



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Quarter 1 - Revenue and Capital Outturn 2021/22	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team – 17 th August 2021	X
	Leader and Deputy Leaders – 23 rd August 2021	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group – 1 st and 2 nd September 2021	X
	Cabinet – 13th September 2021	X
	Scrutiny Audit and Value for Money Council Services Committee – 23 rd September 2021	



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 Scrutiny (Audit and Value for Money Council Services) Committee

Date: 23rd September 2021

REPORT TITLE: Quarter 1 - Revenue and Capital Outturn 2021/22

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 2021/22.

2. Executive Summary

- 2.1 The budget for 2021/22 of £13.371m includes a corporate provision of £1.3m towards Covid-19 pressures and was balanced by taking into account £1.1m from reserves. The report highlights that overall there remains **significant forecast net pressures against the pre-covid-19 service budgets**. However after taking into account corporate budgets, including the provision for Covid-19 pressures, this results in an **overall reduction in the need to draw down from reserves of £0.5m** (from £1.1m to £0.6m). Please note that the forecasts within this report will be impacted by any decision associated with the HGV Report (elsewhere on this agenda).
- 2.2 The Council, like all local authorities, continues to face significant financial pressures due to COVID-19. These pressures not only include additional costs but also a reduction to the income levels the Council receives which are used to provide essential services to residents. **Paragraph 4.2 of the report sets out the most significant variations against pre-covid budgets identified at this point in the year.**

- 2.3 This is a very early stage of the year and the expectation is that there will once again be significantly increased volatility within the forecasts this year. With this in mind, sensitivity analysis of the forecasts demonstrates that a more pessimistic outlook would increase the budgeted need to draw from reserves by £0.7m and a more optimistic outlook would mean the forecast outturn would be balanced without the need to draw down the budgeted reserves.
- 2.4 Overall, the Council's underlying financial position is robust and this provides a strong foundation of financial resilience during these unprecedented circumstances. 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.
- 2.5 Investments as at 30th June 2021 stood at £53.5m. Investment returns to the end of June averaged 0.06%, this reflects the availability in the markets. External borrowing at the end of the quarter stands at £11m. Treasury management activities during the quarter have been in line with the approved treasury management strategy. Further information in relation to treasury management is set out within Section 5 of this report.
- 2.6 The authority's capital spending plans total £9.4m. 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 2021/22

- 3.1 On 22nd February 2021, the full Council approved the Revenue Budget for the year 2020/21, totalling £13,371m as follows:

Approved Service Budgets	£000's
Arts, Brewhouse and Functions	403
Community and Open Spaces	1,393
Corporate Management Team	431
Corporate and Commercial	879
Cultural Services – Marketing	86
Enterprise	169
Environment	4,126
Environmental Health	501
Financial Services and Capital Financing	1,130
Housing	309
Human Resources, Payments & Pensions	2,049
IT and Printing	419
Legal Services, Assets and Licensing	(418)
Leisure Services	498
Licensing and Enforcement	92
Markets	17
Planning and Land Charges	42
Revenue, Benefits and Customer Contacts	1,100
Corporate Budgets	145
Total	13,371

- 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 2021/22**

- 4.1. The following table indicates the quarter one forecast variations and the expected effect on the outturn for the year. Variations against service budgets include the impact of the pandemic, the provision for which is held on the corporate items line.

Summary by Service	Annual Net Budget	Forecast Outturn Q1	Forecast Variation Q1 - Over/(Under)
	£'000	£'000	£'000
Arts, Brewhouse and Function Suite	403	516	113
Community and Open Spaces	1,393	1,669	276
Corporate Management Team	431	436	5
Corporate and Commercial	879	868	(11)
Cultural Services - Marketing	86	86	0
Enterprise	169	166	(3)
Environment	4,126	4,192	66
Environmental Health	501	501	0
Financial Services	1,130	1,164	34
Housing	309	295	(14)
Human Resources, Payments & Pensions	2,038	2,034	(4)
IT and Printing	390	394	4
Legal Services and Assets	(418)	(391)	27
Leisure Services	498	676	178
Licensing and Enforcement	92	102	10
Markets	17	78	61
Planning and Land Charges	42	40	(2)
Revenue, Benefits and Customer Contacts	1,100	1,173	73
Service Budget Total	13,186	13,999	813
Corporate Items	185	(1,004)	(1,189)
Retained Business Rates	(3,365)	(3,365)	0
Covid-19 Government Support	(931)	(1,000)	(69)
Lower Tier Support Grant	(615)	(615)	0
Council Tax, including Special Expenses	(7,346)	(7,346)	0
Council Tax Surplus from prior years	(36)	(36)	0
Amount to be met from Reserves - Increase / (Decrease)	1,078	633	(445)

- 4.2 The tables at Appendix A summarise, by service, the variations between the 2020/21 budget and the year-end forecast outturn, including the impact of the pandemic on service budgets. Further supporting narrative in relation to those teams with significant variations is set out below:

■ **Arts, Brewhouse and Functions – Forecast Net Pressure of £113k**

There is a significant forecast shortfall in income levels of approx. £158k which has partially been offset by forecast expenditure savings on staffing and business rates. This income shortfall continues to relate to the ongoing impact of the pandemic.

■ **Community and Open Spaces – Forecast Net Pressure of £276k**

This forecast pressure arises because of a forecast shortfall in car parking income estimated to be £302k due to the Covid-19 Pandemic. The forecast shortfall is being partially offset by savings associated with staffing in the Community and Civil Enforcement Team.

■ **Environment – Forecast Net Pressure - £66k**

This forecast pressure arises from an increase in staffing costs within waste management (£123k) due to both increased workloads/waste arising from the pandemic, the number of staff in this area being required to self-isolate and the shortage of HGV drivers in the market. This is being partially offset by a number of other areas, including a forecast increase in income levels associated with bulky waste and recycling, a reduction in business rates costs and lower recycling contamination levels.

■ **Leisure – Forecast Pressures £178k**

The Council's leisure provider has been significantly impacted by the pandemic and as a result the Council has put in place arrangements to maintain services in line within national guidance and the contractual arrangements. As a result forecast pressures are currently anticipated of £364k which is broadly in line with the corporate Covid-19 provision made for leisure. However, the National Leisure Recovery Fund Grant (NLRG) was announced after the budget was set and once the balance of funding is taken into account this reduces the net pressure to £178k.

■ **Revenues, Benefits and Customer Contacts – Forecast Pressures £78k**

There is an overall net pressure within the service of £78k, which includes:

- Increased expenditure of approx. £0.2m on staffing and support to deal with the ongoing administration of grants and support payments associated with the pandemic, as well as support to catch up with the backlog of work that arose during the previous period. These costs are being met from associated new burdens funding received from the Government.
- A specialist external provider has been utilised to support and identify properties that are missing from the ratings list or are undervalued. This has generated estimated additional business rates income of £2.47m this year, of which the Council's share is 40% or £0.99m, with additional income to continue in future years. These arrangements are based on a one-off commission, with the cost so far this year of £0.13m. The additional income raised will accrue to the Collection Fund and be available in future years. In line with our policy/approval, the costs associated with this service are met from the Business Rates Retention Reserve – to manage the timing differences of income and expenditure.

- There is currently a significant forecast reduction in supported housing costs for the current financial year of £0.639m. During the course of the last 12 months the Council has been reviewing the status of the supported housing providers, as a result a large provision is currently forecast to be set aside pending any challenge against the outcome of that review.
- As reported at the end of 2020/21, the new national alert system means that housing benefit overpayments are identified much earlier than was previously the case. Whilst this is a positive step forward and means that individuals do not accrue significant overpayment debt it does impact on the income that the Council generates from this area. At this stage in the year there is a forecast pressure of £40k, which also takes into account the level of debt provision associated with overpayments.

■ **Corporate Budgets – Forecast underspend £1.2m**

This budget includes the Corporate Covid-19 Provision of £1.3m, with the forecast Covid-19 related pressures shown within individual service budgets, but also analysed in the table at 4.3 below. This is partially offset by a forecast pressure of £0.1m arising from the national local government pay award (this is based on the latest offer from the employers).

- 4.3 The table below compares the budgeted corporate provision for Covid-19 related pressures against the current mid-case forecast, including alternative optimistic and pessimistic scenarios:

COVID-19 Corporate Contingency - Mid Case Monitoring	Budget Provision (Mid Case)	Mid Case Forecast Outturn Q1	Forecast Variation Q1 - Over/(Under)	Optimistic - Variation Q1 - Over/(Under)	Pessimistic - Variation Q1 - Over/(Under)
	£'000	£'000	£'000	£'000	£'000
Brewhouse Income Shortfall	66	78	12	2	46
Civic Function Suite Income Shortfall	70	80	10	(4)	33
Car Parking Income	232	308	76	(8)	305
Leisure Management	407	182	(225)	(306)	(154)
Legal - Cost Recovery	10	10	0	(10)	18
Property Rents	121	13	(108)	(121)	14
Markets Income Shortfall	43	58	15	(3)	33
HMO Income	11	0	(11)	(15)	(3)
MRP Delays - Timing of Capital Receipts	54	40	(14)	(54)	40
Council Tax/NNDR Court Cost Recovery	21	0	(21)	(71)	29
Planning Income Shortfall	53	0	(53)	(103)	31
Land Charges Income Shortfall	13	0	(13)	(19)	8
Homelessness Accommodation	69	(14)	(83)	(101)	(51)
Waste Contamination	140	(15)	(155)	(206)	(16)
Waste Staffing	0	123	123	98	207
Trade Waste Income	20	28	8	2	17
Total COVID-19 Mid Case at Q1	1,330	891	(439)	(919)	557

5. **Treasury Management**

- 5.1 The Council approved the Treasury Management Strategy Statement for 2020/21 on 22nd February 2021 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 2021/22 budget was 0.1%, this reflects the historically low bank rate following the emergency cuts implemented in March 2020 due to the Pandemic. There is currently little expectation of a bank rate increase in the medium term although the risk of negative rates would appear to have significantly diminished.

5.3 Appendix B shows the outstanding investments the authority had as at 30th June 2021. Average investment returns for the first quarter were 0.06%, although forecast investment returns are currently forecast to be slightly in excess of budget. The investment listing (Appendix B) includes certificates of deposit, as well as UK Government Treasury Bills and their deposit account, deposits with UK Banks and AAA rated Money Market Funds and deposits with other local authorities. These instruments offer significant counterparty strength as well as diversification of the portfolio.

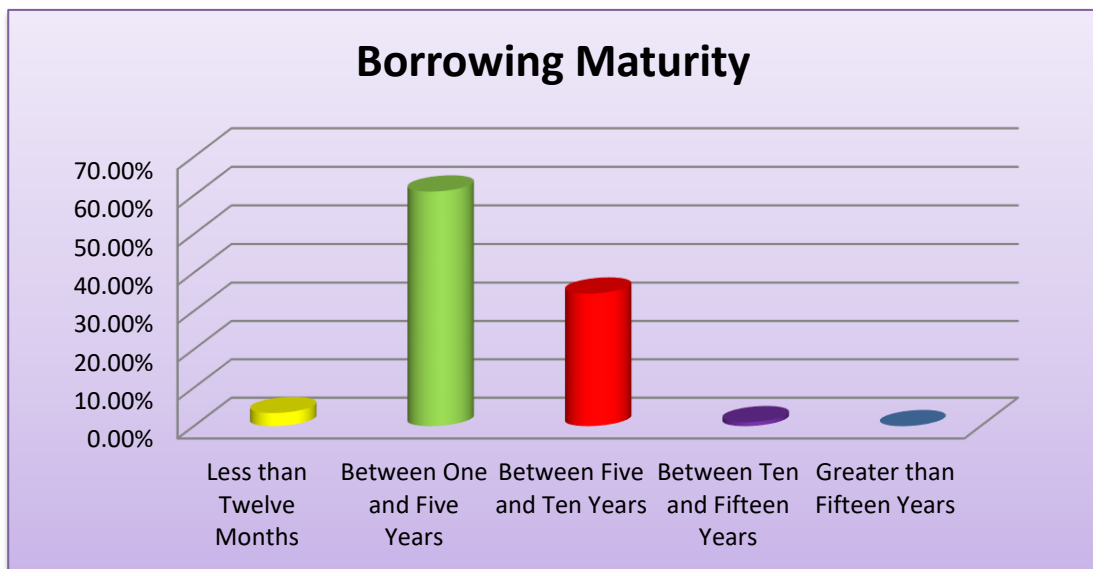
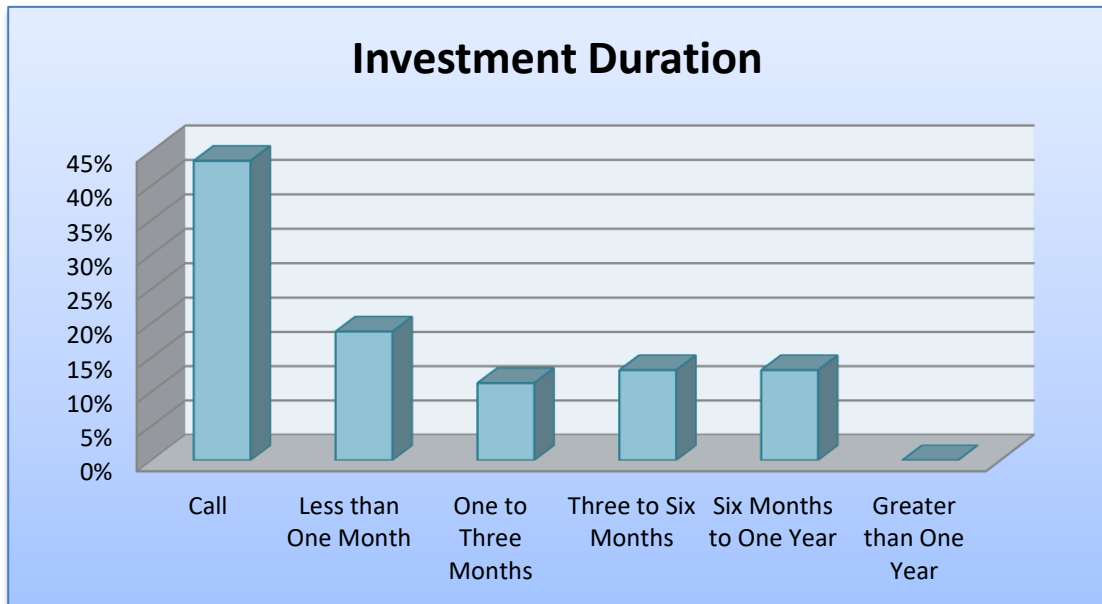
5.4 Borrowing

The average rate payable on the Council's external borrowing as at 30th June 2021 is 5.4%, with total, outstanding external debt of £11m. The next significant tranche of debt amounting to £4.5m is due to mature in March 2026, although there will be smaller repayments associated with the annuity loans in the interim. It is not currently anticipated that this would need to be replaced.

Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	434,095	8.762%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	-
Total External Debt	11,009,095	5.351%

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 2021/22**

- 6.1 The table below details the approved capital projects for 2021/22 totalling £9.4m. This demonstrates that all projects are currently forecast to be delivered within the overall approved budget.

2021-22	Budget, including Carry Forwards £	Current Year Expenditure £	Remaining Budget £	Forecast Expenditure at Quarter 1 £	Increased expenditure / (Under-spend) £	Comments
Neighbourhood Working Fund	22,324	0	22,324	22,324	0	Ongoing
Disabled Facility Grants ¹	2,910,530	104,669	2,805,861	2,910,530	0	Ongoing
Town Hall Office Accommodation Refurbishment	1,756	0	1,756	1,756	0	Final Account
Bartec Street Cleaning Software	12,742	0	12,742	12,742	0	Ongoing
Station Street Burton	79,745	0	79,745	79,745	0	Ongoing
Cemetery Expansion	189,950	2,930	187,020	189,950	0	Scoping scheme
Small Business Fund	100,000	0	100,000	100,000	0	Ongoing
ICT - CISCO Switches	1,186	475	711	1,186	(711)	Completed
Assets - Mandatory Works	37,654	0	37,654	37,654	0	Ongoing
Washlands ²	1,973,308	9,035	1,964,272	1,973,308	0	Scoping scheme
Council Wide Fleet Replacement	3,861,399	0	3,861,399	3,861,399	0	Vehicles ordered
Electric Charging Infrastructure	36,000	0	36,000	36,000	0	Scoping scheme
ICT Servers and Equipment	45,000	1,097	43,903	45,000	0	Ongoing
Shobnall Artificial Pitch Turf Replacement (S106 - EDR)	162,055	0	162,055	162,055	0	Contract awarded
Total	9,433,648	118,207	9,315,441	9,433,648	(711)	

Note 1 - There are 167 active grants not yet completed, applications or enquiries currently in the system at Q1 worth an estimated additional £1.9m, this includes new DFG enquiries (£0.5m), those at referral stage (£0.8m), those at application stage (£0.2m) and those approved/work in progress not yet paid (£0.4m).

Note 2 - Funding of the Washlands project has been rescheduled between the Local Enterprise Partnership (LEP)/ESBC and the Environment Agency (EA) which allowed the Washlands Enhancement Works being undertaken by ESBC to be continued into 2021/22 following the impact of COVID-19. Originally the £3m awarded by the LEP was split £2m with the EA and £1m to ESBC. This was revised to £3m for the Burton Flood Defence Works on condition that the £1m is paid over to ESBC by the EA. These monies have now been received.

6.2 There were no capital receipts received this quarter.

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	2021/22	2022/23	2023/24
Forecast Reduction to be drawn from Reserves	445,000	-	-
Capital	2021/22	2022/23	2023/24
Small under-spend	711	-	-

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 Approved Recommendations

- 12.1 To note the forecast financial position at quarter one of 2021/22 in relation to revenue and capital budgets together with the financial impact and degree of financial uncertainty that continues to exist due to the Covid-19 Pandemic.
- 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 2021/22 to 2023/24

14. Appendices

- 14.1 Appendix A: Forecast variances against budget at outturn 2021/22
- 14.2 Appendix B: Investments at 30th June 2021
- 14.3 Appendix C: Corporate and Strategic Risks – Quarter 1 2021/22

QUARTER ONE FORECAST VARIANCES AGAINST BUDGET AT OUTTURN 2021/22

Arts, Brewhouse and Functions

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Arts, Brewhouse and Civic Function Suite			
Brewhouse and Arts Development	313	369	56
Civic Function Suite	90	147	57
Total Arts, Brewhouse and Civic Functions	403	516	113

Division	Explanation	Forecast Amount Over/ (under) £'000
Brewhouse and Arts Development	Employees	(9)
Brewhouse and Arts Development	Business Rates	(13)
Brewhouse and Arts Development	Shortfall in Ticket Sales Income	15
Brewhouse and Arts Development	Shortfall in Room Rental Income	18
Brewhouse and Arts Development	Other Income Shortfall	15
Brewhouse and Arts Development	Brewhouse Cafe/Bar - Net Shortfall	30
Civic Function Suite	Employees - Vacant Post	(17)
Civic Function Suite	Temporary Staff Saving	(6)
Civic Function Suite	Room Hire - Shortfall in Income	80
Total		113

Community, Open Spaces and Facilities

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Community and Open Spaces			
Cemeteries	(17)	(17)	0
Open spaces	1,407	1,407	0
Partnerships	33	33	0
Horticultural Centre	45	45	0
Facilities and Health and Safety	338	338	0
Community Centres	18	18	0
Car Parks Income	(800)	(498)	302
Community and Civil Enforcement	297	271	(26)
Social Regeneration	20	20	0
Tourism	30	30	0
Councillors Community Fund	22	22	0
Total Community and Open Spaces	1,393	1,669	276

Division	Explanation	Forecast Amount Over/ (under) £'000
Car Parks Income	Bargates Additional Income	(6)
Car Parks Income	Car Parking Income Forecast Shortfall	260
Car Parks Income	Season/Penalty Notices Income	48
Community and Civil Enforcement	Employees	(26)
Total		276

Corporate Management Team

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Officer : Andy O'Brien			
CMT			
Chief Executives	202	204	2
Heads of Service	229	232	3
Total CMT	431	436	5

Division	Explanation	Forecast Amount Over/ (under) £'000
Chief Executives	Employee Costs - Vacancy Factor	2
Heads of Service	Employee Costs - Vacancy Factor	3
Total		5

Corporate and Commercial

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
Corporate and Commercial			
Programmes and Information	260	248	(12)
Committee Support	95	102	7
Elections	205	205	0
Emergency Planning	12	10	(2)
Members Allowances	307	303	(4)
Total Corporate and Commercial	879	868	(11)

Division	Explanation	Forecast Amount Over/ (under) £'000
Programmes and Information	Employee Costs - Vacant Post	(12)
Committee Support	Employee Costs - Vacancy Factor	2
Committee Support	Other Equipment	5
Elections	No Change	0
Emergency Planning	General Grants	(2)
Members Allowances	Supplies and Services	(2)
Members Allowances	Allowances	(2)
Total		(11)

Cultural Services - Marketing

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Mark Rizk			
Cultural Services - Marketing	86	86	0
Total Cultural Services - Marketing	86	86	0

Division	Explanation	Forecast Amount Over/ (under) £'000
Cultural Services - Marketing		0
Total		0

Enterprise

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Officer : Andy O'Brien			
Enterprise			
Enterprise	169	166	(3)
Total Enterprise	169	166	(3)

Division	Explanation	Forecast Amount Over/ (under) £'000
Enterprise	Employee costs	(3)
Total		(3)

Environment

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environment			
Council Depots	99	93	(6)
Public Conveniences	150	124	(26)
Waste Collection	2,668	2,796	128
Street Cleaning	1,104	1,074	(30)
Building Consultancy	48	48	0
Land Drainage	57	57	0
Total Environment	4,126	4,192	66

Division	Explanation	Forecast Amount Over/ (under) £'000
Council Depots	Premises-Related Expenditure	(6)
Public Conveniences	Employee Costs -Vacant Post	(8)
Public Conveniences	Business Rates	(18)
Waste Collection	Employee Costs	32
Waste Collection	Temporary Staff	91
Waste Collection	Recycling Income	(28)
Waste Collection	Third Party Payments - Gate Fees	(15)
Waste Collection	Vehicle Contract Hire - Extension (1 Vehicle)	7
Waste Collection	Vehicle Maintenance Costs - Repairs	13
Waste Collection	Trade Waste Income	28
Street Cleaning	Employee Costs	4
Street Cleaning	Temporary Staff	(19)
Street Cleaning	Vehicle Contract Hire - Extension (2 Vehicles)	3
Street Cleaning	Vehicle Maintenance Costs - Repairs	4
Street Cleaning	Private Street Cleaning	(12)
Street Cleaning	Bulky Waste Income	(10)
Building Consultancy	Building Control Fee Income	(30)
Building Consultancy	Reduced contribution from Building Control Reserve	30
Total		66

Environmental Health

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environmental Health			
Environmental Health	411	411	0
Animal Control	6	6	0
Housing Standards	84	84	0
Total Environmental Health	501	501	0

Division	Explanation	Forecast Amount Over/ (under) £'000
Environmental Health	No Change	0
Housing Standards	No Change	0
Total		0

Financial Services

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
Financial Services			
Capital Financing Costs	491	522	31
Financial Management Unit	511	514	3
Internal & External Audit	128	128	0
Total Financial Services	1,130	1,164	34

Division	Explanation	Forecast Amount Over/ (under) £'000
Capital Financing Costs	Investment Income	(9)
Capital Financing Costs	Debt Repayment - timing of capital receipts	40
Financial Management Unit	Employee Costs - Vacancy Factor	0
Financial Management Unit	Temp Staff Costs	5
Financial Management Unit	Contribution - COVID-19 Grants	(5)
Financial Management Unit	Subscriptions & Professional Fees	3
Total		34

Housing

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
Housing			
Housing options	309	295	(14)
Total: Housing	309	295	(14)

Division	Explanation	Forecast Amount Over/ (under) £'000
Housing Options	No Change	0
Housing Options: Accommodation	Rents	(1)
Housing Options: Accommodation	B&B Costs (excluding Covid 19)	(46)
Housing Options: Accommodation	Premises Rental/ B&B Rentals income (excluding Covid 19)	33
Housing Options: Accommodation	B&B Costs (Covid 19)	25
Housing Options: Accommodation	Use of Grants	(25)
Total		(14)

Human Resources, Payments and Pensions

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Officer : Andy O'Brien			
Human Resources and Payments			
HR and Payroll	363	359	(4)
Pension Payments	1,675	1,675	0
Total Human Resources and Payments	2,038	2,034	(4)

Division	Explanation	Forecast Amount Over/ (under) £'000
HR & Payroll	Employee Costs	6
HR & Payroll	Corporate Training	(10)
Pension Payments	No Change	0
Total		(4)

IT and Printing

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
IT and Printing			
Central Reprographics	106	106	0
ICT	284	288	4
Total ICT and Printing	390	394	4

Division	Explanation	Forecast Amount Over/ (under) £'000
Central Reprographics		0
ICT	Employee Costs - Vacancy Factor	4
Total		4

Legal and Asset Services

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Legal Services & Assets			
Legal	213	223	10
Mayoral Support and Civic Ceremonials	49	44	(5)
Industrial Units	(607)	(585)	22
Assets and Estates Management	(73)	(73)	0
Total Legal Services & Assets	(418)	(391)	27

Division	Explanation	Forecast Amount Over/ (under) £'000
Legal	Shortfall in court costs recovery	10
Mayoral Support and Civic Ceremonials	Reduced functions due to Covid 19	(5)
Industrial Units	Pennycroft Lane - running costs pending sale	9
Industrial Units	Vacant Units	13
Assets and Estates Management	No change	0
Total		27

Leisure Services

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Leisure Services			
Health and Leisure Grants	19	15	(4)
Leisure Management	479	661	182
Total Leisure Management	498	676	178

Division	Explanation	Forecast Amount Over/ (under) £'000
Health and Leisure Grants	Grant Savings	(4)
Leisure Management	Additional support to provider due to Covid-19	364
Leisure Management	NLRF Grant Funding	(182)
Total		178

Licensing and Enforcement

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Licensing and Enforcement			
Licensing and Enforcement	21	31	10
CCTV	71	71	0
Total Licensing and Enforcement	92	102	10

Division	Explanation	Forecast Amount Over/ (under) £'000
Licensing and Enforcement	Licensing Income	10
Total		10

Markets

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Markets	17	78	61
Total Markets	17	78	61

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Income Shortfall	58
Markets	Business Rates - Vacant Units	3
Total		61

Planning and Land Charges

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Planning			
Planning Policy	143	143	0
Development Control	(82)	(84)	(2)
Land Charges	(19)	(19)	0
Total Planning	42	40	(2)

Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Policy	Employee costs	7
Planning Policy	Contribution from Reserves	(7)
Development Control	Employee costs	9
Development Control	Supplies and Services	(2)
Development Control	Contribution from Reserves	(9)
Land Charges	No Change	0
Total		(2)

Revenue and Benefits and Customer Contacts

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Sal Khan			
SCC - Revenues, Benefits and Customer Contacts			
Revenues	1	1	0
Benefits and Professional Services	666	739	73
Customer Contacts	433	433	0
Total - Revenues, Benefits and Customer Contacts	1,100	1,173	73

Division	Explanation	Forecast Amount Over/ (under) £'000
Revenues	External Specialist Support - identify growth in RV for valuation	130
Revenues	Use of Business Rates Reserve	(130)
Revenues	Additional support and associated expenditure (Covid-19)	202
Revenues	Use of Covid-19 Grant Funding	(202)
Benefits	Additional support and associated expenditure (Covid-19)	4
Benefits	Use of Covid-19 Grant Funding	(4)
Benefits	Forecast reduction in Housing Benefits Supported Housing costs	(639)
Benefits	Provision for payment - Supported Housing	672
Benefits	Reduced net income overpayments collection	40
Customer Contacts	Additional support and associated expenditure (Covid-19)	19
Customer Contacts	Use of Covid-19 Grant Funding	(19)
Total		73

Appendix B - Investments as at 30th June 2021

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts and Money Market Funds				
RBS SIBA	696,579	0.01%		
Barclays	43	0.05%		
Santander 95 day notice account	3,500,000	0.20%		95 day notice
Bank of Scotland 95 Day Notice Account	2,500,000	0.05%		95 day notice
Lloyds 95 Day Notice Account	3,500,000	0.05%		95 day notice
MMF Insight	-	0.00%		Call
MMF Aberdeen	4,000,000	0.01%		Call
MMF Federated	4,000,000	0.01%		Call
MMF Blackrock	1,000,000	0.01%		Call
MMF CCLA	4,000,000	0.03%		Call
Fixed Deposits / Certificates of Deposit				
National Westminster Bank CD	1,000,000	0.26%	12/08/2020	12/08/2021
National Westminster Bank CD	1,000,000	0.13%	25/11/2020	24/11/2021
National Westminster Bank CD	1,000,000	0.14%	30/03/2021	30/12/2021
National Westminster Bank CD	2,000,000	0.09%	18/02/2021	18/02/2022
UK Treasury Bill	5,000,000	0.03%	01/06/2021	29/11/2021
DMO (UK Debt Management)	5,000,000	0.01%	06/04/2021	19/07/2021
DMO (UK Debt Management)	5,000,000	0.01%	15/06/2021	19/07/2021
Basildon BC	5,000,000	0.10%	22/06/2021	21/06/2022
Merseyside PCC	5,000,000	0.10%	18/03/2021	20/09/2021

Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Singer	262,000	5.41%		08/10/2008

Investments rate of interest as at 30 June 2021		Principal (£)	Interest Rate
Total Investments		53,458,621	
Total Investments - Excluding Icelandic Exposure		53,196,621	0.06%
Total Investments - Icelandic Exposure Only		262,000	5.41%
Average rate of interest (Year to date)		Principal (£)	Interest Rate
Total Investments		55,229,495	
Total Investments - Excluding Icelandic Exposure		54,967,495	0.06%
Total Investments - Icelandic Exposure Only		262,000	5.41%

Corporate Risks

Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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, impact on procurement and VFM 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.	2	4	13	30/06/2021
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, economic impact of Covid-19, 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.	4	4	16	30/06/2021
Covid -19	<u>People and Processes</u> 1) Availability of staff and skills to deliver services to residents, maintain operations and deliver strategic objectives 2) Ability to continue council business and decision making during restrictions and social distancing requirements.	Up to date and suitable business continuity plans in place and working in partnership as part of the Staffordshire Resilience Forum. Mobile and agile working arrangements with majority of staff working from home with ICT infrastructure in place to ensure business continuity during lockdown, restrictions and social distancing HR Policies and procedures reviewed and revised to support revised arrangements. Internal staff survey to feedback challenges, benefits and impact of wellbeing from revised working arrangements in order to inform actions required and enable senior management to tailor the response going forward. Staff surveys to explore staff experiences of working from home during the latest lockdown and returning to the work-based premises during the coming months. Virtual decision making processes in place and operating effectively, including virtual Council, Cabinet, Scrutiny and Committee meetings. Transition made to socially distanced face to face meetings following the end to the virtual meeting arrangements. Regular monitoring and situation reporting at all levels, including Corporate Management Team Meetings, Situation Reporting to Staffordshire Resilience Forum, weekly member briefings and regular update reports to Cabinet and the political groups.	2	4	13	30/06/2021

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Covid-19 (continued)	<u>Service and Communications</u> 1) Impact of lockdown regulations and social distancing requirements on the delivery of services by the council and its contractors. 2) Communication of impacts and response to the community	<p>Working in partnership with contractors and following government guidance in relation to contractor support during the pandemic.</p> <p>Regular monitoring and situation reporting at all levels, including the Corporate Management Team Meetings, regular situation reporting to Staffordshire Resilience Forum, weekly member briefings and regular update reports to Cabinet and the political groups.</p> <p>Significantly increased and proactive social media work undertaken by the Corporate and Commercial Team in conjunction with services</p> <p>Covid Marshals deployed in a customer-facing ambassadorial role that will help residents and visitors with advice on the national guidance on COVID-19, including social distancing and the wearing of face masks where appropriate.</p> <p>The Council encouraged residents to 'Stay Local' in its campaign to support businesses in the Borough. The 'Stay Local' campaign, which featured a range of local business owners, designed to promote Burton and Uttoxeter town centres, as well as other high streets and shopping areas across East Staffordshire, whilst reminding residents to continue to shop safely.</p> <p>The Customer Service Centre remains closed. The Brewhouse Arts Centre has been closed during the most recent national lockdown and partially re-opened w/c 26th April. Burton Market Hall reopened on 12th April. Everyone Active opened outdoor facilities at Shobnall on 29th March and the Leisure Centres were re-opened on 12th April in line with national guidance. Waste Collection rounds have been operating as normal, however a combination of staff absences and a shortage of HGV drivers nationally means there remains a risk of service disruption.</p>	3	4	15	30/06/2021
	<u>Council Finances</u> Financial pressures from increased expenditure and loss of income impact on the Council's ability to deliver services in the short, medium and long term.	<p>Government support through various funding packages. A successful bid jointly submitted to the National Leisure Fund with SLM to provide support to maintain leisure services (£236k). Arts Grant Funding (£51k) awarded to support our Arts and Brewhouse Service. (£236k)</p> <p>A robust and prudent Medium Term Financial Strategy and resilient underlying financial position, regular in-year monitoring of the financial position.</p> <p>Regular monitoring and reporting to the Corporate Management Team, the Leader (as portfolio holder), Government through monthly returns to MHCLG, Cabinet and the political groups.</p>	3	4	15	30/06/2021

Corporate Risks

Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
	<u>Economic</u> Negative impact on health and well being of the community as a result of the economic downturn arising from the pandemic.	Business Support Grants, retail and hospitality business rates relief and Council tax hardship fund. Test and Trace Support Payments. <u>Borough:</u> Towns fund deal (up to £22.8m in investment), Business Development Fund, £1.4m Station Street regeneration and £0.75m High Street regeneration, Job fairs and Business advice from the Enterprise Team (more details can be found in the Covid-19 update report) <u>Government schemes,</u> including furlough, self employed income support, Vat and stamp duty cuts etc. (More detail can be found in the latest Covid-19 Update report.) <u>Ward:</u> Councillors community fund, frontline councillor advocacy for individuals and families, Parish Council community support and community support by the community and civil enforcement team.	3	4	15	30/06/2021
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 next Spending Review and potential fallout from Brexit and Covid-19 on national finances.	Robust MTFS with flexibility to respond to changes in government proposals Financial modelling/impact assessment. Keep abreast of Govt developments and pro-actively responding to consultations.	3	4	15	30/06/2021
Climate Change	Failure to deliver the climate change action plan approved by Council 17th August 2020.	Annual monitoring and reporting. Additional staffing resource to support implementation. Regular reviews by the Deputy Leader	1	4	10	30/06/2021
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	30/06/2021
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	30/06/2021

Corporate Risks

Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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	31/03/2021
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. Regular in-year monitoring, including scenario planning in relation to the impact of Covid-19.	4	4	16	31/03/2021
Treasury Management - Counter-party risk	Market volatility results in counter-party failure and financial loss to the Council.	Robust Treasury Management Strategy and generally a low risk approach to investments. Advice from professional treasury advisors, monitoring market developments.	2	4	13	31/03/2021
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 The Council is working closely with the Environment Agency in relation to extensive flood defence work on the Washlands and wider areas to prevent major flooding events in the future. County wide preventing violent extremism working group	2	4	13	31/03/2021
Unforeseen Health Impacts	Pandemics/wider health issues impacting on council (more detail in relation to Covid-19 above)	Succession planning/ability to access temporary staff. Major Incident/Emergency Plan Robust, tested business continuity plans	4	4	16	31/03/2021

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Welfare Reforms	Welfare Reforms. 1) Delivery/impact of Universal Credit 2) Financial impact of Council Tax Reduction, including demographic changes 3) Financial impact of universal credit on subsidy levels, ability to recover overpayments and housing options funding.	Council Tax Reduction scheme approved and complied with	3	4	15	30/06/2021
		Regular monitoring of scheme against financial provisions / MTFS				
		Financial modelling/impact assessment. More frequent in year monitoring.				
Wider Public Sector Funding Reductions	Impact on the Council of the wider public sector funding reductions.	Robust MTFS generally provides some financial resilience to respond to changes	3	4	15	30/06/2021
		Seek and develop opportunities to increase income or reduce costs across all Council operations				
		Senior level discussions may mitigate or prevent such cost shunts				

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/SSLEP	Failure to be adequately represented and therefore limited ability to influence. Opportunity risk of not maximising potential benefits from working within the LEPS.	Senior officers (CE and Heads of service) heavily involved in working with the LEP to represent Council's interests in last 12 months accepted the invite to join the SSLEP with a place on the board. One member (Council) one vote, provides Council with a strong voice on GBSLEP	1	4	10	30/06/2021
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 and further reviewed schedule for 2021/22. BC's reviewed in preparation for recent Covid-19 events Approved, up to date BC policy in place.	1	4	10	30/06/2021
Devolution	Forthcoming devolution white paper, with potential for mayoral combined authorities / unitary authorities or other opportunities/outcomes.	Opportunities under review with county council and other districts. Monitored by the executive	1	4	10	30/06/2021
Communication	Lack of community engagement and failure to take into account residents views in the decision making process. Covid-19 has made this more challenging, in particular relation to the ability to undertake face to face consultations.	Consultation strategy in force Proactive social media work undertaken by the Corporate and Commercial Team	2	2	5	30/06/2021
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 quarterly scrutiny boards. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary. Delivery of the Corporate Plan for 2020/21 was significantly more challenging due to the impact of the Covid-19 Pandemic and it is possible that further disruption could impact on delivery for the current year.	3	4	15	30/06/2021
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	30/06/2021

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	<div>The strategy/policy is adopted following consultation with all relevant internal stakeholders and approved by the Leader</div> <div>H&S team advises, educates and reviews risk assessments etc and has direct reporting access to Chief Executive</div> <div>Incident/accident reporting process in place.</div>	1	4	10	30/06/2021
Local Plan Implications	Monitoring of the local plan and maintenance of a five year land supply	<div>Regular monitoring /compliance</div> <div>Planning decisions complying with approved plan/existing planning law/policy.</div> <div>Education of members on importance of decisions complying with policy</div>	2	4	13	30/06/2021
Managing Change	Ineffective change management resulting in a reduction in the quality of services	<div>Workforce Planning Strategy in place</div> <div>Effective track record of performance management - via Corporate Plan, Service Planning, Staff Performance Appraisals</div> <div>Effective Communications - Corporate Management Team, Managers Forum, Team Meetings, Staff 1-1s, Staff Briefings.</div>	2	2	5	30/06/2021
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.	<div>The MTFS is established with COs and DLs working together to realign political manifesto into a series of objectives and financial targets.</div> <div>Financial support and challenge to proposals with financial implications, minimising risks of a budget shortfall.</div> <div>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.</div>	1	4	10	30/06/2021
Member Training/Awareness	Lack of awareness/understanding of key responsibilities.	<div>Constitution</div> <div>Member induction programme, member training and regular briefings.</div> <div>Open door policy with Heads of service; discussions/briefings with officers.</div>	2	2	5	30/06/2021

Strategic Risks**Risk Owner: Corporate Management Team**

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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.	<div>Member training</div> <div>Financial provision/contingency to meet potential costs of appeals</div> <div>Legal advice at committee</div>	3	4	15	30/06/2021
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 or the need for unexpected borrowing.	<div>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.</div> <div>Adequate and suitably trained staff. Regular member training/briefings.</div> <div>The appointment of professional treasury management advisors</div>	2	4	13	30/06/2021