



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	<b>Quarter 1 - Revenue and Capital Outturn 2019/20</b>	To be marked with an 'X' by Democratic Services after report has been presented
<b>Meeting of:</b>	Corporate Management Team – 20 <sup>th</sup> August 2019	
	Leader and Deputy Leaders – 27 <sup>th</sup> August 2019	
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group – 4 <sup>th</sup> and 5 <sup>th</sup> September 2019	
	Cabinet – 16 <sup>th</sup> September 2019	
	Scrutiny Audit and Value for Money Council Services Committee – 23 <sup>rd</sup> September 2019	



Is this an Executive Decision:	Yes	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	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 Cabinet**

**Date: 16<sup>th</sup> September 2019**

**REPORT TITLE: Quarter 1 - Revenue and Capital Outturn 2019/20**

**PORTFOLIO: Leader / Finance**

**HEAD OF SERVICE: Sal Khan**

**CONTACT OFFICER: Lisa Turner, Chief Accountant Ext. No. 1399**

**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 2019/20.

**2. Executive Summary**

2.1 The report highlights that overall there is a **forecast under-spend of £40k** for the full financial year against a net budget of £10.617m. 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 very early stage of the year.

2.2 Set out below are the most significant variations identified at this 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.

■ **The Human Resources Team is forecasting to under-spend by £47k;**

■ **Income from planning applications is forecast to be in excess of budget (£120k);**

■ **Arts, Brewhouse and Functions is forecasting net cost pressures of £44k;**

■ **There are net forecast cost pressures within the Environment Service amounting to £116k.**

Further details on these areas are detailed at paragraph 4.2.

- 2.3 Investments as at 30<sup>th</sup> June 2019 stood at £32.6m. Investment returns to the end of June averaged 0.84%, which exceeds the base rate and is in line with benchmarks. External borrowing at the end of the quarter stands at £11.2m. The report continues to highlight the risk associated with the timing of capital receipts that have been ring-fenced towards debt repayment in the budget. Further information in relation to Treasury Management is set out within Section 5 of this report.
- 2.4 The authority's capital spending plans total £3.3m. The report indicates that all projects are on target to deliver within budget. Further details in respect of the Capital Programme are set out within Section 6 of the report.

**3. Revenue Budget 2019/20**

- 3.1 On 25th February 2019, the full Council approved the Revenue Budget for the year 2019/20, totalling £10,617m as follows:

Approved Service Budgets	£000's
Arts, Brewhouse and Functions	378
Community and Open Spaces	1,319
Corporate Management Team	426
Corporate and Commercial	845
Cultural Services – Marketing	85
Enterprise	183
Environment	3,427
Environmental Health	481
Financial Services and Capital Financing	933
Housing	269
Human Resources, Payments & Pensions	1,800
IT and Printing	453
Legal Services, Assets and Licensing	(421)
Leisure Services	1,049
Markets	(11)
Planning and Land Charges	32
Revenue, Benefits and Customer Contacts	372
Corporate Budgets	(1,095)
<b>Total</b>	<b>10,617</b>

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

#### 4. Forecast Revenue Outturn 2019/20

- 4.1. The following table indicates the quarter one forecast 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 Net Budget	Forecast Outturn (Quarter 1)	Forecast Variation Q1 (Over/(Under))
	£'000	£'000	£'000
Arts, Brewhouse and Functions	378	422	44
Community and Open Spaces	1,379	1,360	(19)
Corporate Management Team	426	435	9
Corporate and Commercial	845	844	(1)
Cultural Services - Marketing	85	85	0
Enterprise	123	123	0
Environment	3,427	3,543	116
Environmental Health	481	481	0
Financial Services	933	933	0
Housing	269	263	(6)
Human Resources, Payments & Pensions	1,800	1,753	(47)
IT and Printing	453	419	(34)
Legal Services and Assets	(421)	(421)	0
Leisure Services	1,049	1,049	0
Licensing and Enforcement	92	92	0
Markets	(11)	20	31
Planning and Land Charges	32	(101)	(133)
Revenue, Benefits and Customer Contacts	372	372	0
Corporate Items	(1,095)	(1,095)	0
<b>Total</b>	<b>10,617</b>	<b>10,577</b>	<b>(40)</b>

- 4.2 The tables at Appendix A summarise, by service, the variations between the 2019/20 budget and the year-end forecast outturn. Further supporting narrative in relation to those teams with significant variations is set out below:

- **Human Resources, Payments and Pensions – Forecast underspend £47k**  
Savings are forecast within this team include staffing savings from two vacant positions (a national management trainee and an apprentice) and demand against the corporate training budget is forecast to be lower than budgeted, including making use of the apprenticeship levy funding.
- **Planning and Land Charges – Forecast underspend £133k**  
Planning income is currently forecast to exceed budget by £120k and there are further expected savings following the completion of scanning in relation to the land charge records.

■ **Arts, Brewhouse and Functions – Forecast net pressure of £44k**

Cost pressures arise within this area due to increased forecast energy costs at the Brewhouse Arts Theatre based on previous year's performance – the electricity supplier has been changed and usage performance will be kept under review. Income levels at the Civic Function Suite are currently forecast to be lower than budgeted. This area that is currently subject to a corporate plan review.

■ **Environment – Forecast net pressure - £116k**

This pressure arises due to a number of factors. The recycling income budget is under pressure with a forecast shortfall of £70k, although this is partially offset by an estimated reduction in the associated costs of £28k. This due of a reduction in tonnage levels in part due to the weather conditions but also due to contamination. There has also been a fall in prices associated with paper, cardboard and aluminium values, which has impacted on the level of forecast income. There is pressure on the staffing budget within this area, with high levels of sickness absence and longer waiting times at the waste transfer centre resulting in additional forecast spending on overtime and temporary agency cover.

## 5. Treasury Management

- 5.1 The Council approved the Treasury Management Strategy Statement for 2019/20 on 25<sup>th</sup> February 2019 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 2019/20 budget was 0.9%, which assumed (in line with forecasts) that the bank rate would increase later in the year. The base rate increased from 0.25% to 0.5% in November 2017, with a further increase to 0.75% in August 2018. The bank rate is now at a nine year high, although in light of recent developments there is now a great deal of uncertainty in relation to future changes, with a reduction in rates being a real possibility during the financial year.
- 5.3 Appendix B shows the outstanding investments the authority had as at 30th June 2019. Average investment returns (0.84%) are performing slightly below budget, reflecting the original expectation that rates would increase later in the year, but broadly in line with benchmarking. The investment listing (Appendix B) includes certificates of deposit, as well as UK Government Treasury Bills, deposits with UK Banks and AAA rated Money Market Funds. These instruments offer significant counterparty strength as well as diversification of the portfolio.

#### 5.4 Borrowing

The average rate payable on the Council's external borrowing as at 30<sup>th</sup> June 2019 is 5.4%, with total, outstanding external debt of £11.2m.

Debt Type	Principal Outstanding (£)	Average Rate
<b>Total Fixed Debt</b>		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	575,607	8.401%
<b>Total Variable Debt</b>		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	-
<b>Total External Debt</b>	<b>11,150,607</b>	<b>5.381%</b>

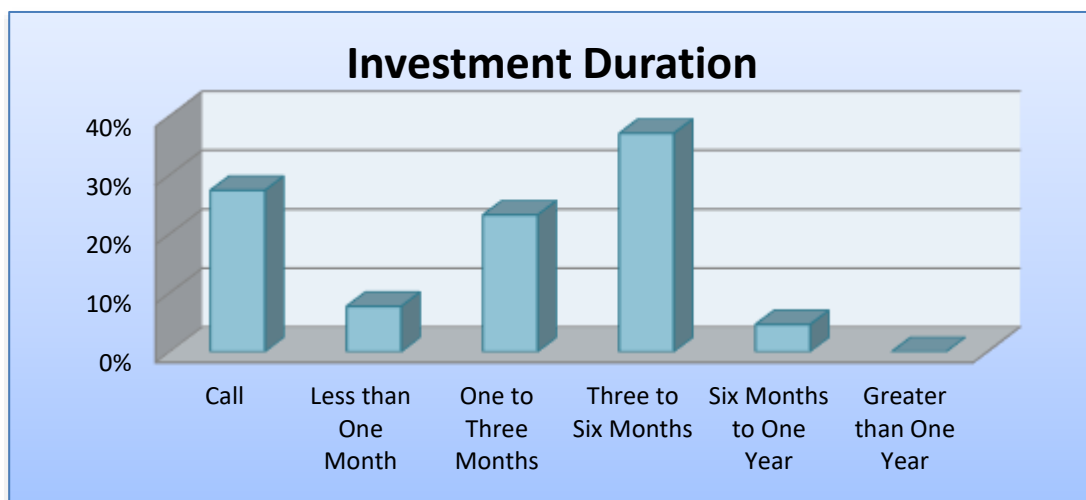
#### Capital Financing Budget

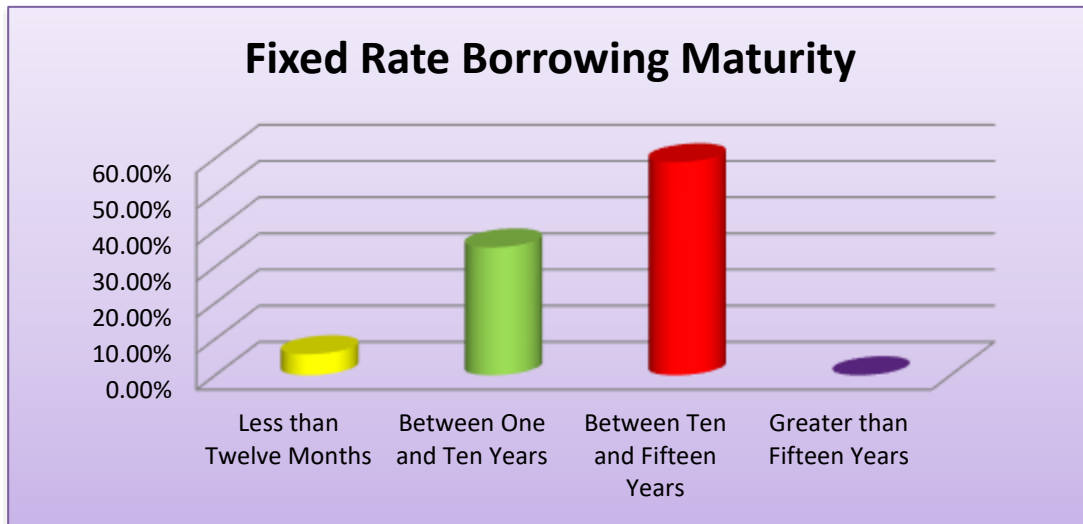
5.5 This budget consists of £0.9m associated with the cost of servicing the council's debt and £0.279m income from investment returns.

5.6 The capital financing budget has been reduced by £0.1m in 2019/20 as a result of expected savings from the utilisation of anticipated capital receipts of £3.8m towards debt repayment. The Medium Term Financial Strategy highlighted that there was a risk of shortfall against the budget arising from the timing of these receipts.

#### 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 2019/20

6.1 The table below details the approved capital projects for 2019/20 totalling £3.3m. This demonstrates that all projects are currently forecast to be delivered within the overall approved budget.

2019-20	Current Year Budget £	Current Year Expenditure £	Remaining Budget £	Forecast 2019/20 Expenditure at Quarter 1 £	Increased expenditure / (Under-spend) £	Comments
Neighbourhood Working Fund	231,955	63,229	168,726	231,955	0	Ongoing
Disabled Facility Grants	1,911,367	60,499	1,850,868	1,911,367	0	Ongoing
Brewhouse Arts Centre	45,000	4,674	40,326	45,000	0	Ongoing
Town Hall Office Accommodation	14,043	0	14,043	14,043	0	Subject to final account
Audio Equipment	20,000	16,398	3,602	20,000	0	Ongoing
Canal Street Industrial Units	50,000	0	50,000	50,000	0	Progressing
Depot Multi-Purpose Vehicle	35,000	0	35,000	35,000	0	Ongoing
Bartec Street Cleaning Software	35,000	0	35,000	35,000	0	Ongoing
Leisure Development	1,000,000	243,038	756,962	1,000,000	0	Ongoing
<b>Total</b>	<b>3,342,365</b>	<b>387,838</b>	<b>2,954,527</b>	<b>3,342,365</b>	<b>0</b>	

*Of the £168k budget remaining in respect of the Neighbourhood Working Fund £105k is committed. Similarly, there is £691k of DFG's currently being processed and a further £518k (est) of DFG's enquiries in the system against the remaining DFG budget of £1.9m.*



- 6.3 The table below outlines capital receipts received during the course of the year to date:

Capital Receipts – 2019/20 as at Quarter 1	£
Avocet Close – Sale of equity share	42,534
Grant of Easement – Brizlincote, Stapenhill	30,000
<b>Total</b>	<b>72,534</b>

## 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.

Revenue	2019/20	2020/21	2021/22
Forecast Under-spend	(40,000)	-	-

Capital	2019/20	2020/21	2021/22
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

*This section has been approved by the following member of the Legal Team: Angela Wakefield*

- 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. Cabinet Recommendation(s)**

12.1 To note the financial position at quarter one of 2019/20 in relation to revenue and capital budgets.

12.2 To note the latest position in respect of the Council's investments and borrowing.

12.3 To note the corporate and strategic risks, together with actions being taken to manage these.

**13. Background Papers**

13.1 Medium Term Financial Strategy 2019/20 to 2023/24

**14. Appendices**

14.1 Appendix A: Forecast variances against budget at outturn 2019/20

14.2 Appendix B: Investments at 30<sup>th</sup> June 2019

14.3 Appendix C: Corporate and Strategic Risks – Quarter 1 2019/20

**QUARTER ONE  
FORECAST VARIANCES AGAINST BUDGET AT OUTTURN  
2019/20**

**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	293	316	23
Civic Function Suite	85	106	21
<b>Total Arts, Brewhouse and Civic Functions</b>	<b>378</b>	<b>422</b>	<b>44</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Civic Function Suite	Hire Income	18
Civic Function Suite	Catering/Vending Income	3
Brewhouse and Arts Development	Electricity	23
<b>Total</b>		<b>44</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	(12)	(19)	(7)
Open spaces	1,377	1,362	(15)
Partnerships	31	31	0
Horticultural Centre	43	43	0
Facilities and Health and Safety	319	330	11
Community Centres	18	15	(3)
Car Parks Income	(736)	(735)	1
Community and Civil Enforcement	279	273	(6)
Social Regeneration	38	38	0
Councillors Community Fund	22	22	0
<b>Total Community and Open Spaces</b>	<b>1,379</b>	<b>1,360</b>	<b>(19)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Cemeteries	Repairs and Maintenance to Buildings	(7)
Open spaces	Contracted Grounds Maintenance	(10)
Open spaces	Additional Income	(5)
Horticultural Centre	Contracted Grounds Maintenance	(5)
Horticultural Centre	Exhibitions/Events	8
Horticultural Centre	Seeds, Plants and Shrubs	(3)
Facilities and Health and Safety	Repairs and Maintenance to Buildings	10
Facilities and Health and Safety	Running Costs	7
Facilities and Health and Safety	Health and Safety Software	4
Facilities and Health and Safety	Landlord Service Responsibilities	(10)
Community Centres	Repairs and Maintenance	(3)
Car Parks Income	Car Park Running Costs	(13)
Car Parks Income	Bargates Additional Income	(17)
Car Parks Income	Parking Income Forecast Shortfall	17
Car Parks Income	Parking Income Shortfall due to no price increase	37
Car Parks Income	Season/Penalty Notices Income	(23)
Community and Civil Enforcement	Employees Costs - Vacancies	(6)
Social Regeneration		0
<b>Total</b>		<b>(19)</b>

## Corporate Management Team

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Chief Officer : Andy O'Brien</b>			
Chief Executives	202	206	4
Heads of Service	224	229	5
<b>CMT</b>	<b>426</b>	<b>435</b>	<b>9</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Chief Executives	Vacancy Factor	4
Heads of Service	Vacancy Factor	5
<b>Total</b>		<b>9</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	254	254	0
Committee Support	91	91	0
Elections	184	185	1
Emergency Planning	13	13	0
Members Allowances	303	301	(2)
<b>Total Corporate and Commercial</b>	<b>845</b>	<b>844</b>	<b>(1)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Programmes and Information	No Change	0
Committee Support	No Change	0
Elections	Employee Costs	1
Emergency Planning	No Change	0
Members Allowances	Basic Allowances	(2)
<b>Total</b>		<b>(1)</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>	85	85	0
<b>Total Cultural Services - Marketing</b>	<b>85</b>	<b>85</b>	<b>0</b>

## Enterprise

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Enterprise</b>			
Enterprise	123	123	0
<b>Total Enterprise</b>	<b>123</b>	<b>123</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	141	138	(3)
Public Conveniences	135	135	0
Waste Collection	2,077	2,218	141
Street Cleaning	969	954	(15)
Building Consultancy	50	43	(7)
Land Drainage	55	55	0
<b>Total Environment</b>	<b>3,427</b>	<b>3,543</b>	<b>116</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Council Depots	Employee costs	1
Council Depots	Gas and Electricity	(4)
Public Conveniences		0
Waste Collection	Employee costs	
Waste Collection	Overtime	20
Waste Collection	Temporary Staff	60
Waste Collection	Recycling Income	70
Waste Collection	Third Party Payments – indicative haulage saving	23
Waste Collection	Third Party Payments Tonnage Reduction	(28)
Waste Collection	Contributions from other bodies	(4)
Street Cleaning	Temporary Staff	(15)
Building Consultancy	Employee costs	(7)
<b>Total</b>		<b>116</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	384	384	0
Animal Control	21	21	0
Housing Standards	76	76	0
<b>Total Environmental Health</b>	<b>481</b>	<b>481</b>	<b>0</b>

## Financial Services

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
<b>Financial Services</b>			
Capital Financing Costs	334	334	0
Financial Management Unit	480	480	0
Internal & External Audit	119	119	0
<b>Total Financial Services</b>	<b>933</b>	<b>933</b>	<b>0</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Financial Management Unit	Employee Costs	(25)
	Temporary Staffing Support	40
	Professional Reserve	(15)
Internal & External Audit	No Change	0
<b>Total</b>		<b>0</b>

## Housing

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
<b>Housing</b>			
Housing options	269	263	(6)
<b>Total: Housing</b>	<b>269</b>	<b>263</b>	<b>(6)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Housing Options - Accommodation	Rents	(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)
<b>Human Resources and Payments</b>			
HR and Payroll	432	385	(47)
Pension Payments	1368	1368	0
<b>Total Human Resources and Payments</b>	<b>1,800</b>	<b>1,753</b>	<b>(47)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
HR and Payroll	Employee costs (Management Trainee Post)	(36)
HR and Payroll	Printing and Stationery	(1)
Pension Payments		0
Corporate Training	Training requests	(10)
<b>Total</b>		<b>(47)</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	142	107	(35)
ICT	311	312	1
<b>Total ICT and Printing</b>	<b>453</b>	<b>419</b>	<b>(34)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Central Reprographics	Hire of Equipment	(25)
Central Reprographics	Franking machine postage	(10)
ICT	Mobile Telephones	1
<b>Total</b>		<b>(34)</b>



## Legal and Asset Services

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Chief Officer : Andy O'Brien</b>			
<b>Legal Services &amp; Assets</b>			
Legal	205	205	0
Mayoral Support and Civic Ceremonials	56	56	0
Industrial Units	(610)	(610)	0
Assets and Estates Management	(72)	(72)	0
<b>Total Legal Services &amp; Assets</b>	<b>(421)</b>	<b>(421)</b>	<b>0</b>

## Leisure Services

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Head of Service : Mark Rizk</b>			
<b>Leisure Services</b>			
Health and Leisure Grants	26	26	0
Leisure Management	1,023	1,023	0
<b>Total Leisure Centres - Indoor Facilities</b>	<b>1,049</b>	<b>1,049</b>	<b>0</b>

## Licensing and Enforcement

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Head of Service : Mark Rizk</b>			
<b>Licensing and Enforcement</b>			
Licensing and Enforcement	16	16	0
CCTV	76	76	0
<b>Total Licensing and Enforcement</b>	<b>92</b>	<b>92</b>	<b>0</b>

## Markets

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Head of Service : Mark Rizk</b>			
<b>Markets</b>	<b>(11)</b>	<b>20</b>	<b>31</b>
<b>Total Markets</b>	<b>(11)</b>	<b>20</b>	<b>31</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Income	37
Markets	Premises Costs	(6)
<b>Total</b>		<b>31</b>

## Planning and Land Charges

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
<b>Planning</b>			
Planning Policy	140	140	0
Planning Delivery	(96)	(216)	(120)
Land Charges	(12)	(25)	(13)
<b>Total Planning</b>	<b>32</b>	<b>(101)</b>	<b>(133)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Policy	No Change	0
Planning Delivery	Employee costs	0
Planning Delivery	Fees and Charges	(120)
Land Charges	Scanning	(13)
<b>Total</b>		<b>(133)</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	8	8	0
Benefits and Professional Services	(56)	(56)	0
Customer Contacts	420	420	0
<b>Total - Revenues, Benefits and Customer Contacts</b>	<b>372</b>	<b>372</b>	<b>0</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Revenues		0
Benefits and Professional Services	Reduction in Discretionary Housing Payment Grant	18
	Reduction in Discretionary Housing Payments Awarded	(18)
	Additional VEP Alert Work	30
	VEP Alert Grant	(30)
Customer Contacts		0
<b>Total</b>		<b>0</b>

## Appendix B - Investments as at 30<sup>th</sup> June 2019

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
<b>Call Accounts and Money Market Funds</b>				
RBS SIBA	69,484	0.01%		Call
Federated MMF	3,225,000	0.76%		Call
CCLA MMF	2,075,000	0.76%		Call
Santander	3,500,000	1.00%		180 day notice
<b>Fixed Deposits / T Bills / Certificates of Deposit</b>				
Bank of Scotland	500,000	1.00%	06/07/2018	08/07/2019
Bank of Scotland	1,500,000	1.05%	28/09/2018	27/09/2019
Bank of Scotland	500,000	1.15%	08/05/2019	08/05/2020
Lloyds	2,500,000	1.00%	15/04/2019	15/10/2019
Lloyds	1,000,000	1.00%	03/06/2019	03/12/2019
UK Treasury Bill	1,000,000	0.73%	14/01/2019	15/07/2019
UK Treasury Bill	1,015,000	0.75%	25/02/2019	27/08/2019
UK Treasury Bill	2,000,000	0.77%	04/03/2019	02/09/2019
UK Treasury Bill	2,000,000	0.74%	01/04/2019	30/09/2019
UK Treasury Bill	1,000,000	0.74%	20/05/2019	18/11/2019
UK Treasury Bill	1,000,000	0.73%	10/06/2019	09/12/2019
UK Treasury Bill	1,000,000	0.73%	17/06/2019	16/12/2019
National Westminster Bank CD	1,000,000	1.04%	17/09/2018	16/09/2019
National Westminster Bank CD	1,000,000	0.82%	02/04/2019	02/07/2019
National Westminster Bank CD	2,000,000	0.93%	15/04/2019	15/10/2019
National Westminster Bank CD	1,000,000	1.00%	26/04/2019	27/01/2020
Nationwide Building Society CD	2,000,000	0.82%	24/04/2019	24/10/2019
Nationwide Building Society CD	1,500,000	0.79%	03/06/2019	03/10/2019

Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Singer	277,000	5.41%		08/10/2008

Investments rate of interest as at 30 <sup>th</sup> June 2019	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>32,661,484</b>	
<b>Total Investments - Excluding Icelandic Exposure</b>	<b>32,384,484</b>	<b>0.86%</b>
<b>Total Investments - Icelandic Exposure Only</b>	<b>277,000</b>	<b>5.41%</b>

Average rate of interest (Year to date)	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>34,098,538</b>	
<b>Total Investments - Excluding Icelandic Exposure</b>	<b>33,821,538</b>	<b>0.84%</b>
<b>Total Investments - Icelandic Exposure Only</b>	<b>277,000</b>	<b>5.41%</b>

Corporate Risks		Risk Owner: Corporate Management Team					Last Reviewed
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level		
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, litigation in relation to NHS Trusts claiming mandatory relief, the impact of revaluation, business rates reset and the transition to 75% 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. Proactive monitoring of potential and lodged appeals and accounting for likely outcomes Robust MTFS to provide provision for financial resilience to changes in scheme.	3	4	15	30/06/2019	
Central Government Funding	Uncertainty surrounding future government funding, including the impact of the business rates changes, New Homes Bonus, fair funding review, the impact of the 2019 Spending Review and potential fallout from Brexit.	Robust MTFS with flexibility to respond to changes in government proposals Financial modelling/impact assessment. Keep abreast of Govt developments and proactively responding to consultations.	3	4	15	30/06/2019	
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	30/06/2019	
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	30/06/2019	
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 Training rolled out in respect of GDPR requirements. Compliance oversight by Monitoring Officer and CMT	1	4	10	30/06/2019	

<b>Corporate Risks</b>		<b>Risk Owner: Corporate Management Team</b>				
<b>Risk</b>	<b>Source of Risk</b>	<b>Treatment Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Level</b>	<b>Last Reviewed</b>
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 Proactive treasury management forecasting, monitoring and reporting Budgeting based on prudent forecasts	2	4	13	30/06/2019
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). Potential for operational/service delivery disruption.	Monitoring of Economic conditions / external forecasts, horizon scanning by CMT and Senior Officers. Prudent and Robust rolling MTFS Understanding and acting on any intelligence forthcoming from local and central government bodies.	3	4	15	30/06/2019
Unforeseen Environmental Impacts	Floods, fire, chemical, major disaster, terrorism	Major Incident/Emergency Plan Test exercises ensure readiness for incidents Internal resource and support from CSU County wide preventing violent extremism working group	1	4	10	30/06/2019
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	30/06/2019
Welfare Reforms	Welfare Reforms. 1) Delivery of Universal Credit 2) Financial impact of Council Tax Reduction, including demographic changes 3) Bedroom Subsidy 4) Financial impact of universal credit on subsidy levels, ability to recover overpayments and housing options funding.	Council Tax Reduction scheme approved and complied with Regular monitoring of scheme against financial provisions / MTFS Financial modelling/impact assessment. More frequent in year monitoring.	2	4	13	30/06/2019

## Corporate Risks

## Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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 software 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 ports	2	4	13	30/06/2019
Wider Public Sector Funding Reductions	Impact on the Council of the wider public/voluntary sector funding reductions, including issues which arise working within a two tier area.	Robust MTFS generally provides some financial resilience to respond to changes Seek and develop opportunities to increase income or reduce costs across all Council operations Senior level discussions may mitigate or prevent such cost shunts	3	4	12	30/06/2019

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	30/06/2019
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 risk areas. Regular re-fresh of plans take place. Approved, up to date BC policy in place.	1	4	10	30/06/2019
Combined Authority	Potential opportunity risk of not maximising any benefits from joining a combined	Opportunities being constantly reviewed and monitored by the executive	1	4	10	30/06/2019
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	30/06/2019
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. Performance against the current corporate plan continues to be very positive.	1	4	10	30/06/2019
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	30/06/2019



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	30/06/2019
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	30/06/2019
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	30/06/2019
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. Financial support and challenge to proposals with financial implications, minimising risks of a budget shortfall. 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	30/06/2019

Strategic Risks		Risk Owner: Corporate Management Team				
Member Training/Awareness	Lack of awareness/understanding of key responsibilities.	<p>Constitution</p> <hr/> <p>Member induction programme, member training and regular briefings.</p> <hr/> <p>Open door policy with Heads of service; discussions/briefings with officers.</p>	2	2	5	30/06/2019
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.	<p>Member training</p> <hr/> <p>Financial provision/contingency to meet potential costs of appeals</p> <hr/> <p>Legal advice at committee</p>	3	4	15	30/06/2019
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 associated opportunity risk of ineffective cashflow management, resulting in returns lower than might be realised, taking into account the Council's risk appetite.	<p>The TMS reflects statutory and non-statutory guidance and is adopted at full council annually, following scrutiny by the Audit and Value for Money Council Services Committee. 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.</p> <hr/> <p>Adequate and suitably trained staff. Regular member training/briefings.</p> <hr/> <p>The appointment of professional treasury management advisors</p>	1	4	10	30/06/2019

