7m at 31st March 2022 (see Table 7.1). This was borrowed

at an average rate of 0.20%. By borrowing short term rather than more expensive long term fixed rate loans, savings were generated, but at the risk that interest rates may subsequently rise.

- 5.5 The short-term debt portfolio size remained below the £600m indicated in the Treasury Management Strategy, as the Council's borrowing needs during the year were lower than forecast. The majority of the Council's borrowing needs during the year were still met from short term borrowing, helping to minimise its interest costs.
- 5.6 The Council continues to use the Public Works Loan Board (PWLb), a lending facility operated on behalf of HM Treasury, for long term borrowing needs. In August 2021 HM Treasury published revised guidance on the PWLB lending terms with further detail on the use of PWLB loans. The revised lending terms mean PWLB loans could not be used by local authorities who are planning to purchase investment assets primarily for yield. The Council confirmed to HM Treasury that it does not intend to invest primarily for yield.
- 5.7 Appendix 1 shows that PWLB rates were volatile up to the end of 2021 as uncertainty remained over the economic impact of Covid variants. As PWLB rates dipped in November 2021, the Council secured a £30m PWLB loan at an interest rate of 1.83%. Since then, PWLB rates have increased in line with gilt yields, as the Bank of England made successive interest rate rises to combat inflation (see para 4.4). The Council would have paid a considerably higher rate of 2.67% if the same PWLB loan had been taken on 31 March 2022.
- 5.8 The Council did explore market alternatives for long term borrowing, in particular through an ESG (Environmental, Social and Governance) bond issue from private debt capital markets. This was put on hold as the Council's planned borrowing requirements were reduced below the minimum required for a bond issue.
- 5.9 HRA (Housing Revenue Account) loan debt is accounted for separately in accordance with the twopool debt system, which the Council introduced following the reform of Housing Subsidy. During 2021/22, the level of HRA loan debt slightly increased from £1,067.1m, to £1,069.3m, taking into account appropriations made to the HRA and debt repayment provision (or MRP) in the year. No long-term loans were taken for the HRA during the year in order to maintain prudent exposure for the HRA to cheaper short term interest rates. Short term borrowing represented 16% of the total HRA loan debt in 2021/22 (was 13% in 2020/21).

6 Investment management

- 6.1 Treasury Investments are made in accordance with the creditworthiness criteria in the Treasury Management Policy and are also reported to Cabinet as part of the quarterly capital monitoring reports in line with the liquidity management objective for investments. Under the current treasury strategy, a working balance of around £40m short term investments is targeted in order to provide liquidity to meet cash flow fluctuations.

- 6.2 Due to the coronavirus pandemic, councils continued to experience increased uncertainty over their cashflows during 2021/22. Central Government provided significant grants to the Council and as a result, the Council held liquid cash balances that far exceeded the guidance of £40m throughout the year. As at 31 March 2022, the Council's treasury investments held were £146.3m.
- 6.3 Lending has continued to be limited to short periods of less than a year; the higher cash balances remained very liquid as they consisted mainly of Covid support grants for distribution. The Council retained lending to the institutions within the Treasury Management Policy's criteria, mainly Money Market Funds (MMFs), UK bank call accounts and the UK Government's Debt Management Account Deposit Facility (DMADF). A range of information has been used to assess investment risk, in addition to credit ratings. Regular meetings are held to review outstanding investments and criteria for new investments in the light of developments in market conditions.
- 6.4 With the UK government's condemnation of Russia's invasion of Ukraine towards the end of February 2022, it became clear that economic sanctions would be imposed on Russia. The Council immediately reviewed its treasury investments and ensured it had no direct or indirect investment exposure to Russia and Belarus.
- 6.5 Actual investments are reported quarterly to Cabinet as part of accountability for decisions made under treasury management delegations. Appendix 3.1 lists all investments made during Quarter 4 of 2021/22 for the Council.
- 6.6 Investments outstanding at 31st March 2022 are summarised as follows.

Table 1: Investment outstanding summary

Period Outstanding	Value Invested £m	Weighted Average Interest Rate %
Instant Access	72.3	0.32%
Fixed Overnight	74.0	0.55%
Up to 3 months	0.0	0.00%
3 to 6 months	0.0	0.00%
Total	146.3	0.49%

- 6.7 The Council also continues to manage substantial funds as Accountable Body for an increasing number of Government programmes: they include the Growing Places Fund, the Regional Growth Fund and the Local Growth Fund, amongst others. These funds are managed by the Council but are not the Council's own money. The unspent balance of the funds at 31st March 2022 was £73.8m as set out in Appendix 3.2.
- 6.8 Accountable Body funds are invested in accordance with the Accountable Body agreements in high credit quality deposits such as the government's DMADF and MMFs.

7 Debt profile

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

Table 2: Debt Profile summary

Debt Profile (General Fund and HRA combined)	31.03.21	31.03.22
	£m	£m
Fixed rate over 40 years	140.0	80.0
Fixed rate 20 to 40 years	1,311.2	1,286.2
Fixed rate 10 to 20 years	934.2	689.0
Fixed rate 5 to 10 years	314.4	607.7
Fixed rate 1 to 5 years	241.3	220.7
Fixed < 1 year (note 1)	37.5	87.5
Variable and short term	377.3	136.7
Gross Debt	3,355.9	3,107.8
Investments < 1 year	(193.6)	(146.3)
Net Debt	3,162.3	2,961.5

Note: LOBO loans shown at final maturity

- 7.2 The average interest rate paid on all the Council's debt in 2021/22 was 4.43%, an increase on the average rate of 4.15% paid in 2020/21. The average rate in 2020/21 had included a significantly higher level of short term borrowing that helped to bring the average rate down in that year. In 2021/22 the Council was not required to take sizable new debt at lower rates so the Council's loan portfolio included a higher proportion of historic long term debt taken when fixed interest rates were higher.
- 7.3 The above maturity profile assumes that Lender's Option Borrower's Option (LOBO) loans are repaid at their final maturity date. A full maturity profile at 31st March 2022 compared to 31st March 2021 is given in Appendix 4.
- 7.4 At 31st March 2022 the debt portfolio included £71.1m LOBOs, just over 2% of the total portfolio. No LOBO loans have had their options called by the lenders since the arrangements were entered into. Given the current and forecast low interest rate environment it is considered to be a low risk that this will take place in the foreseeable future.
- 7.5 In March 2022, the Council initiated a review of its external loans portfolio with its treasury management advisors to seek opportunities to refinance or

restructure. This includes opportunities to repay its LOBO loans early; as in previous restructuring of its LOBO loans, the Council will only do so if it is financially advantageous.

8 Revenue cost of borrowing

- 8.1 The actual net cost of borrowing to corporate treasury budgets was £117.6m. The underspend of £2.9m against the budget is mainly due to a reduced prudential borrowing requirement (see para 5.2) that helped to reduce the interest payable in 2021/22. The final treasury budget has an underspend of £0.2m following prudent voluntary revenue provision made for highways PFI.
- 8.2 The Corporate Treasury Management outturn for 2021/22 is summarised in the following table:

Table 3: Treasury Management Outturn summary.

	Budget £m	Actual £m	Variation £m
Gross interest payable	131.1	127.8	(3.3)
Interest receivable	(0.1)	(0.2)	(0.1)
Revenue charge for debt repayment	113.0	113.4	0.4
Other Costs	(4.9)	(6.3)	(1.4)
Net Treasury costs	239.1	234.7	(4.4)
<i>Less recharges to:</i>			
HRA	(50.6)	(50.8)	(0.2)
Other Services	(68.0)	(66.3)	1.7
Net Corporate Treasury costs	120.5	117.6	(2.9)
Other Long Term Liabilities	(37.5)	(35.5)	2.0
Total	83.0	82.1	-0.9

9 Prudential Indicators

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

10 Risk management and performance

- 10.1 Risk management is at the centre of treasury performance and monitoring. The Council has adopted the CIPFA Treasury Management Code's policy

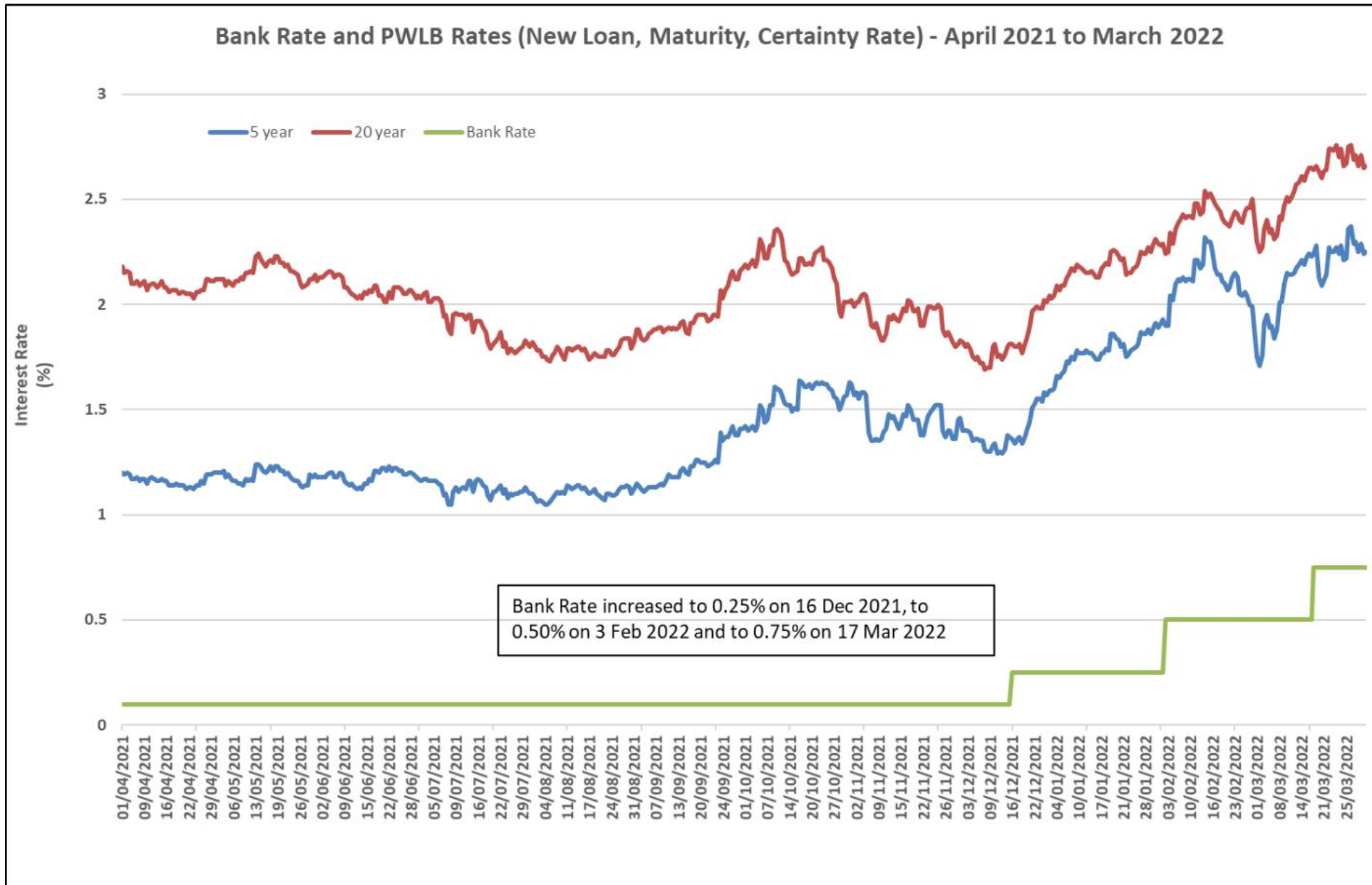
recommendation that “the successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of its treasury management activities will be measured.”

- 10.2 There is no single quantitative measure which summarises the management of the different types of treasury risk and their financial impact. Key reporting and review processes include:
- Quarterly monitoring reports to Cabinet provide an overview of key treasury decisions and indicators.
 - The adequacy of risk control arrangements are tested regularly by internal and external audit.
 - The Council’s Treasury Management Policy and Strategy sets out policies, limits and strategies for managing treasury risks, which have been reviewed throughout this report.
- 10.3 As an additional tool for risk and performance management, the Council established a Treasury Management Panel during 2021/22 consisting of senior Finance Officers and treasury officers at the Council. The Council’s Treasury Management Panel met regularly during the year to act as an advisory body, providing guidance, support and scrutiny to decisions made by treasury officers. The panel includes amongst other the S151 officer and the Head of Internal audit
- 10.4 During 2021/22, the Council’s Treasury Management Panel reviewed:
- The impact of the revised guidance issued on PWLB lending criteria
 - The consideration of ESG factors in the Council’s upcoming Treasury Management Strategy
 - The transition of interest rate benchmarking from LIBOR to SONIA rates
 - The CIPFA consultation on MRP and its potential impact on Council revenues
 - The assessment of the Council’s treasury exposure to Russia following the military conflict in Ukraine.
- 10.5 Headline indicators include:

Has the Council complied with the CIPFA Treasury Management Code?	YES
Were the Council’s lending criteria complied with during the year?	YES
Were treasury investment defaults avoided in the year?	YES
Were the Council’s treasury prudential limits complied with?	YES
Were revenue costs kept within budget?	YES

11 Decisions taken under treasury management delegations

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



Long Term Loans details
1st April 2021 - 31st March 2022

New Long Term Loans taken out during the year.

Date of loan	Loan	Counter Party	Interest Rate	Maturity Date
17 November 2021	£30m	PWLB	1.83%	17 November 2041

New Long Term Loans to fund LOBO refinancing.

Date of loan	Loan	Counter Party	Interest Rate	Maturity Date
None				

Long Term Loans prematurely repaid during the year.

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

Appendix 3.1

Treasury Management Investment Details
1st January 2022 to 31st March 2022

Investments - Fixed Term Deposits

Date Out	Date In	Borrower	Amount £	Interest Rate
17/01/2022	17/02/2022	DMO DMADF	49,000,000	0.10%
15/02/2022	25/02/2022	DMO DMADF	61,000,000	0.30%
17/02/2022	25/03/2022	DMO DMADF	18,000,000	0.34%
10/03/2022	11/03/2022	DMO DMADF	10,000,000	0.30%
11/03/2022	16/03/2022	DMO DMADF	23,000,000	0.31%
15/03/2022	21/03/2022	DMO DMADF	57,500,000	0.45%
16/03/2022	25/03/2022	DMO DMADF	20,000,000	0.53%
21/03/2022	28/03/2022	DMO DMADF	27,500,000	0.55%
30/03/2022	06/04/2022	DMO DMADF	74,000,000	0.55%

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

Investments - Call Account

	<u>No of Transactions</u>		Average	Average
	Investments	Withdrawals	Balance £	Rate Earned
Barclays Bank PLC FIBCA A/C	1	6	5,386,902	0.12%
HSBC	0	0	14,998,683	0.30%
Santander	1	1	9,933,333	0.13%

Investments - Money Market Funds

	<u>No of Transactions</u>		Average	Average
	Investments	Withdrawals	Balance £	Rate Earned
Aberdeen Standard Liquidity Fund	4	7	18,955,556	0.15%
Aviva Money Market Fund	4	3	3,022,222	0.08%
CCLA MMF	1	3	39,447,778	0.32%
Deutsche Money Market Fund	3	7	32,588,889	0.22%
Federated Money Market Fund	7	9	17,116,667	0.24%

Note

This appendix reports on the exercise of investment delegations to the Director of Council Management (Section 151 Officer) in the last quarter of the financial year.

Investment activity in previous quarters has been reported in the relevant quarterly Capital & Treasury Monitoring to Cabinet.

Appendix 3.2

Accountable Body Investments - 31st March 2022

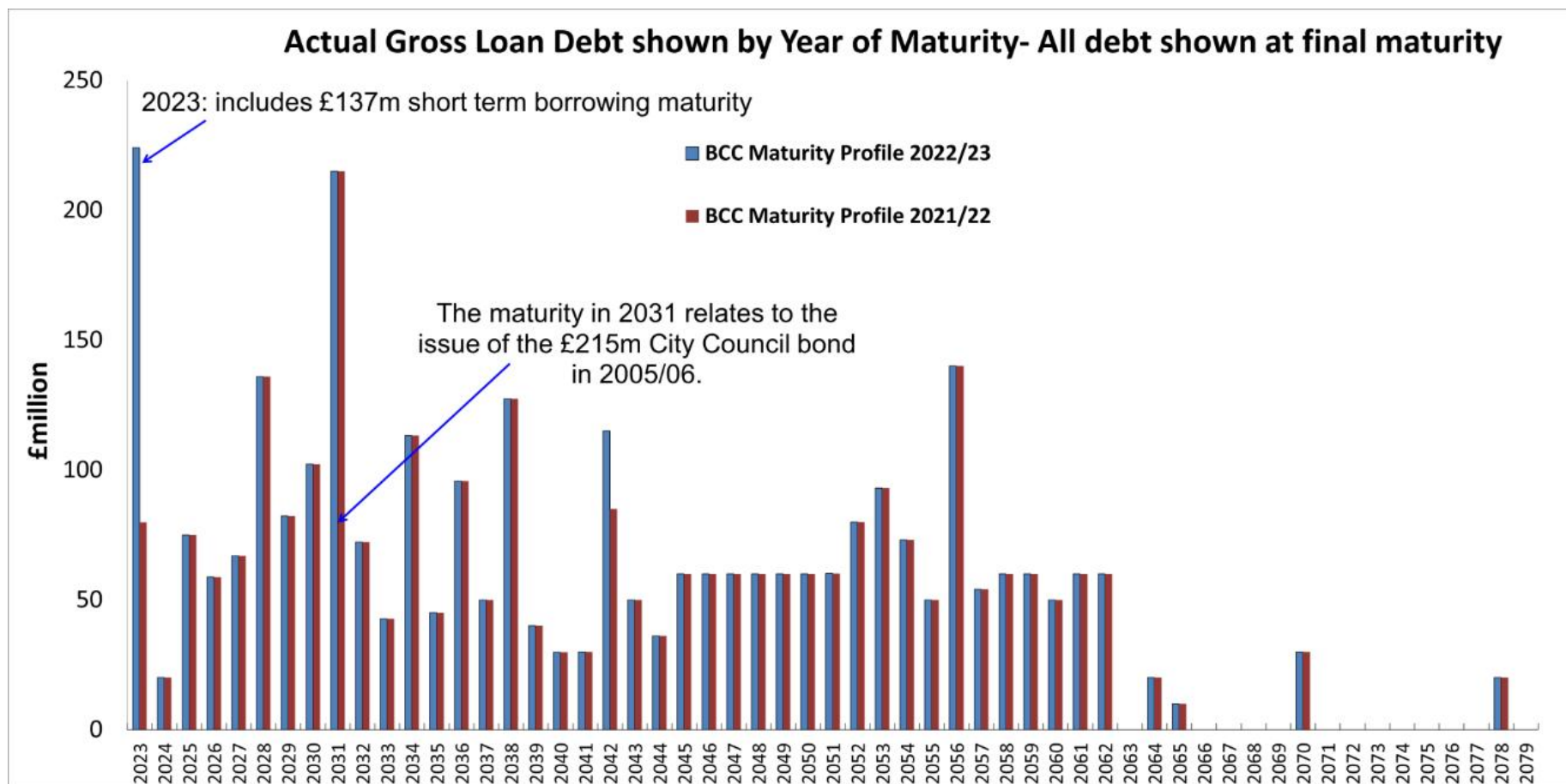
	LGIM Money Market Fund £000	Debt Management Office £000	Birmingham City Council ¹ £000	Total £000
Advanced Manufacturing Supply Chain Initiative (AMSCI)	12,985	30,002		42,987
Growing Places Fund (GPF)	7,310			7,310
Getting Building Fund (GBF)	577	2,323		2,900
GBSLEP Fund			2,200	2,200
Local Growth Fund 3 (LGF3)	244			244
Local Growth Fund 4 (LGF4)	1,868			1,868
LOGRO Fund	23			23
National Manufacturing Competitiveness Levels (NMCL)	3,186			3,186
Regional Growth Fund (RGF)	13,073			13,073
	39,266	32,325	2,200	73,791

¹These funds have been lent to the Council by agreement at a commercial rate

Note

This appendix shows amount invested by The Council as Accountable Body.

These are separate from The Council's own investments.



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

DEBT AND PRUDENTIAL INDICATORS

WHOLE COUNCIL

	21/22 Indicators £m	21/22 Outturn £m
Capital Finance		
1 Capital Expenditure - Capital Programme	639.7	528.1
2 Capital Expenditure - other long term liabilities	37.8	57.6
3 Capital expenditure	677.5	585.7
4 Capital Financing Requirement (CFR)	4,797.1	4,719.4
Planned Debt		
5 Peak loan debt in year	3,740.0	3,373.9
6 + Other long term liabilities (peak in year)	397.3	397.8
7 = Peak debt in year	4,137.3	3,771.7
8 does peak debt exceed CFR?	no	no
Prudential limit for debt		
9 Gross loan debt	4,102.7	3,373.9
10 + other long term liabilities	397.3	397.8
11 = Total debt	4,500.0	3,771.7

Notes

- 1 There is a net decrease in forecast capital expenditure due to a revised capital programme.
- 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.

Appendix 5B

DEBT AND PRUDENTIAL INDICATORS

HOUSING REVENUE ACCOUNT		21/22 Indicators £m	21/22 Outturn £m
Capital Finance			
1	Capital expenditure	126.0	112.7
HRA Debt			
2	Capital Financing Requirement (CFR)	1,113.4	1,069.3
Affordability			
3	HRA financing costs	102.9	101.8
4	HRA revenues	281.5	278.4
5	HRA financing costs as % of revenues	36.6%	36.5%
6	HRA debt : revenues	4.0	3.8
7	Forecast Housing debt per dwelling	£18,782	£18,177

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**GENERAL FUND**

	21/22	21/22
	Indicators	Outturn
	£m	£m
Capital Finance		
1 Capital expenditure (including other long term liabilities)	551.6	473.0
2 Capital Financing Requirement (CFR)	3,683.7	3,650.1
General Fund debt		
3 Peak loan debt in year	2,626.6	2,304.6
4 + Other long term liabilities (peak in year)	397.3	397.8
5 = Peak General Fund debt in year	3,023.9	2,702.4
General Fund Affordability		
6 Total General Fund financing costs	222.4	227.5
7 General Fund net revenues	828.7	828.7
8 General Fund financing costs (% of net revenues)	26.8%	27.4%

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.

DEBT AND PRUDENTIAL INDICATORS**TREASURY MANAGEMENT**

		21/22	21/22
		Indicators	Outturn
1	General Fund impact of an unbudgeted 1% rise in interest rates	£4.1m	-0.9m
2	Variable rate exposures vs upper limit 30%	19%	9%

Maturity structure of borrowing

		Indicators	Outturn
		Year End	Year End
	(lower limit and upper limit)		
3	under 12 months	18%	7%
4	12 months to within 24 months	1%	1%
5	24 months to within 5 years	5%	6%
6	5 years to within 10 years	16%	20%
7	10 years to within 20 years	23%	22%
8	20 years to within 40 years	35%	41%
9	40 years and above	2%	3%

Investments longer than 364 days

upper limit on amounts maturing in:

		Limit	Outturn
10	1-2 years	400	0
11	2-3 years	100	0
12	3-5 years	100	0
13	Later	0	0

Note

- 1 Based on year end debt borrowing less investments, with less than one year to maturity. High investment balances at year end has meant a 1% increase in interest rates would have resulted in a net credit to the Council.
- 2-9 These indicators assume that LOBO loan options are exercised at the earliest possibility and are calculated as a % of net loan debt.
- 2 The limit on variable rate exposures is a local indicator.

Annex D Housing Revenue Account (HRA)

1. The HRA has a net surplus of £4.1m. The surplus will be added to the HRA revenue reserve of £11.2m, increasing the reserve to £15.3m. During the year an additional £15.2m above plan has been used to fund capital investment to replace the need to borrow money, as this would bring an ongoing revenue impact.

Table 1: Summary of Housing Revenue Account

	Current Budget (£m)	Outturn (£m)	Variation Over / (Under) spend (£m)
Rent Income	(254.737)	(255.093)	(0.356)
Service Charges	(15.158)	(14.750)	0.408
Other Income	(11.638)	(12.519)	(0.881)
Total Income	(281.533)	(282.362)	(0.829)
Repairs	65.767	67.938	2.171
Estate Services	20.072	18.025	(2.047)
General Management	69.081	60.571	(8.510)
Bad Debt Provision	8.120	2.987	(5.133)
Capital Financing	55.870	50.975	(4.895)
Capital Programme Funding	62.623	77.793	15.170
Total Expenditure	281.533	278.289	(3.244)
Net Surplus	0.000	(4.073)	(4.073)

2. Income Variances

There is a minor net surplus on income due to higher-than-expected communal heating and feed-in tariff income. And a slight over-recovery of rent income compared to budget has been offset by under-recovery of service charge income.

3. Expenditure Variances

There is a net surplus at yearend of £4.1m on expenditure.

- Overspend on Repairs of £2.2m. This was planned throughout the year as underspends became apparent in other areas,
- Underspend on Estate Services of £2.0m.
- Underspend on General Management £8.5m. which is due to further underspend on employee budgets across several teams, including Revenue and Benefits Team recharges.
- Underspend on Bad Debt Provision of £5.1m. due to lower than anticipated impact of removal of furlough and additional £20 per week to universal credit recipients.
- Underspend on Capital Financing costs of £4.9m. due to a lower increase in HRA borrowing and a lower interest rate compared to forecast.
- Increase on Capital Programme Funding of £15.2m. due to the allocation of funds from underspends above to reduce the need to borrow to fund the HRA capital programme.

ANNEX E COLLECTION FUND – 2021/22**1. Background**

- 1.1. The Council is required to establish and maintain a Collection Fund under the Local Government Finance Acts 1988 and 1992. The Fund accounts for the collection of Council Tax and Business Rates or National Non-Domestic Rates (NNDR) and the distribution of sums received to relevant authorities. These amounts are kept separate from the main activities of the Council which are accounted for in the General Fund. Transfers from the Collection Fund to the General Fund are made at a planned level and, therefore, if the actual position is better or worse than planned leading to a greater surplus/deficit than previously forecast, this will be rolled forward to be taken into account in the next budget setting round, which will be 2023/24 in this instance.

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

The Collection Fund position for 2021/22 applicable to the Council Tax element of the Fund is summarised below:

Table 1	£m	£m
Income:		
Council Tax Income due in 2021/22	(452.587)	
Adjustment to sums due for prior years	0.699	
Contribution to Bad Debt Provision	3.246	
Total Income		(448.642)
Budgeted Precepts 2021/22		
Birmingham City Council	382.922	
New Frankley in Birmingham Parish	0.036	
Sutton Coldfield Town Council	1.830	
West Midlands Police & Crime Commissioner	45.097	
West Midlands Fire and Rescue Authority	16.011	
Total Expenditure		445.896
2021/22 In Year (Surplus)/Deficit		(2.746)
2020/21 Deficit b/fwd		6.842
Cumulative Council Tax (Surplus)/Deficit c/fwd		4.097

- 2.2. The actual in-year surplus on the Council Tax element of the Collection Fund for 2021/22 was £2.7m. The cumulative balance brought forward from 2020/21 amounted to a deficit of £6.8m, giving a closing cumulative deficit at the end of 2021/22 of £4.1m.

- 2.3. An £18.3m cumulative deficit was forecast when setting the 2021/22 budget. The final cumulative deficit is £14.3m lower, resulting in a surplus of £14.3m to be carried forward into future years. The detail of this is summarised in table 2:

Table 2	£m	£m
Forecast Cumulative Deficit position for 2021/22 Budget Setting		18.347
Reduction in Growth	0.786	
Changes to Exemptions and Discounts	1.140	
Decrease in Council Tax Support (CTS)	(1.667)	
Prior Year Adjustments, mainly change in Bad Debt Provision	(14.676)	
Other	0.167	
		(14.250)
Cumulative Council Tax (Surplus)/ Deficit c/fwd		4.097

- 2.4. The Council's share of the deficit is £3.5m, which compares to a deficit of £15.8m anticipated when the Council Tax for 2021/22 was set. This £15.8m improvement will be taken into account when setting the budget for 2023/24. The allocation of the total accumulated surplus, from Council Tax at 31 March 2022 is outlined in Table 3:

Table 3	Forecast (Surplus) /Deficit £m	Outturn £m	Variance £m
Council	15.832	3.535	(12.297)
Police & Crime Commissioner	1.856	0.414	(1.441)
Fire & Rescue Authority	0.659	0.147	(0.512)
Total Surplus	18.347	4.097	(14.250)

- 2.5. It should be noted that part of the reason for the Council Tax deficit is that the Government has provided funding for Council Tax Hardship Relief, which has reduced Council Tax Income by £13.5m.

2.6. Council Tax Arrears

A summary of the Council Tax Arrears position for the end of 2021/22 is shown in Table 4.

Table 4	Prior Years	2021/22	Total
	£m	£m	£m
Balance b/f prior years	136.171		136.171
Due in year		452.587	452.587
Collected	(24.848)	(410.407)	(435.255)
Amounts Written Off	(0.221)	(0.144)	(0.364)
Credits Written On	2.616	0.000	2.616
Council Tax Arrears	113.718	42.036	155.755

A summary of the Council Tax Arrears position for 2021/22 compared with 2020/21 is shown in Table 5.

Table 5	31-Mar-21	31-Mar-22	Change
	£m	£m	£m
Council Tax Arrears Prior Years	92.948	113.718	20.770
Council Tax Arrears In Year	43.223	42.036	(1.186)
Council Tax Debtors	136.171	155.755	19.584

2.7. Provision for Doubtful Debts

The provision for bad and doubtful debts is £64.1m at 31 March 2022, £3.2m more than the amount set aside at the end of 2020/21. The 2021/22 year end provision is compared in Table 6 to the prior year:

Table 6	31-Mar-21	31-Mar-22	Change
	£m	£m	£m
Council Tax Arrears Debtors (Gross)	136.171	155.755	19.584
Less Provision for Bad or Doubtful Debts	(60.804)	(64.050)	(3.246)
Council Tax Debtors (Net)	75.367	91.705	16.338
Bad Debt Provision as % of Gross Debtors	44.7%,	41.1%,	(3.5%)

During the year there has been a net amount of £0.4m written off relating to Council Tax debts compared with £2.3m net write-offs in 2020/21. After making a further contribution to the provision for bad and doubtful debts of £3.6m in 2021/22, the overall provision has increased by £3.2m.

2.8. Collection Performance

Table 7 details the in-year collection performance for the past three years. This shows the in-year collection rates as reported to the Department of Levelling Up, Housing and Communities formally the Ministry for Housing Communities and Local Government as required by the Final Quarterly Return for the Collection of Council Tax and Business Rates (QRC4).

The adjusted actual in year collection rate was 92.9% which includes adjustments as per QRC4 guidelines.

Table 7 shows the comparative prior year rates:

Table 7	Actual In Year Council Tax Collection Rates		
	2019/20	2020/21	2021/22
QRC4 Base	94.3%	92.6%	92.9%

In 2020/21, there was a significant reduction in collection rates due to the impact of Covid-19. This was in line with national trends. This has continued

in 2021/22, where there has only been a small improvement since 2020/21. However, it is hoped that the collection rate over time will reach the estimated rate of 97.1% assumed when setting the budget since the Council will continue to collect outstanding debt in future years.

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

- 3.1. In 2021/22 the Council has continued to be part of a Business Rates Pilot for the local retention of 100% Business Rates. This means that the Council retains 99% of Business Rates income with 1% being paid over to the West Midlands Fire & Rescue Authority. This has been in place since 1st April 2017 (before which, Business Rates was apportioned between Central Government 50%, The City Council 49% and the West Midlands Fire & Rescue Authority 1%).

3.2. Business Rates Summary

The Collection Fund position for 2021/22 applicable to the Business Rates element of the Fund is summarised below:

Table 8			
	Outside the EZ		Enterprise Zone (EZ)
	£m	£m	£m
Business Rates Income due for 2021/22	(365.227)		(2.502)
Contribution to Appeals Provision	26.469		(0.689)
		(338.758)	(3.191)
Contribution to Bad Debt Provision (incl credits written on)	4.810		(0.033)
Cost Of Collection Allowance	1.821		-
		6.632	(0.033)
Total Income		(332.126)	(3.224)
Expenditure:			
Budgeted Proportionate Shares 2020/21:			
Central Government	-		-
Birmingham City Council	418.156		-
West Midlands Fire and Rescue Authority	4.224		-
Enterprise Zone	-		8.220
Total Expenditure		422.380	8.220
2021/22 In Year Deficit/(Surplus)		90.254	4.997
2020/21 Deficit b/fwd	3.916		-
		3.916	-
Cumulative Business Rates Deficit/(Surplus) c/fwd		94.170	4.997
Section 31 Grant Compensation (Surplus)		(94.707)	
Total Surplus after Section 31 Surplus		(0.537)	4.997

- 3.3. After taking into account Section 31 Grant Compensation (The Council's share is £93.8m), excluding the Enterprise Zone (EZ), the actual in-year surplus on the Business Rates element of the Collection Fund for 2021/22 was £4.4m. The cumulative balance brought forward from 2019/20 amounted to a deficit of £3.9m. Therefore, the closing position at the end of 2021/22 is a surplus of £0.5m.
- 3.4. A £19.8m deficit was forecast for the Council's share when setting the 2021/22 budget and the main reasons for the improvement of £20.3m can be explained as follows:

- Provision for Doubtful Debt £13.6m (favourable movement) – After the Council prudently increased its Bad Debt Provision in 2020/21, following improvements in collection, the Council has not had to increase the provision in 2021/22 by as much as forecast.
- Growth Forecast £6.0m (favourable movement) – There has been a significant improvement growth in the gross debit since the budgets were set.
- Reliefs £33.5m (favourable movement). There has been a reduction in reliefs awarded. However, this is largely offset by reduced Section 31 Grants to the General Fund

This has been partially offset by:

- Section 31 Grants to the General Fund £30.7m (unfavourable movement). The decreases in reliefs mentioned above were offset by reductions in compensatory grants.

Table 9 shows the movement between the forecast and outturn surplus / Deficit:

Table 9	£m	£m
Forecast Cumulative Deficit for 2021/22 Budget Setting (BCC Share)		19.774
Forecast Deficit due to anticipated growth less than budgeted	2.262	
Actual Surplus due to anticipated growth	(3.763)	
		(6.025)
Forecast Deficit due to reliefs to Retail Properties	94.155	
Actual Deficit due to reliefs to Retail Properties	90.727	
		(3.427)
Forecast Deficit due to reliefs re CARF Scheme	30.130	
Actual Deficit due to reliefs to CARF Scheme	-	
		(30.130)
Forecast Deficit due to increase in other reliefs	8.036	
Actual Deficit due to increase in other reliefs	8.068	
		0.032
Forecast Deficit due to increase in provision for doubtful debts	0.041	
Actual Deficit due to decrease in provision for doubtful debts	(13.600)	
		(13.641)
Forecast Deficit due to increase in provision for appeals	8.517	
Actual Deficit due to increase in provision for appeals	8.822	
		0.305
Forecast Surplus in Section 31 funding	(124.412)	
Actual Surplus in Section 31 funding	(93.760)	
		30.652
Other forecast deficit	1.046	
Other actual deficit	2.974	
		1.928
Cumulative Business Rates Surplus c/fwd (BCC Share)		(0.532)

3.5. Table 10 shows the proportionate shares of the 2021/22 Business Rates surplus compared with the forecast for the 2022/23 budget setting process:

Table 10:	Forecast	Outturn	(Improvement)/ Decline
	£m	£m	£m
Central Government (nil for 2021/22)	0.000	0.000	0.000
Fire (1%)	0.199	(0.005)	(0.204)
BCC (99%)	19.774	(0.532)	(20.306)
Total	19.973	(0.537)	(20.510)

3.6. The Council's share of the surplus at outturn is £0.5m, which is £20.3m better than the position anticipated when the budget for 2022/23 was set. This £20.3m improvement will be taken into account when setting the budget for 2023/24.

3.7. Within the Enterprise Zone (EZ) the actual in year income generated relating to Business Rates was £3.2m. This compares to £8.2m when the budget for 2021/22 was set resulting in a significant **deficit** of £5.0m. This is not an issue from the EZ perspective, as the EZ manage the programme based upon actual income raised rather than assumed budgets and therefore do not commit spend based on budgets.

3.8. Business Rates Arrears 2021/22

A summary of the Business Rates Arrears position for the end of 2021/22 including the element attributable to the Enterprise Zone, is shown in Table 11:

Table 11	Prior Years	2021/22	Total
	£m	£m	£m
NNDR Arrears b/fwd prior years	127.967		127.967
Adjustments/Net of Refunds	-		-
Due in year:			
Non EZ		365.227	365.227
Enterprise Zone (EZ)		2.502	2.502
Collected	(41.616)	(336.969)	(378.585)
Amounts Written Off	0.039	-	0.039
Credits Written On	3.941	-	3.941
Business Rates Arrears	90.331	30.760	121.091

Table 12: Shows a summary of the Business Rates Arrears position for 2021/22 compared with 2020/21:

Table 12	31 March 2021	31 March 2022	Change
	£m	£m	£m
Business Rates Arrears Prior Years	86.747	90.331	3.584
Business Rates Arrears In Year	41.220	30.760	(10.460)
Business Rates Debtors	127.967	121.090	(6.877)

3.9. Provision for Doubtful Debts

The Business Rates Bad Debt provision has increased from £72.7m to £81.4m, an increase of £8.8m, as detailed in table 13 below

Table 13	31 March 2021	31 March 2022	Change
	£m	£m	£m
Business Rates Arrears (Gross)	127.966	121.090	(6.876)
Less Provision for Bad or Doubtful Debts	(72.665)	(81.423)	(8.758)
Business Rates Debtors (Net)	55.301	39.667	(15.634)
Bad Debt Provision as % of Gross Debtors	56.8%	67.2%	10.5%

During the year there has been a net amount of under £0.1m written off relating to Business Rates debts compared with £2.8m net write-offs in 2020/21. After making a further contribution to the provision for bad and doubtful debts in 2020/21 of £8.8m, including amounts relating to the Enterprise Zone, the overall provision has increased by £8.8m.

3.10. Collection Performance

For Business Rates the adjusted actual in year collection rate calculated was 95.8% (2020/21 91.3%). This is the in-year collection rate as reported to the Department for Levelling Up, Housing and Communities formerly the Ministry for Housing Communities and Local Government as required by the Final Quarterly Return for the Collection of Council Tax and Business Rates (QRC4) and is inclusive of allowable adjustments.

Set out below in table 14 is the QRC4 in-year collection performance for the past three years.

Table 14	Actual In Year Business Rates Collection Rates		
	2019/20	2020/21	2021/22
QRC4 Base	96.9%	91.3%	95.8%

There has been an increase of 4.5% in the reported in year collection rate compared to 2020/21, however this is still below the 2019/20 collection rate. This is largely due to the impacts of Covid-19.

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

4. Overall Position

4.1. Taken together, the forecast position for the Council's share of the Collection Fund and related income streams was a deficit of £35.6m to be

carried forward and taken into account in setting the budget for 2022/23 (£15.8m deficit for Council Tax and a £19.8m deficit for Business Rates).

- 4.2. At year end, there has been an improvement of £32.6m, £12.3m improvement for Council Tax and a £20.3m improvement for Business Rates. This improvement will be rolled forward to be taken into account in the next budget setting round, which will be 2023/24 in this instance.

Birmingham City Council

Report to Cabinet

26TH JULY 2022



Subject: FINANCIAL MONITORING REPORT 2022/23
QUARTER 1 (UP TO 30TH JUNE 2022)

Report of: Director of Council Management and S151 Officer –
Rebecca Hellard

Relevant Cabinet Member: Councillor Yvonne Mosquito – Finance & Resources

Relevant O & S Chair(s): Councillor Akhlaq Ahmed - Resources

Report author: Director of Finance (Deputy S151 Officer) – Sara Pitt

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010137/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 The quarterly finance report attached as Appendix A is part of the City Council's robust financial management arrangements.

2 Recommendations

That the Cabinet:-

- 2.1 Approves an increase in the Capital Budget for 2022/23 of £162.7m as set out in paragraph 4.6. Resulting in a revised capital budget of £694.4m
- 2.2 Approves the writing off of a debt over £0.025m as described in paragraph 4.11.
- 2.3 Notes that the Council faces a number of challenges in 2022/23. However, the Council is in a strong robust position with strong financial planning processes in place. Reserves are healthy and within recommended limits.
- 2.4 Notes that due to the improvements in the restructuring of cost centres to improve financial management this is a high level report. A more detailed report will be available at quarter 2.
- 2.5 Notes the Treasury Management and Investment Portfolio Reports that are included in Appendix A at Annex 2 and 3.
- 2.6 Notes that under authority delegated by Cabinet on 16 April 2019 to the Cabinet Member for Finance and Resources, the council accepted an offer from BEIS (Department for Business, Energy & Industrial Strategy) to extend and recycle the Advanced Manufacturing Supply Chain Initiative (AMSCI) and Regional Growth Funds (RGF) awards and to amend the National Manufacturing Competitive Levels (NMCL) programme. These funds are held as Accountable Body by the council and are under fund management by Finance Birmingham Ltd (FB) and their sister company, Frontier Development Capital Ltd (FDC). Further detail is provided in Appendix A Annex 4.

3 Background

- 3.1 At the meeting on 22nd February 2022, the Council agreed a net revenue budget for 2022/2023 of £759.2m to be met by government grants, council tax and business rates. Appendix A sets out the high level financial position at Quarter 1.

4 Key Issues

Revenue position

- 4.1 Unlike many Councils we undertake a rolling review of our budget all year rather than as a one off annual process, so are constantly looking at the pressures we are facing or may have to face in the future, giving us an early warning and time to react and put in place actions to manage impacts.
- 4.2 The Director of Council Management will be presenting a Medium Term Financial plan update report to Cabinet in October providing an update on the financial pressures the Council is facing and the mitigating actions being taken.
- 4.3 Appendix A sets out in Section 12 a number of risks that have been identified at this early stage in the year. Whilst there are potential pressures, there is sufficient time for these to be quantified and mitigating actions taken to ensure a balanced revenue position by the end of the year.

- 4.4 In Section 13 of Appendix A, a number of opportunities to reduce expenditure are described. More details will be provided in later reports.

Capital Programme

- 4.5 A capital budget of £531.7m was set in the Financial Plan 2022/23 and approved by full Council on the 22nd February 2022. Like all financial years capital spend is weighted towards the later end of the year, and often spend will slip in to the following year due to the complex nature of many of the capital projects.
- 4.6 Following slippage at the end of 2021/22, Cabinet is asked to approve an increase of £162.7m in the revised Capital budget for 2022/23 from £531.7m to £694.4m.

Treasury Management and Investment Portfolio

- 4.7 Gross loan debt is currently £3,035m, with the year-end projection estimated to be £3,272m, this is below the planned level of £3,452m. The annual cost of servicing debt represents approximately 29.5% of the net revenue budget.
- 4.8 The Council's treasury investments are currently at £61m, against a planned level of £40m. The Council's cash balances are no longer at elevated levels from government support for Covid and energy relief and the Council expects to resume short term borrowing from the next quarter.
- 4.9 Details are set out in the Appendix A Annex 2.
- 4.10 The Investment Portfolio is reported in Appendix A Annex 3.

Write-Offs

- 4.11 The schedule at Appendix A, Annex 1 paragraph 1.3 summarises debts recommended for write off of over £0.025m.

5 Options considered and Recommended Proposal

- 5.1 CLT have recently adopted a set of budget management principles to ensure the delivery of a balanced budget this year whilst delivering Best in Class Services. These principles include the agreement that all overspends, demands, growth and pressures should be managed and contained at a Directorate level. Any residual gap must be managed across CLT collectively.
- a balanced budget by the end of the year

6 Consultation

- 6.1 The Leader, the Cabinet Member for Finance and Resources, Directors, the City Solicitor and the Director HR & Organisational Development have been consulted in the preparation of this report.
- 6.2 There are no additional issues beyond consultations carried out as part of the budget setting process for 2022/23.

7 Risk Management

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

8 Compliance Issues:

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

- 8.1.1 The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.

8.2 Legal Implications

- 8.2.1 Section 151 of the 1972 Local Government Act requires the Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budget control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.
- 8.2.2 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.
- 8.2.3 Section 111 of the Local Government Act 1972 contains the Council's ancillary financial and expenditure powers in relation to the discharge of its functions.

8.3 Financial Implications

- 8.3.1 The Appendix attached gives details of the risks, potential financial pressures the city council faces and actions to be taken to ensure service delivery within available resources.

8.4 Procurement Implications (if required)

- 8.4.1 N/A

8.5 Human Resources Implications (if required)

8.5.1 N/A

8.6 Public Sector Equality Duty

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

9 Background Documents

9.1 City Council Financial Plan 2022/23 approved at Council 22nd February 2022

APPENDIX A

1.1 Quarter 1 (Month 3) Financial Monitoring Report 2022/23

1. High Level Summary Financial Position

- 1.1. At the Council Meeting on the 22nd February 2022 Birmingham City Council approved a net revenue budget of £759.2m for the 2022/23 financial year. This report sets out for Cabinet the high-level performance against that budget at the end of the first quarter, any anticipated risks and the mitigating factors to ensure a balanced budget is delivered this financial year.
- 1.2. The budget for 2022/23 when approved by full Council in February was balanced, however there was a gap for future years of £33m. An approach to balance the budget has now been developed and agreed and work is underway to deliver a balanced budget for future years through the rolling Medium Term Financial Plan (MTFP) process.
- 1.3. In the financial year 2021/22, the Council underspent by £17.8m. Cabinet on the 28th June 2022 approved the transfer of this balance to the Financial Resilience Reserve (FRR) to be used to manage future budget risks.
- 1.4. The Council like all other local authorities is facing a number of financial challenges in 2022/23, including the ongoing impact of Brexit on the costs of goods and services especially in the construction industry and social care market. Rising costs of goods and services including energy and fuel. The impact from the unrest in Ukraine, and the cost-of-living crisis all of which are affecting many residents and resulting in a greater demand on our services.
- 1.5. While we have seen other Councils failing due to poor governance and decision making, weak procurement, low levels of reserves and over borrowing. Birmingham City Council is in a strong robust position with strong financial planning processes in place. Reserves are healthy and within recommended limits. Borrowing is not excessive and is reducing and the Council scores well on the CIPFA Resilience Index Indicators, where levels of borrowing and reserves are key, but CIPFA also look at delivery of savings and a strong budget process.
- 1.6. The Council is a CIPFA 3-star Financial Management authority recognising the significant financial management improvements made across the organisation since the Council was awarded a 1-star rating in 2019. The Council has achieved a growing national reputation. We are continuing to further improve and aim for a 4-star rating by April 2023.
- 1.7. Unlike many Councils we undertake a rolling review of our budget all year rather than as a one-off annual process, so are constantly looking at the pressures we are facing or may have to face in the future, giving us early warning and time to react and put in place actions to manage impacts.
- 1.8. We are constantly horizon scanning and alert to changes in rising costs and pressures on our budget. The introduction of the spend controls put in place in

November 2021 (and continuing), being an example which we saw work at the end of the last financial year.

- 1.9. The Council's Leadership Team (CLT) have adopted a set of budget management principles as well as striving to achieve Best In Class services and always seeking value for money and continuous improvement in services for our citizens. CLT has agreed the principle that all overspends, demands, growth and pressures should be managed and contained at a Directorate level. Any residual gap must be managed across CLT collectively.
- 1.10. The Director of Council Management will be presenting a Medium-Term Financial plan update report to Cabinet in October providing an update on the financial plan, the pressures the Council is facing and the mitigating actions being taken to deliver a balanced budget over the medium term.
- 1.11. The Council is also continuing to lobby the Government for fair funding where we can, and welcomes the announcement made at the recent Local Government Association Annual Conference by the then Levelling Up Secretary Michael Gove confirming that councils in England will receive a two year funding settlements from next year to help them plan with a greater degree of confidence.
- 1.12. Due to the restructuring of cost centres to improve Financial Management this report does not contain the same detailed spend reports and is a high-level report detailing the anticipated risks and mitigation actions for the financial year.
- 1.13. Work is underway to identify the full costs of the risks that have been identified, and to ensure that mitigating actions are put in place in order to achieve a balanced position at year end.
- 1.14. The high-level budget approved on 22nd February 2022 is shown below:

Table 1: High Level Budget

Directorate	Budget
	£m
Children & Families	329.589
City Operations	192.682
City Housing	15.369
Place, Prosperity and Sustainability	61.844
Strategy, Equalities and Partnerships	3.253
Adult Social Care	357.744
Council Management	93.212
Directorate Sub Total	1,053.693
Corporate Budgets	(294.461)
Corporate Subtotal	(294.461)
City Council General Fund Budget	759.232

1.15. Like previous financial years the Financial Plan for 2022/23 includes budgeted savings, these total £40.8m. There are also previously undelivered savings of £2.1m that are being monitored. Work is underway to ensure delivery of these savings with any risks to the delivery being managed and mitigated. Last year, 91% of savings were delivered and we will aim to deliver similar levels this year as well.

1.16. To help manage costs and mitigate the in-year forecast overspend in 2021/22 the council introduced a series of spending controls. The key areas of spend under control were staffing, properties / facilities management, and procurement. These controls were implemented in November 2021 and continue to remain in place for this financial year. The panels operate to provide some rigour and corporate oversight to spend, and not to prevent all spend.

2. Capital

2.1. A capital budget of £531.7m was set in the Financial Plan 2022/23 and approved by full Council on the 22nd February 2022. Like all financial year's capital spend is weighted towards the later end of the year, and often spend will slip into the following year due to the complex nature of many of the capital projects.

2.2. Following slippage at the end of 2021/22, Cabinet is asked to approve an increase of £162.7m to the Capital budget for 2022/23 from £531.7m to £694.4m.

2.3. Delivery of the Capital Programme will be closely monitored over the year. There remain risks to delivery, particularly relating to cost pressures and

material shortages for construction projects, these will be kept under review and appropriate action taken to mitigate.

- 2.4. It is important to note that no financial resources will be lost if there is slippage in the programme's expenditure at the end of the financial year. The resources and planned expenditure will be "rolled forward" into future years.

3. Medium Term Financial Plan (MTFP)

- 3.1. As stated previously, the Director of Council Management will be presenting a Medium-Term Financial plan update report to Cabinet in October. This will contain details of the new pressures and opportunities, and report on the plans that are being developed to deal with the gap identified in 2023/24 in the Financial Plan for 2022/23.
- 3.2. There was a gap of £33m in future years when the Financial Plan was agreed in February 2022. The MTFP update will provide due diligence on existing growth and any new growth and develop new plans to make savings to bridge the gap. Benchmarking will be used to help identify services where there can then be a deep dive to identify opportunities to make savings.

4. Delivery Plan

- 4.1. The Delivery Plan is designed to support transformation enabling work, which is increasingly focussing on invest to save initiatives that will improve citizen outcomes whilst reducing net service delivery costs. There is £13.6m set aside in Policy Contingency in the Financial Plan to fund projects that have already been approved. Further projects may be funded from the Delivery Plan Reserve during the financial year, and these will be detailed in future financial monitoring reports.

5. Policy Contingency

- 5.1. The 2022/23 budget includes a Policy Contingency budget of £48.0m, excluding savings to be allocated of £30.9m. The Policy Contingency budget is held centrally and not allocated to services at the start of the financial year. It is retained to protect against unplanned expenditure or when the costs of certain decisions which may be taken during the course of the financial year become clearer. Allocations will be made to services only after the demonstration of need and are subject to review and approval by the Chief Finance Officer with the exception of allocations from General Contingency which will be approved by Cabinet.

Table 2: Policy Contingency Budget 2022/23

Policy Contingency	£m
Inflation Contingency	20.930
Delivery Plan	13.619
SEND Improvement	2.792
Workforce Equalities	2.000
Apprenticeship Levy	1.308
Short-term Improvement in the Council House	1.000
Loss of Income from Car Park Closures	0.252
Corporate Funding for Owning & Driving Performance (ODP) Culture Change Programme	0.129
Transport - Funding for Young People	1.228
General Contingency	4.724
Total Policy Contingency excluding savings	47.982
Contract Savings	(1.147)
Capitalisation of Transformation costs - to be allocated to services in 2022/23	(20.000)
Fit for Purpose savings	(9.802)
Total Savings to be allocated	(30.949)
Total Policy Contingency	17.033

6. Collection Fund

- 6.1. The overall net budget for Council Tax income including Parish and Town Council Precepts is £403.0m in 2022/23. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities. At this early stage in the financial year the Council is on track to achieve this, however Collection Rates will be closely monitored given current economic risks.
- 6.2. 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 2022/23 is £355.6m (excluding the Enterprise Zone), of which the Council's retained share is £352.0m. Again, this is currently on track, but both Collection Rates and Business Rates Appeals will be closely monitored during the year.

7. Housing Revenue Account (HRA)

- 7.1. The HRA budget is forecast to spend to overall budget, but the new calls on this budget starting in the next 12 months require a review of the allocation of the HRA budget to ensure that funds are still focussed on priorities. This will take place over the next 12 weeks, but will remain within the self-funded HRA cash envelope

8. Dedicated Schools Grant (DSG)

- 8.1. The Dedicated Schools Grant (DSG) is the main funding stream for schools and education services. The allocation of DSG announced by the Department for Education (DfE) on 30th March 2022, was set at £1,374.2m for 2022/23 before deductions for academies, Business Rates and direct funding of high needs places by Education and Skills Funding Agency. The allocation after those deductions is £686.9m. This is allocated as follows: school block £377.2m, High Needs block £210.4m, Early Years block £83.0m and £16.3m Central School Services Block, which is held centrally for the Local Authority to carry out central functions on behalf of pupils in maintained schools and academies. It is anticipated that there will be a balanced position at year end.

9. Borrowing

- 9.1. Gross loan debt is currently £3,035m, with the year-end projection estimated to be £3,272m, this is below the planned level of £3,452m. The annual cost of servicing debt represents approximately 29.5% of the net revenue budget. The planned level of debt and annual cost of servicing debt currently includes over £200m borrowing for the Enterprise Zone (EZ), due to be financed from Business Rates growth within the EZ.
- 9.2. The Council's treasury investments are currently at £61m, against a planned level of £40m. The Council's cash balances are no longer at elevated levels from government support for Covid and energy relief and the Council expects to resume short-term borrowing from the next quarter.
- 9.3. Further Treasury Management information is contained in Annex 2 to this report.

10. Investment Property Portfolio

- 10.1. Details of changes in the Council's Investment Property Portfolio in Quarter 1 are provided in Annex 3, as well as confirmation that the CIPFA Treasury Code had been complied with, as has the Council's Service and Commercial Investment Strategy and its Investment Property Strategy.

11. BEIS Fund Extensions and Amendments

- 11.1. Cabinet is asked to note that under authority delegated by Cabinet on 16 April 2019 to the Cabinet Member for Finance and Resources, the council accepted an offer from BEIS (Department for Business, Energy & Industrial Strategy) to extend and recycle the Advanced Manufacturing Supply Chain Initiative (AMSCI) and Regional Growth Funds (RGF) awards and to amend the National Manufacturing Competitive Levels (NMCL) programme. These funds are held

as Accountable Body by the council and are under fund management by Finance Birmingham Ltd (FB) and their sister company, Frontier Development Capital Ltd (FDC). Further detail is provided in Annex 4.

12. Reserves

- 12.1. At the end of 2021/22, the Council had total reserves of £1,071.6m. This included £230.1m of General Reserves and Balances, broken down by:
 - 12.2. £38.4m General Fund Balance. This is more than 4.5% of the net budget, as approved by Cabinet in November 2020. There is no planned use of the General Fund Balance in 2022/23.
 - 12.3. £125.5m of Financial Resilience Reserve (FRR), this is after the £17.8m underspend in 2021/22 was transferred to it. This provides extra financial resilience in these very uncertain times and will be used to manage in year risks if required.
 - 12.4. £66.2m Delivery Plan Reserve (DPR). The DPR was established to enable the necessary investment required by the Council's Delivery Plan. It also contains the previous Invest to Save Reserve. It is expected that once business cases for the Delivery Plan projects have been finalised there will be further drawdowns during 2022/23. Details of these drawdowns will be included in future financial monitoring reports.
 - 12.5. Whilst reserve levels are considered adequate, they require continuous monitoring. The Council cannot be complacent and must continue to maintain financial rigour, particularly with regard to delivering planned savings, accumulated debt and associated financing costs and financial income collection.
- 12.6. During this financial year the Council will be undertaking a forensic review of all reserves to identify if there are any reserves that are no longer required for the purpose that they were originally created and will re purpose any that are identified.

13. Write offs

- 13.1. Annex 1 covers write offs of unrecoverable Housing Benefit, including one of over £25,000 that Cabinet are asked to approve.

14. Potential Risks

- 14.1. When the budget was set for 2022/23, growth of around £70m was built in for known pressures (excluding the Commonwealth Games). Some of these growth items were one-off and some will remain ongoing.

- 14.2. There were also risks that were identified when setting the budget (as shown in Appendix E of the Financial Plan agreed by Council on 22nd February 2022).
- 14.3. In Appendix E, after weighting the risks for probability, there was a total risk of £118m.
- 14.4. There were service specific risks identified of £46m, including £25m for Highways PFI alternative arrangements, £8m for Adult Social Care demand, and £8m for Children and Families, covering Children's Trust demand, SENAR and Home to School Transport.
- 14.5. There were corporate risks of £72m identified, including £21m related to the Collection Fund, £13m related to potential delays in Capital disposals, and £6m related to Savings Delivery. There was £1m related to inflationary pressures, but it would seem likely that will not be sufficient.
- 14.6. As mentioned above, there was a total risk of £118m. Given that not all risks would be expected to happen at the same time, a deflator of 70% was applied, leaving a total risk of £34.5m. This is more than covered by the General Fund Balance of £38.4m and the FRR balance of £125.5m.
- 14.7. Below are details of the potential risks that have been identified by each of the operational divisions of the Council, split into risks that were identified in Appendix E and new risks identified since then.

Already Identified Risks by Department

Adult Social Care

- 14.8. **Demand for Adult Social Care** continues to remain hard to predict over the next 12 months as the impact of the last two years of coronavirus has created the risk of a surge in numbers beyond the current high levels of referrals we are currently seeing. Prevention, Early Intervention, and hospital discharge schemes are picking up the bulk of the demand increases and the forecast is for packages of care commitments to remain within the 2022/23 budget.

Children and Families

- 14.9. **Special Educational Needs Assessment and Review Service (SENAR).** The Ofsted inspection in May 2021 reported that the SENAR service was extremely under resourced and unable to meet its statutory responsibilities (the caseload per officer was in the region of 600 cases, which would be considered unsafe). In February 2021, a restructure of the service was initiated, and all permanent staff placed under an S188 notice. With the Ofsted inspection and resulting commissioner appointment, this restructure was paused and remains paused pending further investigation and baselining of what the service requires to fulfil its statutory responsibilities.

There has been additional financial investment allocated for the SENAR service to address the concerns of under resourcing. For 2021/22 this was £5.1m of additional funding, and for 2022/23 £5.3m additional funding has been allocated. As the funding has currently been allocated for two years only (to fund the required staffing levels whilst the baselining exercise is undertaken), it does not allow for permanent recruitment. At present there are significant numbers of interim staff in the service covering roles from the Head of Service to support officers, and whilst this has resulted in an increase in compliance against the statutory measures, it does incur higher costs versus permanent posts.

The additional funding of £5.1m and £5.3m was based on the activity/backlogs of statutory tasks identified at that point, however further investigations have resulted in additional necessary work requiring more Appeals Officers to be appointed.

The service has now been reviewed and baselined and has undertaken extensive resource planning to ensure accurate requirements for the sustainable structure are known and additional financial resources will be requested in the upcoming Cabinet report in September 2022. This request will need to be funded from reserves in year.

- 14.10. **Home to School Transport (H2ST)**, project workstreams have been initiated to deliver better routing, contractual agreements, and data flow as well as an improved supplier invoicing system. Planning for September 2022 is advanced, with over a third of schools having submitted data and the service routing accordingly. The service has undertaken extensive resource planning and can react to late changes in requirements or new additions. A new element to the service is the introduction of Travel Support which will bring the support parts of the service together. This includes Guides (irrespective of employer), Drivers, Independent Travel Training, and the introduction of Travel Mentors.

Significant improvements are being made within H2ST, which include work that will enable accurate financial projections to be calculated from September 2022. Additional budget has been allocated to the service for 2022/23 due to significant financial pressures incurred in financial year 2021/22. However, it should be noted as per Cabinet decision of 7th June 2022 *Children and Families Directorate: Improvement Programme Update and Resources Requirement*, a significant proportion of this additional budget has been reallocated to transformation. There therefore remains a financial risk of overspend for H2ST, the value of which will not be accurately calculated until September 2022.

- 14.11. **Birmingham Children's Trust** - Placement costs continue to represent the single biggest pressure for the Trust in 2022/23 and as reported previously will require management action around review and negotiation of partner contributions as well as both demand and supply side mechanisms to mitigate the rising cost of care. The implementation of Oracle (1B) in April 2022 has impacted the ability of the Trust to produce detailed financial reports in the first quarter of the year. However, the Trust still operates CareFirst Financials for

care pay, including payments to care leavers, care providers and foster carers which is not impacted directly by the Oracle implementation. The Trust is therefore focusing on by exception and reporting on the cost of care, and a more detailed report will be provided in the next quarter as to the analysis of care costs and the management response to this.

Place, Prosperity, and Sustainability

- 14.12. The main potential risk to this directorate's budget is reduced commercial property income. Further detail is contained in annex 3 of this report and we will continue to review this throughout the year.

City Operations

- 14.13. There is a risk that the Highways Private Finance Initiative (PFI) alternative arrangement will cost significantly more than the current budget provision. Work is ongoing with the re procurement exercise and progress will be reported during the year to Cabinet.

Corporate issues

- 14.14. There are a number of savings that were listed as corporate savings in the MTFP that have not yet been distributed to Directorates. Work is ongoing to analyse the distribution of these savings and pass them out to Directorates. Until this is done, there continues to be a risk of non-delivery in year and a possible need to use the budget smoothing reserve.
- 14.15. There are risks of an economic downturn which could affect Business Rates income. There are risks that Collection Fund Income could also be affected if collection rates are less than budgeted or if growth in Council Tax Taxbase is less than anticipated.
- 14.16. There is always a risk that the Council could suffer a cyber attack. Investment and resources put into dealing with the cyber threat, but the threat remains, and other Councils have suffered financial impacts.
- 14.17. There is a risk that short-term and long-term interest rates rise above budgeted forecast, although the Council had taken a cautious view over the medium term and will continue to keep a close review of interest rates as the year progresses.
- 14.18. As always there remains a risk of industrial disputes affecting the work force of the City Council and communications channels are in place to have an open dialogue with unions to minimise this risk wherever possible.

New Risks by Department

- 14.19. As detailed earlier in this report we are continuing to live and operate in challenging financial circumstances with rising costs, increased demand for our services and reduced income. The impact of the Covid 19 pandemic is

continuing to have an impact on some sectors and we must continue to closely monitor demand and costs and put in place actions to manage the impact. Below are some of the key risks that we are potentially facing and through our well managed approach to financial management we will continue to review all risks and implement action plans to reduce them.

Adult Social Care

14.20. As expected, due to the phased introduction of the new Oracle system, income from client contributions does not currently match the budgeted profile. It is anticipated that this will be resolved in July, from which point billing will return to a four weekly schedule and collection of backdated contributions will be managed through Accounts Receivable. There is a risk that some of these backdated contributions will take longer to collect and may fall into the standard debt management process for social care debtors.

14.21. The national Fair Cost of Care exercise currently being carried out with providers will likely result in us needing to increase fees. We have been allocated £3.7m of grant funding for this, but until October, when we will have set our Birmingham Fair Cost of Care and published our Market Sustainability Plan, we cannot evaluate whether this will be sufficient.

City Operations

14.22. Parking income continues to be under pressure due to reduced demand and changing habits such as working from home and the success of strategies, such as the Clean Air Zone (CAZ), to encourage movement away from using cars in the city centre. The financial pressure in 2021/22 was £6.1m – indications are that this will be lower in 2022/23 but still material, early estimates are in the region of £5.4m. City Operations Management team are reworking the parking offer to ensure that it is fit for purpose and financially resilient over the medium term.

14.23. The increase in the cost of electricity is putting pressure on the street lighting budget, potentially in the region of £5.7m.

14.24. Pressures remain in the Leisure Service as external leisure providers continue their recovery to pre-covid levels, this is estimated to be achieved in the second half of the year. This results in the risk of not receiving the full management fee due and requests from the providers for additional support pre recovery. Estimates are potentially in the region of £1.5m. City Operations Management team are reviewing options to ensure financial resilience of the service over the medium term.

14.25. The increasing cost of fuel is impacting across the Directorate with early estimates in the region of £1.5m.

- 14.26. The Directorate has adopted the Budget Management Principles agreed by CLT and is working to manage these additional costs.

City Housing

- 14.27. The growth in demand for Temporary Accommodation (TA) has far exceeded the reductions made through the Housing Solutions and Support prevention and supply initiatives. Already now mobilised and working are additional Case Workers for prevention, the Accommodation Finding Team working with private landlords, the Complex Case Team are working with households to provide move on options out of TA, additional Dispersed Temporary Accommodation and Oscott Gardens Homeless Centre. Despite this, due to the national economic situation, the demand for Temporary Accommodation is still growing. This will increase the use of Bed and Breakfast accommodation. There is a significant risk that the TA (including B&B) budget will be exceeded even given all the work the service is carrying out. Further opportunities to increase supply and reduce demand are being investigated.

Council Management

- 14.28. The Information Technology & Digital Services (ITDS) redesign budget saving is unlikely to be fully delivered in 2022/23 due to the delays in the process of redesigning posts, completing job evaluations, consultation, and then recruitment. It is currently forecast that £1.2m of the savings will not be achieved in 2022/23. When the exact position is more certain, there is a potential to use the Budget Smoothing Reserve to fund the shortfall, as this is a timing issue. Full year savings are expected to be achieved from 2023/24 onwards.
- 14.29. Transactional Services, since the launch of Oracle this service is incurring additional overtime costs as they work through the back log created by the implementation down time of the system and the learning curve to get the organisation up to speed with the new system and processes. This is a standard part of the process of implementation of a new system. The down time was part of the planned implementation.

Corporate issues

- 14.30. There is a risk that any Pay Award agreed is in excess of the budgeted provision for 2.5%. Each extra 1% is estimated to cost in the region of £4m.
- 14.31. There are also significant risks to the Council from the current inflationary pressures in the economy, including the fuel and electricity pressures referred to in the City Operations section.
- 14.32. There are risks that the cost of living crisis will increase demands from residents for council services, leading to increased costs.

- 14.33. The Council is facing challenges in recruitment and retention in a number of services. Work is under way to find solutions and we have recently launched some high profile recruitment campaigns which is hoped will make the City Council an attractive employer.
- 14.34. There is a risk that the Council is not able to fully meet the target of capitalising £20m of transformation costs through use of Flexible Use of Capital Receipts. It is early in the financial year and this will be kept under close review.
- 14.35. There is a risk that there could be another serious outbreak of Covid-19 resulting in a national or local lockdown, or that another pandemic could materialise. While these risks are not wholly within the control of the council we must continue to plan and manage the delivery of services in an efficient and effective manner.

15. Potential Opportunities

- 15.1. Whilst we have the potential of risks there are also opportunities which we must maximise, and the key items are listed below. These will be reported on further as they materialise during the year.

Council Management

- 15.2. **Digital Mail** – there is a potential increase in income from charges to other Local authorities.
- 15.3. There is likely to be underspend in the Corporate Programme Management Office (**CPMO**) and Chief Executive's Delivery Unit (**CDU**) areas due to staff underspends.
- 15.4. There is a potential of an extra £0.4m income per year from bringing enforcement activity in house. This will be generated through the ability to charge an administration fee per outstanding debt issued for collection. This is something that would previously have been charged by the external agent. However, this is subject to finalisation of the business case and approval to implement.

City Operations

- 15.5. Work continues to mitigate pressures detailed in this report.

Strategy, Equalities and Partnerships (SEP)

- 15.6. There will be a significant underspend across SEP as a result of vacant posts, which will be used to off set pressures in other Directorates.

Corporate

15.7. It is expected that the on-going expenditure controls will continue to deliver savings through cost avoidance.

15.8. The Council has set aside budgets in Policy Contingency that could be used to fund all of the £5.7m electricity pressure in City Operations and £0.1m of the fuel pressure.

16. Savings / Income Targets

16.1. Like previous financial years the Financial Plan for 2022/23 includes budgeted savings, these total £40.8m. There are also previously undelivered savings of £2.1m that are being monitored.

16.2. The individual forecasts for each underlying savings / income target have been RAG rated and are summarised in table 3 below.

Table 3: Savings Risks 2022/23

Risk Profile to delivery	£m	% of target
Delivered	2.549	6%
Low Risk	19.260	45%
Medium Risk	8.688	20%
High Risk	12.368	29%
Total	42.865	100%

16.3. At this stage in the financial year, this risk profile is as expected and reflects the known challenges in delivering these targets.

16.4. The table above shows that of the £42.9m savings / income to be delivered in 2022/23, £12.4m is currently rated high risk. Savings scored as high risk are not deemed as undeliverable and work is in progress to realise these targets.

16.5. The main theme that results in savings targets being scored as high risk is the delivery of transformation dispersed savings from corporate initiatives including: Automation / Debt Recovery / Traded Services / Corporate Landlord / New Ways of Working (NWoW) / Customer Services / Workforce Transition / Procurement Savings.

16.6. These transformation programmes are at risk because these are corporately driven activities to release dispersed savings across services. These targets will be re-allocated to Directorates as programme work progresses.

16.7. Tables 4-7 summarise the savings in each of the RAG rating categories.

16.8. This tracking of savings / income targets is incorporated into the Corporate Programme Management Office monthly reporting to ensure programme delivery is tracked along with the delivery of savings / income targets to provide assurance and visibility of delivery.

Table 4: Savings that have been delivered (blue in Table 3 above)

Savings Type	£m
Corporate Finance Savings	2.100
Adults Transformation	0.025
BAU Initiatives	(0.099)
People Services TOM	0.523
Grand Total	2.549

Note-BAU (Business as Usual) savings are shown as negative as there are some time-limited savings from previous years falling out in 2022/23.

Table 5: Savings that are rated as low risk (green in Table 3 above)

Savings Type	£m
1B Oracle Implementation	2.000
Corporate Finance Savings	2.036
Adults Transformation	3.332
BAU Initiatives	6.084
Corporate Landlord	0.500
Finance TOM	0.763
IT&D Service Redesign	1.200
New Ways of Working	0.495
Property Programme	2.850
Grand Total	19.260

Table 6: Savings that are rated as medium risk (amber in Table 3 above)

Savings Type	£m
Corporate Finance Savings	5.500
BAU Initiatives	1.324
IT&D Service Redesign	0.500
Property Programme	1.364
Grand Total	8.688

Table 7: Savings that are rated as high risk (red in Table 3 above)

Savings Type	£m
Automation	0.850
BAU Initiatives	1.824
Customer Servs	0.390
Debt Recovery	1.000
IT&D Service Redesign	1.200
New Ways of Working	0.800
Procurement Savings	2.704
Traded Services	1.600
Workforce Savings	2.000
Grand Total	12.368

List of Annexes

- 1. Write off details**
- 2. Treasury Management Monitoring Dashboard**
- 3. Investment Property Portfolio Monitoring Dashboard**
- 4. BEIS Fund extensions**

Annex 1 Write Offs

1. Housing Benefit

- 1.1 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.
- 1.2 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.
- 1.3 Cabinet is requested to approve the writing off of one separate Housing Benefit debt to the Council which is greater than £25,000 totalling £0.050m. Table 2 details the nature of the debt and the reasons for the recommendation for write off.
- 1.4 In 2022/23, from 1st April up to 30th June 2022, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. Table 1 below details the gross value of amounts written off, which members are asked to note.

Table 1: Age Analysis of Debts written off under delegated authority

Age analysis	Over 6 years	3 to 6 years	Under 3 years	Total
	£m	£m	£m	£m
Benefit Overpayments	0.057	0.033	0.071	0.160
Total	0.057	0.033	0.071	0.160

Table 2: Schedule of over £25K Housing Benefit Debts recommended for write off

Supporting Information	Total Debt Outstanding (£)
<p>Liability Period(s)/Account Ref Number(s):</p> <p>Housing Benefit Debt</p> <p>05.04.2004 – 30.10.2016</p> <p>Summary of debt recovery process:</p> <p>Service has no further means of recovery in this case and as such the remaining debt should be written off.</p>	<p>49,926.90</p>

1.5 Table 3 gives a more detailed age analysis of overpayments and income written off.

1.6 Table 4 gives detailed analysis of debt written off by range of value.

Table 3: Summary of Debts written off under delegated authority
01.4.22 – 30.6.22

Detail	Pre 2013	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£27,775.69	£4,504.49	£11,759.39	£8,296.64	£4,638.40	£12,489.82	£9,094.82	£11,042.68	£10,468.89	£52,158.00	£7,887.37	£160,106.19	309
TOTAL	£27,775.69	£4,504.49	£11,759.39	£8,296.64	£4,638.40	£12,489.82	£9,094.82	£11,042.68	£10,468.89	£52,158.00	£7,887.37	£160,106.19	309
No of debts in Age band	12	7	13	29	29	40	53	48	57	474	125	887	

Table 4: Debts written off under delegated authority by value range:

Debt Size	Small		Medium		Large
Cases (Debtors)	<£1,000	Cases (Debtors)	£1,001- £5,000	Cases (Debtors)	£5,000- £25,000
279	£38,098.27	22	£53,636.59	8	£68,371.33

2. Business rates and Council Tax

- 2.1** There has been no resource at either officer or management level to process write offs in the last quarter due to the Council Tax Energy Rebate payment scheme. This will be undertaken later in the year.

TREASURY MANAGEMENT MONITORING DASHBOARD: 30 JUNE 2022

	value	comparator	difference
1 Gross loan debt	£m	£m	£m
at month end	3,035		
year end Forecast (vs Plan)	3,272	3,452	-180
year end Forecast (vs Pru Limit for loan debt)	3,272	4,126	-854

Forecast year end debt is currently below the year end plan. The Forecast year end debt is well within the prudential limit for loan debt, set for unplanned cashflow movements.

2 short term borrowing			
at month end (vs Plan)	99	563	-464
interest rate year to date on outstanding deals (vs assumption)	0.25%	1.00%	-0.75%

Short term borrowing is significantly below the plan but expected to increase in quarter 2, with no further Covid grants expected. Bank rate has seen consecutive rises so future borrowing is likely to be above the planned rate.

3 Treasury investments			
at month end (vs Plan)	61	40	21
interest rate year to date on outstanding deals (vs assumption)	1.04%	0.75%	0.29%

Treasury investments are currently much lower than the previous year with no further Covid grants received in advance expected.

4 Long term loans taken			
year to date (vs Plan)	-	90	-90
ave. interest rate obtained (vs assumption)	-	2.35%	-2.35%

Any long term loans taken during the year are likely to be at a higher rate than planned due to rise in gilt yields on the back of successive Bank Rate increases by the Bank of England.

5 Assurance	
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.

Treasury Management: portfolio overview			
<i>This appendix summarises the Council's loan debt and treasury management investments outstanding</i>			
	this quarter		last quarter
	30/06/2022		31/03/2022
	£m		£m
PWLB	2,489.2		2,489.2
Bonds	373.0		373.0
LOBOs	71.1		71.1
Other long term	2.5		37.5
Salix	0.3		0.4
Short term	98.9		136.6
Gross loan debt	3,035.0		3,107.8
less treasury investments	(61.2)		(146.3)
Net loan debt	2,973.8		2,961.5
Budgeted year end net debt	3,496.6		3,681.8
Prudential limit (gross loan debt)	4,126.0		4,102.7

Treasury investments are lower than the previous month as central government grants for Covid and energy relief are utilised.

Treasury investments by source	£m
UK Government	0
Money Market Funds	50
Banks and Building Societies	11
	61

Treasury investments by credit quality	£m
AAA	0
AAAmmf	50
AA	11
A	0
	61

In line with the Strategy, the Council holds its treasury investments in diversified liquid funds of high credit quality.

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.

	Getting Building Fund	Growing Places Fund	AMSCI	Regional Growth Fund	GBSLEP Fund	LGF3	LGF4	NMCL	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
UK Government	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	30.0
Birmingham City Council ¹	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	2.2
Money Market Funds	2.9	7.3	13.0	11.4	0.0	0.2	1.9	3.2	39.9
	2.9	7.3	43.0	11.4	2.2	0.2	1.9	3.2	72.1

¹ These funds have been lent to the Council by agreement at a commercial rate

Annex 2.3

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	137		-146
new loans/investments	87		-1045
loans/investments repaid	-125		1130
closing balance	99		-61

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 loans 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 repay long term loans prematurely if this provides a financial saving 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.

INVESTMENT PROPERTY PORTFOLIO MONITORING DASHBOARD: QUARTER 1 2022/23

1 Portfolio objectives

The Portfolio is comprised of non-operational service properties which were historically held to earn a financial return.

2 Portfolio summary

	£m	budget £m	forecast £m	variance
Direct property		-22.63	-23.08	-0.45
Loans on property				
less portfolio prudential borrowing		3.39	3.15	-0.24
less management costs		2.60	2.60	0.00
net total		-16.64	-17.34	-0.69

3 Limit on borrowing for Investment property portfolio

	value £m	limit £m	variance £m
prudential borrowing from 1 April 2019	0.00	50.00	50.00
borrowing repaid from sale proceeds	-16.88	-21.17	-4.29
	-16.88	28.83	45.71

4 Portfolio completions in the quarter (acquisitions and disposals)

	£m
Sales completed to quarter 3	
Sales	5.73
Purchase	21.17

Commentary:

Acquisitions of 69-73 The Parade, Sutton Coldfield; 319 Shady Lane and 30 Granby Avenue completed in June 2022.
Disposal of 373 Garratts Green, Land at Belgrave Middleway and Midlands Art Centre (Cannon Hill Park).

5 Planned activity in the coming quarter

Acquisition of 9 Colmore Row approved by Cabinet on 28th June 2022.
Terms agreed on property disposals including Wellington Wharf (units 1-3) and Boulton Road Service Station.

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 and disposed with in the appropriate manner.

Annex 4

Background

BEIS Fund Extensions and Amendments – approved under delegated authority 29 March 2022

Advanced Manufacturing Supply Chain Initiative – AMSCI. These funds were awarded by Government from Regional Growth Funds (RGF) and will now continue to be available for grants or loans across England. It is a competitive fund that provides subsidies (grants) or loans (or a combination) for capital investment, research and development expenditure and training for industrial projects involving collaborations across the supply chains (including reshoring to the UK). The council has been the accountable body of the AMSCI programme, managed by FB since 2012.

The remaining funds and loan receipts will now be recycled rather than repaid to BEIS and the new fund is expected over time to be in the region of £60m (after allowing for non-performance and bad debts). The new consolidated fund will be available to organisations across England.

Regional Growth Fund. Awarded to FDC by BEIS these comprise a Mezzanine & Debt Fund and a Tooling Fund totalling £28m, awarded in 2014 under accountable body arrangements. These are live funds that BEIS proposed extending the application geography to the whole of the Midlands rather than the West Midlands.

National Manufacturing Competitive Levels – NMCL funds support the automotive, aerospace, defence, security and space sectors in the provision of improvement activities in the supply chain through training, coaching and mentoring. It is a national (England) fund. A grant of £26m was awarded to FDC under BCC accountable body arrangements by Cabinet on 16 April 2019. This grant is managed by FB but delivered by ADS (leading trade organisation for the Aerospace, Defence, Security and Space sectors) and SMMT (Society of Motor Manufacturers and Traders). In consultation with these bodies and FDC, BEIS has reduced the budget of the programme against the allocations made in 2019. The revised total budget for 21/22 is £6.7m and for 22/23 is £0.13m, a reduction of £5.6m. All parties have taken a constructive approach to the reduction and accept the change, reflective of uptake, and as accountable body, BCC is required to confirm this position with BEIS.

Financial Implications

There are no direct financial implications for the council. The funding is held by the Council as accountable body and the Council will continue to recharge its transactional and management costs into the fund (subject to BEIS approval of any management fee ceiling). FB/FDC will charge an approved management fee to the fund. Further details are available within the delegated report of 29 March 2022.

Birmingham City Council

Report to Cabinet

Date: 26th July 2022



Subject: **PLANNED PROCUREMENT ACTIVITIES (AUGUST 2022 – OCTOBER 2022)**
Report of: **ASSISTANT DIRECTOR – PROCUREMENT**
Relevant Cabinet Member: **Councillor Yvonne Mosquito, Finance and Resources**
Relevant O &S Chair(s): **Councillor Akhlaq Ahmed, Chair of Resources O & S**
Report author: Steve Sandercock, Assistant Director, Procurement
 Email Address: steve.sandercock@birmingham.gov.uk

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

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period August 2022 – October 2022. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

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

2 Recommendations

- 2.1 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period August 2022 – October 2022 as detailed in Appendix 1.

3 Background

- 3.1 At the 12th July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.2 In line with the Procurement and Contract Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £10m (excluding VAT). This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.4 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.5 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.6 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.7 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

4 Options considered and Recommended Proposal

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

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

5 Consultation / Engagement

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

6 Risk Management

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

7 Compliance Issues:

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

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

7.2 Legal Implications

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

7.3 Financial Implications

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

7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the MTFP in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

7.4 Procurement Implications (if required)

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

7.5 Human Resources Implications (if required)

7.5.1 None.

7.6 Public Sector Equality Duty

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

8 Background Documents

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

- 1. Appendix 1 - Planned Procurement Activity August 2022 – October 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 - Notification of Minor Amendments

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2022 – OCTOBER 2022)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
Approval to Tender Strategy	New Learning Solution for BCC & BCT Learning & Development (LMS)	TBC	The aim of the procurement is for a one single, consolidated learning management system that provides a comprehensive learning offer to its employees whilst also having the ability to trade the same offer with a level of reporting to an external audience.	2 years with option to extend for 1 year	Digital and Customer Services	Digital, Culture, Heritage & Tourism	Lee Bickerton	Sharon Lewies / Fiona Burton	12/09/2022
Strategy / Award	City Housing Consultancy Support	TBC	The City Housing Transformation Programme and the review of Housing Management have identified 100 plus improvements and tasks as part of the initial review commissioned to transform City Housing and become "Best in Class".	1 year	City Housing	Housing	Andrew Healey	Bill Pickbourn / Dean Billingham	22/08/2022
Approval to Tender Strategy	Dynamic Purchasing System for the Provision of Temporary Accommodation	TBC	Work with the private sector to secure temporary accommodation solutions to support the Council's statutory duty to provide temporary accommodation to vulnerable households under the Housing Act 1996, the Homelessness Act 2002 and the Homeless Reduction Act 2017.	2 years with the option to extend for a further 2 years	City Housing	Housing	Andrew Healey	Jayne Baylis / Lucy Ford	22/08/2022
Approval to Tender Strategy	Administration and Resources for Department of Works and Pensions Initiatives	TBC	There is an unprecedented amount of demand on the Benefit Service in the number of applications for housing benefit and council tax support, applications for Local Welfare Provision (400% increase), isolation payments and crisis applications due to the impact of the cost of living fuel prices, impact from covid and DWP initiatives.	3 years with an option to extend for 1 year	Council Management	Finance and Resources	Lee Bickerton	David Kinnair / Stuart Follows	19/09/2022
Approval to Tender Strategy	Public Health NHS Health Check and Smoking Cessation Enhanced Services	TBC	NHS Health Checks (Mandated Service): Currently provided by GPs. Health check-up for adults in England aged 40 to 74, designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes, or dementia Smoking Cessation: The current Smoking Cessation services provided on behalf of Birmingham City Council are delivered by 112 GPs and 121 pharmacies. To access the services the service user must be over the age of 12 years, work, live, study, or have a GP practice located in Birmingham.	2 years with an option to extend for a further 2 years.	Public Health	Health and Social Care	Lee Bickerton	Juliet Grainger/ Sandra Asiedu	01/11/2022
Approval to Tender Strategy	Smoking Cessation Digital App	TBC	The requirement: •a peer support network for smokers wanting to quit •pharmacological & behavioural support •face-to-face consultations through Video Calling •24/7 remote brief intervention resource that Pharmacies, GP Practices, Maternity Services can use alongside the core smoking cessation service	2 years with an option to extend for a further 2 years.	Public Health	Health and Social Care	Lee Bickerton	Juliet Grainger/ Sandra Asiedu	01/11/2022
Strategy / Award	Primrose Park Landscape Construction Works	TBC	The works consist of the creation of new neighbourhood park in Primrose Estate Regeneration Area including a play area, outdoor gym, games court, picnic area, art feature, entrance features, boundary railings and planting.	Up to 1 year	City Operations	Environment	Carl Tomlinson	Robert Churn / Charlie Short	01/11/2022
Strategy / Award	Provision of a Children's Placement Portal	TBC	Birmingham Children's Trust require a partner to build a new Placement Portal for managing child placements . A test of the market has suggested that there is currently a gap in regard to this type of system being immediately available.	1 year with option to extend by a further 1 year	Digital and Customer Services	Digital, Culture, Heritage & Tourism	Lee Bickerton	James Gregory / James Parris	22/08/2022
Strategy / Award	Construction Professional Services for the Alexander Stadium	TBC	To support the reinstatement of the Alexander Stadium site to operate as a functional community and events facility to support the legacy from the Commonwealth Games 2022, there is a requirement for construction professional services for the works.	2 years	City Operations	Leader	Guy Oliviant	Dave Wagg / Charlie Short	01/11/2022
Strategy / Award	Cycle to Work Salary Sacrifice - Amendmenet	TBC	There is a requirement for the provision of bicycles in line with the Birmingham Cycle to Work salary sacrifice scheme.	4 years	Council Management	Finance and Resources	Lee Bickerton	Selina Erfani / Richard Tibbatts	22/08/2022

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 26th July 2022**

Title of Contract	New Learning Solution for BCC & BCT Learning & Development (LMS)
Contact Officers	Director / Assistant Director: Cheryl Doran, AD IT & Digital Services Client Officer: Fiona Burton, People Strategy Manager Procurement Officer: Sharon Lewies – ICT Commissioning Manager
Briefly describe the service required	The aim of the procurement is for a one single, consolidated learning management system that provides a comprehensive learning offer to its employees whilst also having the ability to trade the same offer with a level of reporting to an external audience.
What is the proposed procurement route?	The route to market will be via the Council's e-procurement portal using the restricted procurement procedure, Find a Tender (Contracts Finder), deemed best and fit for purpose at point of going out to competition.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are 2 existing contractual commitments across People Services and Adult Social Care which will end in February 2023.
Will any savings be generated?	Any cashable savings generated will contribute to the existing service area savings target. Additional to savings against budget, there is the opportunity for revenue generation via external audience (income generation). This is a new requirement, which will include replacement of some lower value contracts.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	Supporting carbon reduction by enhancement of remote learning capacity, reducing travel into Birmingham central hub. This activity supports the Council's objective to utilise ICT as part of the modern workplace programme,
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	This service will support both statutory and non-statutory development/role related training. The justification is efficiency of service.
What budget is the funding from for this service?	This is funded from People Services and Adult Social Care.
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2022 (to cover implementation prior to existing contracts ending in February 2023) for a period of 2 years with an optional extension of 1 year.

Title of Contract	City Housing Consultancy Support
Contact Officers	Director / Assistant Director – Julie Griffin, Strategic Director – Housing Programme Director / Client Officer: Bill Pickbourn Procurement Officer: Dean Billingham, Assistant Category Manager
Briefly describe the service required	<p>The City Housing Transformation Programme and the review of Housing Management have identified 100 plus improvements and tasks as part of the initial review commissioned to transform City Housing and become “Best in Class”.</p> <p>Project teams have now been established, however, to meet the programme timescales, deliver the objectives and have the ability to respond to new requirements quickly, there is a need to have access to consultancy capacity which will often be required at short notice or to allow time for internal resources to be secured. City Housing, therefore, requires access to a mix of resources to deliver the different assignments over the next 12 months. Approval is requested to put a flexible arrangement in place, to enable resources to be drawn down as and when required in a planned and responsive manner, against approved business cases or project briefs.</p>
What is the proposed procurement route?	YPO 940 Managing Consultancy and Professional Services or ESPO Consultancy Services PCR15 compliant frameworks.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with current consultants 40C expires in September 2022.
Will any savings be generated?	No cashable savings will be generated by this project.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	In-house test has not been carried out due to lack of suitably skilled resources to undertake this activity within the Directorate. In addition, the review needs to be taken by an independent organisation.
How will this service assist with the Council’s commitments to Route to Zero?	As this is a Consultancy Service that will be predominately carried out remotely, there is a net zero footprint for delivery of this service.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to provide assurance that the Housing Service is designed as a best in class function.
What budget is the funding from for this service?	This is funded from HRA budget.
Proposed start date and duration of the new contract	The proposed start date is August 2022 for a period of up to 12 months.

Title of Contract	Dynamic Purchasing System for the Provision of Temporary Accommodation
Contact Officers	Director / Assistant Director: Julie Griffin, Strategic Director - Housing Client Officer: Jayne Baylis, Modernisation And Strategic Manager Procurement Officer: Lucy Ford, Sub-Category Manager
Briefly describe the service required	Work with the private sector to secure temporary accommodation solutions to support the Council's statutory duty to provide temporary accommodation to vulnerable households under the Housing Act 1996, the Homelessness Act 2002 and the Homeless Reduction Act 2017.
What is the proposed procurement route?	To establish a Dynamic Purchasing System (DPS) pilot that will be subject to the Public Contracts Regulations 2015.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This DPS, which was originally approved by Cabinet November 2020 along with the recently awarded block contracts, will ultimately replace the current PSL framework for temporary accommodation. The framework expires on the 31st July 2022. This DPS pilot will support the urgent need for additional ad hoc temporary accommodation requirements beyond the block contracts recently awarded. The DPS will also reduce the reliance upon ad-hoc expensive bed and breakfast emergency accommodation.
Will any savings be generated?	No cashable savings will be generated by this project. However, this route to market will support the reduction in bed and breakfast accommodation usage which is more expensive.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	We would aim to attract properties which locate service users close to their place of work/schools.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council has a statutory duty to provide temporary accommodation to vulnerable households under the Housing Act 1996, the Homelessness Act 2002 and the Homeless Reduction Act 2017.
What budget is the funding from for this service?	This is funded from existing PSL and Bed & Breakfast temporary accommodation budget.
Proposed start date and duration of the new contract	The proposed start date is September 2022 for a period of two years with the option to extend for a further two years in yearly increments.

Title of Contract	Administration and Resources for Department of Works and Pensions Initiatives
Contact Officers	Director / Assistant Director: Tim Savill – Assistant Director Client Officer: David Kinnair – Head of Benefit Service Procurement Officer: Stuart Follows – Assistant Category Manager
Briefly describe the service required	There is an unprecedented amount of demand on the Benefit Service in the number of applications for housing benefit and council tax support, applications for Local Welfare Provision (400% increase), isolation payments and crisis applications due to the impact of the cost of living fuel prices, impact from covid and DWP initiatives. This is not of the Council's making and leaves the service unable to deal with the increased demand and backlog of applicants who are not receiving their housing benefit/council tax support or local welfare. The Council requires a long-term partner who have resource that is suitably skilled and experienced and available to deliver the service on the tasks required as and when needed.
What is the proposed procurement route?	A procurement process will be undertaken advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract in place until 30 th September 2022 with Nottingham Revenue and Benefits Ltd.
Will any savings be generated?	No cashable savings will be generated by this project. This is additional resource required to support the customer service delivery.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	A contract with Nottingham Revenue and Benefits Ltd will need to be awarded by way of an SCN from 1st October 2022 until Jan 2023 . This allowing for the ongoing resource benefit support needed whilst a compliant tender process is carried out for a longer-term partner and also allowing for time required for the awarded supplier staff resource to be provided system access, training and clearance to all security measures and applications. The contract value by way of the SCN for 4 months falls below the threshold for BBC4SR. Although payment of the Real Living Wage will be required.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house for the period of this contract.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in zero emission for transport.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	Failure to provide this service would result in the Council not being able to discharge its statutory duties.
What budget is the funding from for this service?	This will be funded from the Department for Work and Pensions.
Proposed start date and duration of the new contract	The proposed start date, following a compliant tender process, is January 2023 for a period of 3 years with an option to extend for 12 months.

Title of Contract	Public Health NHS Health Check and Smoking Cessation Enhanced Services
Contact Officers	Director / Assistant Director: Dr Justin Varney, Director Public Health Client Officer: Juliet Grainger, Service Lead (Adults) Procurement Officer: Sandra Asiedu, Assistant Category Manager
Briefly describe the service required	NHS Health Checks (Mandated Service): Currently provided by GPs. A 5 yearly health check-up for adults in England aged 40 to 74, designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes, or dementia Smoking Cessation: The current Smoking Cessation services provided on behalf of Birmingham City Council are delivered by 112 GPs and 121 pharmacies. To access the services the service user must be over the age of 12 years, work, live, study, or have a GP practice located in Birmingham.
What is the proposed procurement route	To establish a Dynamic Purchasing System (DPS) for smoking cessation and NHS Health Checks.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	Current contracts with GPs and Pharmacies for NHS Health Checks and Smoking Cessation expire in May 2023.
Will any savings be generated?	No cashable savings will be generated by this project however the payment structure is payment by results which is currently capped to reduce the risk of overspend.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the capacity, equipment and locality facilities required to deliver these services in the community or generate NHS referrals that may be required because of health screening
How will this service assist with the Council's commitments to Route to Zero?	Providing services across the city in each locality contributes to reducing the Cities carbon footprint to zero
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is a statutory duty to provide NHS Health Checks as a mandated service under the public health grant conditions. Smoking Cessation (non-mandated): Smoking is a major risk factor for chronic diseases and premature deaths in Birmingham. National data indicates that Birmingham has higher rates of smoking related mortality at 230 deaths per 100,000 compared with West Midlands and England averages at 204 and 202 per 100,000 respectively
What budget is the funding from for this service?	This is funded from budgets: B1-AV0KZ--E00-JZZZZZ-TV5KL-JZZZ-JXXX B1-AV0KZ--E00-JZZZZZ-TV5L0-JZZZ-JXXX
Proposed start date and duration of the new contract	The proposed start date is 1st June 2023 for a period of 2 years with an option to extend for a further 2 years.

Title of Contract	Smoking Cessation Digital App
Contact Officers	Director / Assistant Director: Dr Justin Varney, Director Public Health Client Officer: Juliet Grainger, Service Lead (Adults) Procurement Officer: Sandra Asiedu, Assistant Category Manager
Briefly describe the service required	Artificial Intelligence for stop smoking services can reach individuals who cannot commit to weekly/fortnightly smoking cessation meetings due to personal and work commitments. The requirement: <ul style="list-style-type: none"> • a peer support network for smokers wanting to quit • pharmacological & behavioural support • face-to-face consultations through Video Calling • 24/7 remote brief intervention resource that Pharmacies, GP Practices, Maternity Services can use alongside the core smoking cessation service
What is the proposed procurement route?	To be advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current App based solution (Quit with Bella) provided by Solutions4Health from 1 July 2021 will expire in May 2023.
Will any savings be generated?	No cashable savings will be generated by this project.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house. Up to date technology, marketing reach and reduced costs can be better achieved via the market
How will this service assist with the Council's commitments to Route to Zero?	The service is a digital app that Birmingham residents can download to any electronic device. It does not have a carbon footprint.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the current service, Quit with Bella, allows us to provide increased patient choice/access to smoking cessation support. This is important as national data indicates that Birmingham has higher rates of smoking related mortality at 230 deaths per 100,000 compared with West Midlands and England averages at 204 and 202 per 100,000 respectively.
What budget is the funding from for this service?	This is funded from budget. B1-AV0KZ--E00-JZZZZZ-TV5L0-JZZZ-JXXX
Proposed start date and duration of the new contract	The proposed start date is 1st June 2023 for a period of 2 years with an option to extend for a further 2 years.

Title of Contract	Primrose Park Landscape Construction Works
Director / Assistant Director	Director: Rob James – Strategic Director of City Operations Client Officer: Robert Churn, Head of Landscape and Development Procurement Officer: Charlie Short, Sub-Category Manager
Briefly describe the service required	<p>Cabinet approved the Full Business Case for the regeneration of the Kings Norton Primrose Estate including the creation of a new neighbourhood park on 27th July 2015. This approved the delegation of the procurement strategy to the Deputy Leader and the then Cabinet Member for Commissioning, Contracting and Improvement jointly with the then Interim Strategic Director of Place. Since, the Constitution has changed with the Cabinet Member now not having the approval for a procurement activity</p> <p>The works consist of the creation of new neighbourhood park in Primrose Estate Regeneration Area including a play area, outdoor gym, games court, picnic area, art feature, entrance features, boundary railings and planting.</p>
What is the proposed procurement route?	A further competition exercise using the Council's Landscape Construction Framework Agreement will be carried out.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
Will any savings be generated?	No cashable savings will be generated by this project.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house.
How will this service assist with the Council's commitments to Route to Zero?	Taking a whole place approach, the creation of a new neighbourhood park with natural green space and tree planting will help to deliver the ambitions set out in the Carbon Roadmap, where the City Council is committed to a 60% carbon reduction by 2027. The proposals will help to deliver the Birmingham and Black Country Nature Improvement Area action plan targets and help meet the policy commitments in the Council's emerging City of Nature Strategy and its global Biophilic City commitments.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for these works. However, the works support a high and safe standard green space. This is reflected in the 2010 Planning Framework documents and meets current planning policy aimed at providing adequate public open space for new residents of Kings Norton Primrose Estate.
What budget is the funding from for this service?	The development and delivery cost of this new park will be funded from capital receipts from property sales from this development, the Local Growth Fund and Housing Revenue contributions.
Proposed start date and duration of the new contract	The proposed start date is January 2023 for a duration of up to 12 months.

Title of Contract	Provision of a Children's Placement Portal
Contact Officers	Director / Assistant Director: Cheryl Doran, AD IT & Digital Services Client Officer: James Gregory - Head of ICT Programme Procurement Officer: Jamie Parris – Lead IT Commissioning Manager
Briefly describe the service required	Birmingham Children's Trust require a partner to build a new Placement Portal for managing child placements . A test of the market has suggested that there is currently a gap in regard to this type of system being immediately available. Therefore, a supplier with the expertise to build a brand-new application is required.
What is the proposed procurement route?	The proposed route to market will be via an appropriate Crown Commercial Services National Framework Agreement and Lot.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is no contract in place at present.
Will any savings be generated?	Any savings opportunities are still to be confirmed.
If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes – the capacity and capability does not yet exist in BCC to build this application.
How will this service assist with the Council's commitments to Route to Zero?	The proposed solution aims to digitise forms and paperwork which is currently held manually.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The placements portal is business critical and supports statutory responsibilities for children in care placements.
What budget is the funding from for this service?	The portal will be funded equally by 14 LAs. The aim is to secure DLUHC Digital funding in the first instance.
Proposed start date and duration of the new contract	The proposed start date following procurement is expected to fall within Q3 2022/23 and be for a period of 12 months with option to extend by a further 12 months until the build has been completed and deployed.

Title of Contract	Construction Professional Services for the Alexander Stadium
Director / Assistant Director	Director: Rob James – Strategic Director of City Operations Client Officer: Dave Wagg, Head of Sport and Physical Activity Procurement Officer: Charlie Short, Sub-Category Manager
Briefly describe the service required	To support the reinstatement of the Alexander Stadium site to operate as a functional community and events facility to support the legacy from the Commonwealth Games 2022, there is a requirement for construction professional services for the works. The services include: <ul style="list-style-type: none"> • Project Management • Cost control • Design • Clerk of Works
What is the proposed procurement route?	A further competition exercise using the Crown Commercial Service Construction Professional Services Framework Agreement will be carried out. Depending on the fit between the service requirements and the works specifications for individual lots on the framework, this will be delivered through up to three separate processes.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
Will any savings be generated?	No cashable savings will be generated by this project.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there are not the skills or capability within the Council for this service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for this service. However, it will support the reinstatement work for one of the Council's major assets to build up the legacy from hosting the Commonwealth Games 2022.
What budget is the funding from for this service?	The service will be funded from the approved Alexander Stadium budget.
Proposed start date and duration of the new contract	The proposed start date is October 2022 for a duration of 2 years.

APPENDIX 4

Notification of Minor Amendments

This appendix notes there is an amendment to the proposed procurement route previously agreed by Cabinet in 7th June 2022. The change to the revised PPAR highlights the changes made to the original and revised PPAR items below for reference.

Title of Contract	Cycle to Work Salary Sacrifice
Contact Officers	Director / Assistant Director: Darren Hockaday, Director, HR and Organisation Development (interim) Client Officer: Selina Erfani, Senior Job Evaluation & Research Officer, HR and Organisation Development Procurement Officer: Richard Tibbatts, Head of Category - Corporate
Briefly describe the service required	There is a requirement for the provision of bicycles in line with the Birmingham Cycle to Work salary sacrifice scheme.
What is the proposed procurement route?	To carry out further competition exercises using the Eastern Shires Purchasing Organisation (ESPO) Staff benefits framework agreement (319).
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is not a current contract in place. The existing contract expired 31 st July 2021. Due to staff shortages and movements within the team it was not possible to re-procure this in time. However, the services have continued to be provided by Halfords under the contractual arrangements.
Will any savings be generated?	As the bicycles are purchased from employees' salaries, there will be no savings to the revenue budget as a result of this procurement exercise.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the capacity within the Council to provide bicycles.
How will this service assist with the Council's commitments to Route to Zero?	The service will support the Birmingham Transport Plan aspiration to promote public transport and active travel.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for these services. However, the cycle to work scheme encourages employees to develop a healthier more active lifestyle.
What budget is the funding from for this service?	This is funded from the salary sacrifice scheme budget B1 AV0KB 5DR0 DMAD E00 and deductions from employee's salaries are credited to the same budget to cover the cost.
Proposed start date and duration of the new contract	The proposed start date is 1 st August 2022 for a period of 4 years.

REVISED AMENDMENTS BELOW HIGHLIGHTED IN YELLOW:

Title of Contract	Cycle to Work Salary Sacrifice
Contact Officers	Director / Assistant Director: Darren Hockaday, Director, HR and Organisation Development (interim) Client Officer: Selina Erfani, Senior Job Evaluation & Research Officer, HR and Organisation Development Procurement Officer: Richard Tibbatts, Head of Category - Corporate
Briefly describe the service required	There is a requirement for the provision of bicycles in line with the Birmingham Cycle to Work salary sacrifice scheme.
What is the proposed procurement route?	There is a requirement to change the procurement route from further competition to direct award. The further competition route was explored further with the ESPO framework manager. As a result, mini competition has been deemed impractical as all the framework providers submitted zero cost bids and different specifications of bicycles. This would make a consistent evaluation difficult and risk challenge. Consequently, an options appraisal will be carried out with framework providers to determine the most appropriate provider for direct award.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is not a current contract in place. The existing contract expired 31 st July 2021. Due to staff shortages and movements within the team it was not possible to re-procure this in time. However, the services have continued to be provided by Halfords under the contractual arrangements.
Will any savings be generated?	As the bicycles are purchased from employees' salaries, there will be no savings to the revenue budget as a result of this procurement exercise.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the capacity within the Council to provide bicycles.
How will this service assist with the Council's commitments to Route to Zero?	The service will support the Birmingham Transport Plan aspiration to promote public transport and active travel.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for these services. However, the cycle to work scheme encourages employees to develop a healthier more active lifestyle.
What budget is the funding from for this service?	This is funded from the salary sacrifice scheme budget B1 AV0KB 5DR0 DMAD E00 and deductions from employee's salaries are credited to the same budget to cover the cost.
Proposed start date and duration of the new contract	The proposed start date is 1 st September 2022 for a period of 4 years.



Resources O&S Committee: Work Programme 2022/23

Chair	Councillor Akhlaq Ahmed
Deputy Chair	Councillor Bushra Bi (elect)
Committee Members:	Councillors Meirion Jenkins, Rashad Mahmood, Hendrina Quinnen, Sybil Spence, Paul Tilsley and Ken Wood
Committee Support:	Senior Overview and Scrutiny Manager: Fiona Bottrill (07395 884487) Scrutiny Officer: Jayne Bowles (303 4810) Committee Manager: Mandeep Marwaha (303 5950)

1 Introduction

- 1.1 The remit of the Resources O&S Committee is 'to fulfil the functions of an Overview and Scrutiny Committee as they relate to any policies, services and activities concerning finance (including strategic finance, budget setting and financial monitoring); revenues and benefits; treasury management; council land use and property assets; human resources; contracting, commissioning and commercialisation'.
- 1.2 This report provides details of the proposed scrutiny work programme for 2022/23.

2 Recommendation

- 2.1 That the Committee considers its work programme, attached at Appendix 1, and considers whether any amendments are required.

3 Background

- 3.1 *"Scrutiny is based on the principle that someone who makes a decision...should not be the only one to review or challenge it. Overview is founded on the belief that an open, inclusive, member-led approach to policy review...results in better policies in the long run."* (Jessica Crowe, former Executive Director, Centre for Governance and Scrutiny).
- 3.2 Developing an effective work programme is the bedrock of an effective scrutiny function. Done well, it can help lay the foundations for targeted, inclusive and timely work on issues of local importance, where scrutiny can add value. Done poorly, scrutiny can end up wasting time and resources on issues where the impact of any scrutiny work done is likely to be minimal.
- 3.3 As a result, the careful selection and prioritisation of work is essential if the scrutiny function is to be successful, add value and retain credibility.



4 Work Programme

- 4.1 Appendix 1 sets out the future work programme for this Committee. This provides information on the aims and objectives, together with lead officers and witnesses, for each item. The attached work programme also includes items to be programmed where dates are still to be confirmed, and any outstanding items including the tracking of previous recommendations.

5 Other Meetings

- 5.1 There are no other meetings scheduled at this time.

Call in Meetings:

None scheduled

Petitions

None scheduled

Councillor Call for Action requests

None scheduled

It is suggested that the Committee approves Thursday at 2.00pm as a suitable day and time each week for any additional meetings required to consider 'requests for call in' which may be lodged in respect of Executive decisions

6 Forward Plan for Cabinet Decisions

- 6.1 Since the implementation of the Local Government Act and the introduction of the Forward Plan, scrutiny members have found the Plan to be a useful tool in identifying potential agenda items.
- 6.2 The following decisions, extracted from the CMIS Forward Plan of Decisions, are likely to be relevant to the Resources O&S Committee's remit. The Panel may wish to consider whether any of these issues require further investigation or monitoring via scrutiny. The Forward Plan can be viewed in full via Forward Plans (cmis.uk.com).

ID Number	Title	Portfolio	Proposed Date of Decision
010137/2022	Financial Monitoring Report Quarter 1 2022/23	n/a	26 Jul 22
007538/2020	Disposal of Surplus Properties	Leader	06 Sept 22



009663/2022	Promotion of Council Owned Land within Bromsgrove	Leader	11 Oct 22
010142/2022	Medium Term Financial Plan (MTFP) Refresh	n/a	11 Oct 22
010138/2022	Financial Monitoring Report Quarter 2 2022/23	n/a	08 Nov 22

7 Legal Implications

7.1 There are no immediate legal implications arising from this report.

8 Financial Implications

8.1 There are no financial implications arising from the recommendations set out in this report.

9 Public Sector Equality Duty

9.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9.2 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering: How policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; Whether the impact on particular groups is fair and proportionate; Whether there is equality of access to services and fair representation of all groups within Birmingham; Whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.

9.3 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

10 Use of Appendices

10.1 Appendix 1 – Work Programme for 2022/2023

APPENDIX 1
2022-23 WORK PROGRAMME

Date of Meeting: Thursday 28th July 2022

Item/ Topic	Type of Scrutiny	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information (Including joint working / links with other O&S Committees)
Financial Monitoring Q1 2022/23	Monitoring Report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the Cabinet report (considered on 26 July) on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 19th July 2022

Publication: Wednesday 20th July 2022

Date of Meeting: Thursday 8th September 2022

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring Report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Progress Report on Implementation: Procurement Governance Arrangements	Tracking report	To monitor progress on delivery of the recommendations	Steve Sandercock, Assistant Director - Procurement	To be confirmed	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director - Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 30th August 2022

Publication: Wednesday 31st August 2022

Date of Meeting: Thursday 6th October 2022

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring Report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director - Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 27th September 2022

Publication: Wednesday 28th September 2022

Date of Meeting: Thursday 17th November 2022

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring report	Scrutiny of current financial situation	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 8th November 2022

Publication: Wednesday 9th November 2022

Date of Meeting: Thursday 22nd December 2022

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 13th December 2022

Publication: Wednesday 14th December 2022

Date of Meeting: Thursday 19th January 2023

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Budget Scrutiny	Consultation	Scrutiny to respond to Budget Consultation	Rebecca Hellard, Director of Council Management	To be confirmed	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 10th January 2022

Publication: Wednesday 11th January 2022

Date of Meeting: Thursday 2nd March 2023

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 21st February 2022

Publication: Wednesday 22nd February 2022

Date of Meeting: Thursday 30th March 2023

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring Report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager	None	None Required	

Final Deadline: Tuesday 21st March 2022

Publication: Wednesday 22nd March 2022

Date of Meeting: Thursday 27th April 2022

Item/ Topic	Type	Aims and Objectives	Lead Officer	Witnesses	Visits	Additional Information
Financial Monitoring 2022/23	Monitoring Report	Scrutiny of current financial position	Rebecca Hellard, Director of Council Management	None	None Required	
Planned Procurement Activities Report	Standing Item	To note the latest Cabinet report on planned procurement activity.	Steve Sandercock, Assistant Director – Procurement	None	None Required	
Work Programme Development	Decision	Approve work programme for 2022-23	Fiona Bottrill, Senior Overview and Scrutiny Manager			

Final Deadline: Tuesday 18th April 2022

Publication: Wednesday 19th April 2022

TO BE SCHEDULED:

Cabinet Member Priorities:

- Councillor Ian Ward, Leader
- Councillor Yvonne Mosquito, Cabinet Member for Finance and Resources
- Councillor John Cotton, Cabinet Member for Social Justice, Community Safety and Equalities

Monitoring Implementation of Recommendations:

- Council Assets Inquiry

Other Items suggested for the work programme:

- Impact of Universal Credit roll out on the Council and understanding of residents' housing costs / needs and implications for the cost of living crisis
- Financial implications of the Council's approach to early intervention for the Council's finances and budget, including proposal to bring enforcement into Council service
- Management of the Council's budget deficit
- Delivering Best in Class Services in Finance, Resources and HR: What are current base lines and how will progress be measured?
Examples of other Best in Class services / organisations in relation to finance, resources and human resources
- Implementation of Digital Strategy
- Long Term Debt Strategy
- Outcome of the CIPFA Budget Sufficiency Review of Education and Skills Directorate (now the Children and Families Directorate)
- Use of consultants