



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	Quarter 1 - Revenue and Capital Outturn Report 2017/18
<b>Meeting of:</b>	Scrutiny (Audit and Value for Money Council Services) Committee
<b>Date:</b>	18 Sept 2017
<b>Is this an Executive Decision:</b>	Yes
<b>Is this a Key Decision:</b>	No
<b>Is the Report Confidential:</b>	No
<b>If so, please state relevant paragraph from Schedule 12A LGA 1972:</b>	n/a

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: **Angela Wakefield**

Date ..... Signature .....

Chief Finance Officer: **Sal Khan**

Date ..... Signature .....



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Scrutiny (Audit and Value for Money Council Services) Committee**

**Date: 18th September 2017**

**REPORT TITLE: Quarter 1 - Revenue and Capital Outturn 2017/18**

**PORTFOLIO: Leader / Finance**

**HEAD OF SERVICE: Sal Khan**

**CONTACT OFFICER: Lisa Turner, Chief Accountant Ext. No. x1399**

**WARD(S) AFFECTED: All**

**1. Purpose of the Report**

1.1 To accord with the Council's financial regulations, this report presents the forecast outturn position in relation to the Council's revenue budget, capital programme of expenditure, treasury and risk management activities. This is the first quarterly report in the annual cycle of financial monitoring for the financial year 2017/18.

**2. Executive Summary**

2.1 The report highlights that overall there is a **forecast under-spend of £182k** for the full financial year against a net budget of £10.582m. Considering the extent of savings that have been built into the budget in recent years as a result of the unprecedented core funding reductions from central government, overall this is a good position at this stage of the year.

2.2 Set out below are the most significant variations identified at this early point in the year. It remains crucial that budget holders and Heads of Service continue to monitor their budgets closely and where necessary take action to contain spending within budget.

2.3 Notable variances contained within the forecast outturn are as follows:-

- **Savings arising from the interim senior management structure of £81k;**
- **Net forecast savings (£149k) within the Community, Open Spaces and Facilities Division**

Further details on these areas are detailed at paragraph 4.2.

- 2.4 Investments as at 30<sup>th</sup> June stood at £25m. Investment returns during the first quarter have average 0.46%, which exceeds both the base rate and budget. Borrowing at the end of the quarter stands at £11.2m and we continue to operate an under borrowed position, which is favourable in the current market conditions. Further information in relation to Treasury Management is set out within Section 5 of this report.
- 2.5 The authority's capital spending plans total £2.1m. The report does not highlight any issues at this stage of the year. Further details in respect of the capital Programme are set out within Section 6 of the report.

### **3. Revenue Budget 2017/18**

- 3.1 On 27th February 2017, the full Council approved the Revenue Budget for the year 2017/18, totalling £10,582m as follows:

<b>Approved Service Budgets</b>	<b>£000's</b>
<b>Arts, Brewhouse and Functions</b>	<b>341</b>
<b>Community and Open Spaces</b>	<b>2,221</b>
<b>Corporate Management Team</b>	<b>497</b>
<b>Corporate and Commercial</b>	<b>825</b>
<b>Cultural Services – Marketing</b>	<b>126</b>
<b>Enforcement</b>	<b>(531)</b>
<b>Enterprise</b>	<b>132</b>
<b>Environment</b>	<b>2,850</b>
<b>Environmental Health</b>	<b>497</b>
<b>Financial Services and Capital Financing</b>	<b>1,385</b>
<b>Housing</b>	<b>238</b>
<b>Human Resources, Payments &amp; Pensions</b>	<b>1,546</b>
<b>IT and Printing</b>	<b>573</b>
<b>Land Charges</b>	<b>(3)</b>
<b>Legal Services</b>	<b>(306)</b>
<b>Leisure - Indoor Facilities</b>	<b>872</b>
<b>Leisure - Outdoor Facilities</b>	<b>150</b>
<b>Markets</b>	<b>(13)</b>
<b>Planning</b>	<b>213</b>
<b>Revenue, Benefits and Customer Contacts</b>	<b>205</b>
<b>Corporate Budgets</b>	<b>(1,240)</b>
<b>Total Contributions to / (from) Reserves</b>	<b>4</b>
<b>Total</b>	<b>10,582</b>

- 3.2 Financial control is maintained by monitoring actual expenditure against approved budgets at regular intervals throughout the year. Authorised budget transfers and virements take place between individual services in accordance with financial regulations.

#### 4. Forecast Revenue Outturn 2016/17

- 4.1. The following table indicates the quarter one variations and the expected effect on the outturn for the year. A number of variations are presently compensated for by temporary under or over spends.

Summary by Service	Annual Budget	Forecast Outturn (Quarter 1)	Variation Over/(Under)
	£'000	£'000	£'000
Arts, Brewhouse and Functions	341	351	10
Community and Open Spaces	1,580	1,431	(149)
Corporate Management Team	493	415	(78)
Corporate and Commercial	824	822	(2)
Cultural Services - Marketing	126	126	0
Enterprise	132	132	0
Environment	2,850	2,864	14
Environmental Health	523	523	0
Financial Services	1,385	1,383	(2)
Housing	238	244	6
Human Resources and Payments	1,546	1,546	0
IT and Printing	573	573	0
Land Charges	(3)	(3)	0
Legal Services, Assets and Licensing	(217)	(240)	(23)
Leisure Centres - Indoor Facilities	872	901	29
Leisure Centres - Outdoor Facilities	150	156	6
Markets	(13)	5	18
Planning	213	200	(13)
Revenue, Benefits and Customer Contacts	205	207	2
Corporate Items	(1,240)	(1,240)	0
Total Contributions to / (from) Reserves	4	4	0
<b>Total</b>	<b>10,582</b>	<b>10,400</b>	<b>(182)</b>

- 4.2 The tables at Appendix A summarise, by service division, the variations between the 2017/18 budget and the year-end forecast outturn. Further supporting narrative in relation to those divisions with significant variations is set out below:

■ **Community, Open Spaces and Facilities – Forecast under-spend £149k**

There are a number of forecast savings across the division, primarily arising from grounds/ car park maintenance and play equipment. These arise due to a number of factors, including a pro-active approach to management, as well as the nature of this type of expenditure being influenced by factors outside of the Council's control. In addition, there are staffing savings arising from a vacant post within Neighbourhood Working (£28k) and income is anticipated to exceed budget (£34k) in relation to sponsorship activities and Cemeteries. These forecast savings are partially offset by cost pressures, including £40k of business rates for the Malsters office accommodation, this arises from a

tribunal case resulting in the rates being re-assessed and back dated. Income from car parking is forecast to be £33k lower than when the budget was set, which takes into account the estimated impact of the new charges approved by Cabinet.

■ **Corporate Management Team – Forecast under-spend £78k**

Savings are forecast following the introduction of an interim senior management structure amounting to £81k, which is partially offset by the vacancy factor already built into the approved budget.

- 4.3 As always, budget holders examine their controllable spend accordingly, identifying areas of unnecessary spend and develop action plans to remedy potential over spending/ loss of income and mitigate the associated risks.

## **5. Treasury Management**

- 5.1 The Council approved the Treasury Management Strategy Statement for 2017/18 on 27<sup>th</sup> February 2017 and this section is an update on progress against this Strategy and the Revenue Budget.

### Investment Returns

- 5.2 The average rate of investment return that was assumed in the 2017/18 budget was 0.33%; this was based on the forecast average Bank of England base rate plus an ESBC return factor. The base rate has been 0.25% since August 2016. Current expectations are that the base rate will not increase above 0.5% until late 2019.

- 5.3 Appendix B shows the outstanding investments the authority has as at 30<sup>th</sup> June 2017. Average investment returns (0.46%) are performing above budget, which is a positive position considering our continued low risk approach.

- 5.4 The investment listing (Appendix B) includes certificates of deposit held with a number of international banks. These instruments offer significant counterparty strength and rates preferable to those available with call account and money market fund deposits.

- 5.5 A further £18k was recovered in distributions from the failed Icelandic Bank – KSF during this quarter. The administration process has been extended until 2018.

### 5.6 Borrowing

The average rate payable on the Council's borrowing as at 30<sup>th</sup> June 2017 is 5.4%. The Council has, in total, outstanding debt of £11.2m at 30<sup>th</sup> June 2017. The Council is currently operating an under-borrowed position, which is favourable in the current market conditions.

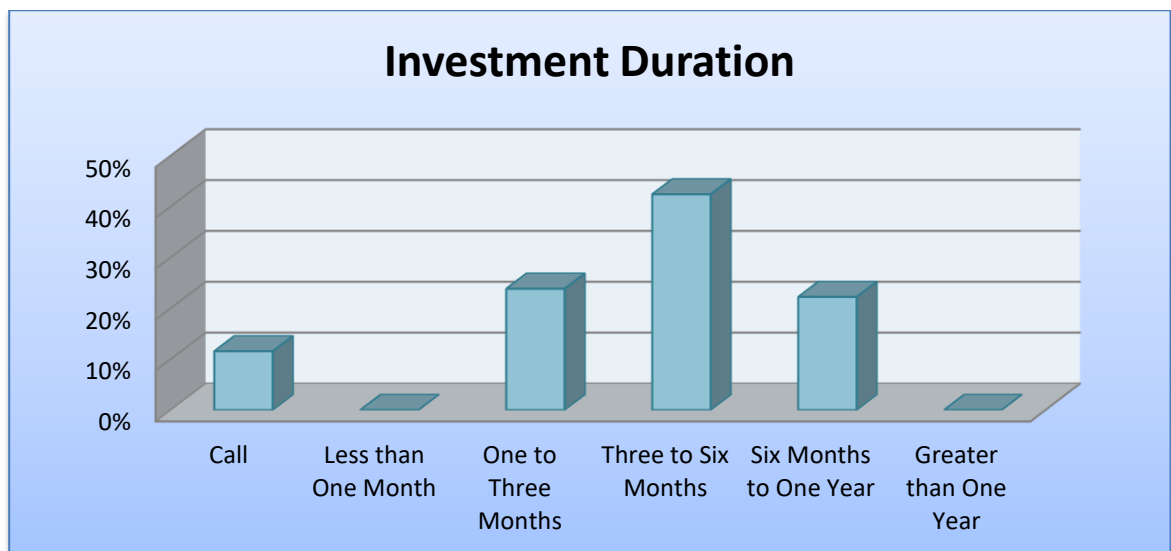
Debt Type	Principal Outstanding (£)	Average Rate
<b>Total Fixed Debt</b>		
PWLB Maturity	5,700,000	4.650%
PWLB Annuity	664,667	8.210%
<b>Total Variable Debt</b>		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	0%
<b>Total External Debt</b>	<b>11,239,667</b>	<b>5.390%</b>

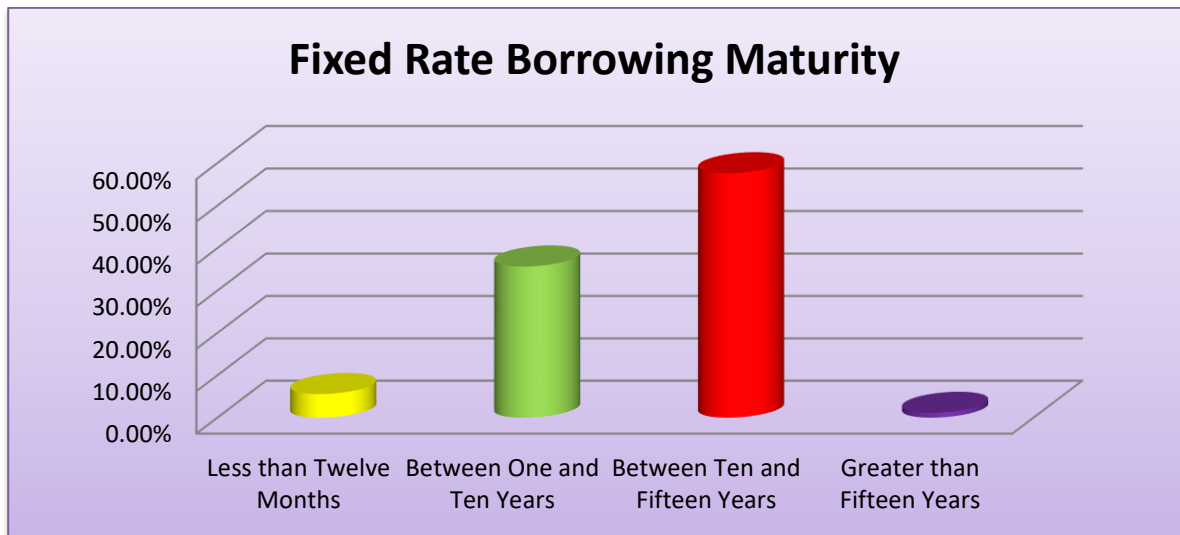
Temporary borrowing of £1m has taken place during the first quarter on three occasions for a total of 25 days. This has been necessary due to the timing of large business rates appeals determined by the Valuation Office. Interest on these temporary borrowings was minimal (£111).

Due to a continuation of the under-borrowed position, current projections estimate borrowing costs will be (£16k) lower than budgeted. It is intended that any savings that arise in relation to the capital financing budget are used to reduce the need to draw down from the debt repayment reserve.

## 5.7 Maturity Structure of Investments and Borrowing

The following charts highlight the maturity structure for investments and for fixed term borrowing.





## 6. Capital Programme 2017/18

6.1 The table below details the approved capital projects for 2017/18 totalling £2.1m. This demonstrates that all projects are currently forecast to be delivered within budget.

2017-18	Current Year Budget £	Expenditure to 30th June 2017 £	Remaining Budget £	Forecast Expenditure at Quarter 1 £	Forecast Over / (Under) Spend against Budget £
Neighbourhood Working Fund	130,770	2,348	128,423	130,770	0
Disabled Facility Grants	844,345	62,547	781,798	844,345	0
Brownfield Sites Development (Growth Point Funded Projects)	100,000	0	100,000	100,000	0
Brewhouse Arts Centre	70,517	3,245	67,272	70,517	0
Public Art Work Restoration	85,000	0	85,000	85,000	0
Town Hall Accommodation Refurbishment	874,739	0	874,739	874,739	0
<b>Total</b>	<b>2,105,371</b>	<b>68,140</b>	<b>2,037,231</b>	<b>2,105,371</b>	<b>0</b>

6.2 In respect of the Dove Way / Pennycroft Lane project, despite the fact that the site implementation agreement states the final account must be settled within 16 weeks of completion which took place on 8<sup>th</sup> October (the deadline, therefore, being 30<sup>th</sup> January), final account closure has not been forthcoming from Amey (the contractor). Some 10 months later.



## 7. **Financial Considerations**

*This section has been approved by the following member of the Financial Management Unit: Lisa Turner*

7.1 This report deals solely with financial matters.

<b>Revenue</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Forecast Under-spend	(182,000)		

<b>Capital</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
None	-	-	-

## 8. **Risk Assessment and Management**

8.1 The Council's risk management strategy was approved at Cabinet in September 2014. Attached at **Appendix C** to this report is a schedule of the most significant risks facing the authority, including the actions taken or being taken in order to control or mitigate these risks.

8.2 The main risks associated with the budget are highlighted within the medium term financial strategy.

## 9. **Legal Considerations**

9.1 There are no significant legal issues arising from this report.

## 10. **Equalities and Health**

10.1 **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

10.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

## 11. **Human Rights**

11.1 There are no Human Rights issues arising from this report.

**12. Recommendation(s)**

- 12.1 To note the financial position at quarter one of 2017/18 in relation to revenue budgets.
- 12.2 To note the financial position at quarter one of 2017/18 in relation to capital budgets.
- 12.3 To note the latest position in respect of the Council's investments and Borrowing.
- 12.4 To note the corporate and strategic risks, together with actions being taken to manage these.

**13. Background Papers**

- 13.1 Medium Term Financial Strategy 2017/18 to 2019/20

**14. Appendices**

- 14.1 Appendix A: Forecast variances against budget at outturn 2017/18
- 14.2 Appendix B: Investments at 30<sup>th</sup> June 2017
- 14.3 Appendix C: Corporate and Strategic Risks – Quarter 1 2017/18

**QUARTER ONE  
FORECAST VARIANCES AGAINST BUDGET AT OUTTURN  
2017/18**

**Arts, Brewhouse and Functions**

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Arts, Brewhouse and Civic Functions</b>			
Brewhouse and Arts Development	280	280	0
Civic Function Suite	61	71	10
<b>Total Arts, Brewhouse and Civic Functions</b>	<b>341</b>	<b>351</b>	<b>10</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
<b>Brewhouse and Arts Development</b>		0
<b>Civic Function Suite</b>	Provision of Refreshments Income	5
<b>Civic Function Suite</b>	Room Hire Income	5
<b>Total</b>		<b>10</b>

**Community, Open Spaces and Facilities**

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Community and Open Spaces</b>			
Cemeteries	41	10	(31)
Open spaces	1,333	1,211	(122)
Partnerships	34	11	(23)
Councillors Community Fund	39	39	0
Horticultural Centre	49	24	(25)
Neighbourhood Working	154	126	(28)
Facilities and Health and Safety	553	600	47
Community Centres	18	18	0
Car Parks Income	(918)	(889)	29
Community and Civil Enforcement	277	281	4
<b>Total</b>	<b>1,580</b>	<b>1,431</b>	<b>(149)</b>

## APPENDIX A

Division	Explanation	Forecast Amount Over/ (under) £'000
Cemeteries	Burial Fees/Monument and Turfing Fees	(24)
Cemeteries	Contracted Grounds Maintenance	(10)
Cemeteries	Employee Costs - Vacancy Factor	3
Open Spaces	Contracted Grounds Maintenance	(57)
Open Spaces	Grounds Maintenance	(37)
Open Spaces	Car Parks Maintenance	(24)
Open Spaces	Play Equipment	(19)
Open Spaces	Employee Costs - Secondment to cover maternity leave	15
Partnerships	Employee Costs - Officer seconded to Open Spaces	(21)
Partnerships	General Grants	(2)
<b>Councillors Community Fund</b>		0
Horticultural Centre	Sponsorship - Traffic Islands and Hanging Baskets	(10)
Horticultural Centre	Seeds, Plants and Shrubs	(8)
Horticultural Centre	Contracted Grounds Maintenance	(7)
Neighbourhood Working	Employee Costs - Vacant Post	(28)
Facilities and Health and Safety	Maltsters Business Rates - Revaluation	40
Facilities and Health and Safety	Employee Costs - Staffing Changes	11
Facilities and Health and Safety	Office Cleaning - Overtime	(4)
<b>Community Centres</b>		0
Car Parks Income	Parking Charges Income	103
Car Parks Income	Season Ticket Income	(39)
Car Parks Income	Penalty Charge Notice Processing	(17)
Car Parks Income	Penalty Charge income	(14)
Car Parks Income	Cash Collection Security Services	(4)
Community and Civil Enforcement	Employee Costs - Vacancy Factor	4
<b>Total</b>		<b>(149)</b>

### Corporate Management Team

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Executives	196	199	3
Heads of Service	297	216	(81)
<b>CMT</b>	<b>493</b>	<b>415</b>	<b>(78)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Heads of Service	Savings from Interim Management Structure	(81)
Chief Executives	Vacancy Factor	3
<b>Total</b>		<b>(78)</b>

## Corporate and Commercial

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Corporate and Commercial</b>			
Programmes and Information	267	267	0
Committee Support	86	86	0
Elections	174	174	0
Emergency Planning	14	12	(2)
Members Allowances	283	283	0
<b>Total Corporate and Commercial</b>	<b>824</b>	<b>822</b>	<b>(2)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Emergency Planning	Subscriptions	(2)
Members Allowances	Special Responsibility Allowance - Deputy Leader	4
Members Allowances	Special Responsibility Allowance - Scrutiny Chairs	(4)
<b>Total</b>		<b>(2)</b>

## Cultural Services - Marketing

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Cultural Services - Marketing</b>	126	126	0
	<b>126</b>	<b>126</b>	<b>0</b>

## Enterprise

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Enterprise	132	132	0
<b>Total</b>	<b>132</b>	<b>132</b>	<b>0</b>

## Environment

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Environment</b>			
Council Depots	140	133	(7)
Public Conveniences	142	137	(5)
Waste Collection	1,539	1,562	23
Street Cleaning	923	923	0
Building Consultancy	54	57	3
Land Drainage	52	52	0
<b>Total</b>	<b>2,850</b>	<b>2,864</b>	<b>14</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Council Depots	Business Rate/Utilities	(7)
Public Conveniences	Repair and Maintenance to Buildings	(5)
Waste Collection	Vehicle Hire	5
Waste Collection	Overtime Costs	10
Waste Collection	Temporary Staff Costs	30
Waste Collection	Third Party Payments	(10)
Waste Collection	Contribution from other bodies	(2)
Waste Collection	Recycling Income	5
Waste Collection	Recycling Credits	(13)
Waste Collection	Bulky Waste Collection	(2)
Street Cleaning		0
Building Consultancy	Temporary Staff Costs	3
Building Consultancy	Professional Fees	(3)
Building Consultancy	Recruitment Costs	5
Building Consultancy	Use of Reserve	(5)
Building Consultancy	Fees and Charges	3
<b>Total</b>		<b>14</b>

## Environmental Health

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Environmental Health</b>			
Environmental Health	399	399	0
Animal Control	26	26	0
Housing Standards	98	98	0
<b>Total Environmental Health</b>	<b>523</b>	<b>523</b>	<b>0</b>

## Financial Services

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Financial Services</b>			
Capital Financing Costs	841	841	0
Financial Management Unit	401	401	0
Internal & External Audit	143	141	(2)
<b>Total Financial Services</b>	<b>1,385</b>	<b>1,383</b>	<b>(2)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Internal & External Audit	External Audit Fees	(2)
<b>Total</b>		<b>(2)</b>

## Housing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Housing</b>			
Housing options	238	244	6
<b>Total: Housing</b>	<b>238</b>	<b>244</b>	<b>6</b>

Division	Explanation	Forecast Amount Over/ Over/

		(under) £'000
Housing Options	Employee costs - Standby and Callout Payments	6
<b>Total</b>		<b>6</b>

## Human Resources, Payments and Pensions

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
HR and Payroll	421	421	0
Pension Payments	1,125	1,125	0
<b>Human Resources and Payments</b>	<b>1,546</b>	<b>1,546</b>	<b>0</b>

## IT and Printing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>IT and Printing</b>			
Central Reprographics and Administration	182	182	0
Computer Services	391	391	0
<b>Total ICT and Printing</b>	<b>573</b>	<b>573</b>	<b>0</b>

## Land Charges

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Land Charges</b>	(3)	(3)	0
<b>Total</b>	<b>(3)</b>	<b>(3)</b>	<b>0</b>

## Legal Services, Assets and Licensing

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Legal Services, Assets and Licensing</b>			
Legal	229	208	(21)
Mayoral Support and Civic Ceremonials	74	74	0
Industrial Units	(535)	(535)	0



## APPENDIX A

Assets and Estates Management	(70)	(70)	0
Licensing and Enforcement	3	3	0
CCTV	82	80	(2)
<b>Total Legal Services, Assets &amp; Licensing</b>	<b>(217)</b>	<b>(240)</b>	<b>(23)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Legal	Service restructure	(21)
CCTV	Income	(2)
<b>Total</b>		<b>(23)</b>

### Leisure – Indoor Facilities

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Leisure Centres - Indoor Facilities</b>			
Leisure Centres - Indoor Facilities	670	701	31
Health and Leisure Grants	12	12	0
Active East Staffs	190	188	(2)
<b>Total Leisure Centres - Indoor Facilities</b>	<b>872</b>	<b>901</b>	<b>29</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
<b>Leisure Centres - Indoor Facilities</b>	Employees - Including vacancy factor	49
	Premises related savings	(37)
	ULC Fees and charges/Sundry Income	20
	Supplies and Services	(5)
	MLC Catering	4
<b>Health and Leisure Grants</b>		0
<b>Active East Staffs</b>	Small Saving	(2)
<b>Total</b>		<b>29</b>

### Leisure – Outdoor Facilities

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Leisure Centres - Outdoor Facilities</b>			
Leisure Centres - Outdoor Facilities	150	156	6
	<b>150</b>	<b>156</b>	<b>6</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Leisure Centres - Outdoor Facilities	Employees - Vacancy factor	6
<b>Total</b>		<b>6</b>

## Markets

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Markets	(13)	5	18
	<b>(13)</b>	<b>5</b>	<b>18</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Income Shortfall	15
Markets	Other running costs	3
<b>Total</b>		<b>18</b>

## Planning

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Planning</b>			
Planning Policy	156	156	0
Planning Delivery	57	44	(13)
<b>Total</b>	<b>213</b>	<b>200</b>	<b>(13)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Delivery	Planning Fee Income – higher than anticipated	(13)
<b>Total</b>		<b>(13)</b>

## Revenue and Benefits and Customer Contacts

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>SCC - Revenues, Benefits and Customer Contacts</b>			
Revenues	(44)	(44)	0
Benefits and Professional Services	(181)	(181)	0
Customer Contacts	430	432	2
<b>Total</b>	<b>205</b>	<b>207</b>	<b>2</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Revenues	-	-
Benefits and Professional Services	Universal Credit Support -Partnership with Citizens Advice	12
	Universal Credit DWP Income	(12)
Customer Contacts	Shopmobility	2
<b>Total</b>		<b>2</b>

## Appendix B - Investments as at 30<sup>th</sup> June 2017

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
<b><u>Call Accounts and Money Market Funds</u></b>				
RBS SIBA	1,049,733	0.01%		Call
Insight Money Market Fund	1,810,000	0.19%		Call
Santander	3,500,000	0.40%		95 day notice
RBS SIBA	1,049,733	0.01%		Call
<b><u>Fixed Deposits / T Bills / Certificates of Deposit</u></b>				
Barclays	3,398,706	0.41%	21/02/2017	22/08/2017
BOS	1,500,000	0.55%	31/03/2017	29/09/2017
BOS	500,000	0.55%	04/05/2017	06/11/2017
BOS	500,000	0.55%	06/04/2017	06/10/2017
Lloyds TSB	1,000,000	0.60%	01/02/2017	01/08/2017
Lloyds TSB	1,500,000	0.55%	04/04/2017	04/10/2017
Lloyds TSB	1,000,000	0.55%	01/06/2017	01/12/2017
Nationwide CD	2,000,000	0.37%	04/04/2017	04/10/2017
Nordea CD	1,500,000	0.31%	13/04/2017	13/10/2017
UBS AG CD	1,000,000	0.55%	04/04/2017	16/01/2018
Toronto Dominion CD	1,500,000	0.49%	13/04/2017	29/03/2018
RBS CD	3,000,000	0.73%	03/04/2017	27/03/2018

Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Singer	297,000	5.41%		08/10/2008

Investments rate of interest as at 30 <sup>th</sup> June 2017	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>25,055,439</b>	
<b>Total Investments - Excluding Icelandic Exposure</b>	<b>24,758,439</b>	<b>0.45%</b>
<b>Total Investments - Icelandic Exposure Only</b>	<b>297,000</b>	<b>5.41%</b>

Average rate of interest for the year to date	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>27,633,659</b>	
<b>Total Investments - Excluding Icelandic Exposure</b>	<b>27,336,659</b>	<b>0.46%</b>
<b>Total Investments - Icelandic Exposure Only</b>	<b>297,000</b>	<b>5.41%</b>

## Corporate Risks

## Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, the revaluation, and the potential transition to 100% retained by the LA sector.	Regular in year monitoring of the scheme Keeping abreast of latest developments with Business Rates Retention and feeding into the consultations. Robust MTFS to provide provision for financial resilience to changes in scheme.	3	4	15	30/06/2017
Central Government Funding	Uncertainty surrounding future government funding, including the impact of the business rates revaluation, New Homes Bonus, Consultation and needs assessment review.	Robust MTFS with flexibility to respond to changes in government proposals Keep abreast of developments and pro-actively responding to consultations.	3	4	15	30/06/2017
Child Sexual Exploitation	Failure to identify instances of child sexual exploitation in relation to council services	Cross county partner working Internal manager awareness training	1	4	10	30/06/2017
Financial : Pension Scheme	Increasing pension liabilities result in the need to increase employer contributions above those assumed within the MTFS	Realistic provision within MTFS for cost and changes Overall robustness of MTFS to enable some resilience to increases	2	4	13	30/06/2017
Litigation - General	Failure to comply with the law on a range of services, including the New General Data Protection Regulations (GDPR)	Managers/Heads of service, with Legal support, keep abreast of new and changed law Monitoring Officer role to oversee legal compliance Action Plan agreed to implement new GDPR measures and monitored regularly by CMT	1	4	10	30/06/2017
MTFS: Budget Assumptions	Assumptions made in the MTFS in relation to inflation, interest rates, pay awards etc. have a negative impact on financial plans/resources.	Robust MTFS provides some degree of resilience to financial shocks Budgeting based on prudent forecasts	2	4	13	30/06/2017
Brexit	Consequences of decision to exit the EU has a negative impact. (Economic consequences impacting on resources, both central and local, additional strain on pension fund, value of council assets etc)	Monitoring of Economic conditions / external forecasts Prudent and Robust rolling MTFS	2	4	13	30/06/2017

## Corporate Risks

## Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Unforeseen Environmental Impacts	Floods, fire, chemical, major disaster, terrorism	Major Incident/Emergency Plan Test exercises ensure readiness for Internal resource and support from CSU County wide preventing violent extremism working group	1	4	10	30/06/2017
Unforeseen Health Impacts	Pandemics/wider health issues impacting on council	Succession planning/ability to access temporary staff. Major Incident/Emergency Plan Robust, tested business continuity plans	1	4	10	30/06/2017
Welfare Reforms	Welfare Reforms. 1) Delivery of Universal Credit 2) Financial impact of Council Tax Reduction, including demographic changes 3) Bedroom Subsidy	Council Tax Reduction scheme approved and complied with Regular monitoring of scheme against financial provisions / MTFS	2	4	13	30/06/2017
ICT Security	Unintentional or intentional introduction of malware, resulting impacts on normal service delivery and/or breach of data protection, via:  1) Prevention of access to systems or data 2) Physical destruction of hardware 3) Data Exposure or leaks  4) Data alteration	ICT Security Policy Access controls and permissions within system applications Protective defences such as antivirus Perimeter protection with hardware firewalls Regular patching Access controls and permissions within system applications Prevention of access to unnecessary physical facilities e.g. CD drives and USB	2	4	13	30/06/2017
Wider Public Sector Funding Reductions	Impact on the Council of the wider public/voluntary sector funding reductions	Robust MTFS generally provides some financial resilience to respond to changes Senior level discussions may mitigate or prevent such cost shunts	3	3	12	30/06/2017

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
A fear of not being able to influence the GBSLEP	Failure to be adequately represented and therefore limited ability to influence. Opportunity risk of not maximising potential benefits from working within the GBSLEP.	Senior officers (CE and Heads of service) heavily involved in working with the LEP to represent Council's interests One member (Council) one vote, provides Council with a strong voice	1	4	10	30/06/2017
Business Continuity	Failure to have effective plans in place	Approach to business continuity revised during 2016, new streamlined and "fit for purpose" approach adopted, which focuses on key risks areas. Approved, up to date BC policy in place.	1	4	10	30/06/2017
Combined Authority	Potential opportunity risk of not maximising any benefits from joining a combined authority	Opportunities being constantly reviewed and monitored by the executive	1	4	10	30/06/2017
Communication	Lack of community engagement and failure to take into account residents views in the decision making process	Consultation strategy in force	2	2	5	30/06/2017
Corporate Plan	Failure to deliver corporate plan objectives	Corporate Plan is adopted at full council and refreshed at full council annually. The CP is established with COs and DLs working together to realign political manifesto into a series of objectives and SMART targets. Performance of the CP is formally reported on a quarterly basis through Cabinet and all political groups as well as through three quarterly scrutiny boards. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary. At Quarter 1, performance against the current corporate plan was very positive.	1	4	10	30/06/2017
Council Tax Reduction Scheme	Failure to adopt a scheme that is fit for purpose	Scheme suitably approved and adopted; budget set based on forecasts and reviewed; CTR correctly applied per scheme	1	3	6	30/06/2017

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Health & Safety	Failure to deliver/comply with H&S policy/strategy	The strategy/policy is adopted following consultation with all relevant internal stakeholders and approved by the Leader H&S team advises, educates and reviews risk assessments etc and has direct reporting access to Chief Executive Incident/accident reporting process in place.	1	4	10	30/06/2017
Local Plan Implications	Monitoring of the local plan and maintenance of a five year land supply	Regular monitoring /compliance Planning decisions complying with approved plan/existing planning law/policy. Education of members on importance of decisions complying with policy	2	4	13	30/06/2017
Managing Change	Ineffective change management resulting in a reduction in the quality of services	Workforce Planning Strategy in place Effective track record of performance management - via Corporate Plan, Service Planning, Staff Performance Appraisals Effective Communications - Corporate Management Team, Managers Forum, Team Meetings, Staff 1-1s, Staff Briefings.	2	2	5	30/06/2017
Medium Term Financial Strategy	Failure to adopt and implement an effective and robust MTFS impacting on the Council's ability of the Council to meet its objectives.	The MTFS is established with COs and DLs working together to realign political manifesto into a series of objectives and financial targets. The MTFS is adopted at full council and refreshed at full council annually. Performance of the MTFS is formally reported on a quarterly basis through Cabinet and all political groups as well. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary.	1	4	10	30/06/2017



Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Member Training/Awareness	Lack of awareness/understanding of key responsibilities.	Constitution Member induction programme, member training and regular briefings. Open door policy with Heads of service; discussions/briefings with officers.	2	2	5	30/06/2017
Planning Appeals	Appeals against planning decisions arising from failure to take into account professional and legal advice leading to financial loss from cost of appeal and potentially new homes bonus.	Member training Financial provision/contingency to meet potential costs of appeals Legal advice at committee	3	4	15	30/06/2017
Treasury Management Strategy	An ineffective TM Strategy does not protect the Council adequately against the risks associated with this activity resulting in potential significant financial loss and possible reputational damage.	The TMS reflects statutory and non-statutory guidance and is adopted at full council annually. Performance of the TMS is formally reported on a quarterly basis through the Financial Outturn report to Cabinet and all political groups as well as through the Audit Committee. Mid year performance and Outturn is formally reported through to full council. Regular staff and member training The appointment of professional treasury management advisors	1	4	10	30/06/2017