



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Quarter 2 - Revenue and Capital Outturn Report 2018/19
Meeting of:	Cabinet
Date:	17/12/2018
Is this an Executive Decision:	Yes
Is this a Key Decision:	No
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: 17th December 2018

REPORT TITLE: Quarter 2 - Revenue and Capital Outturn 2018/19

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 second quarterly report in the annual cycle of financial monitoring for the financial year 2018/19.

2. Executive Summary

2.1 The report highlights that overall there is a **forecast under-spend of £201k** for the full financial year against a net budget of £10.667m. 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 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.

■ **Net forecast savings (£54k) within the Community, Open Spaces and Facilities Division;**

■ **Income from planning applications is forecast to be in excess of budget, resulting in a saving of £320k;**

■ **Significant forecast pressures on homeless accommodation (£99k) are currently being met on a temporary basis from ring-fenced reserves;**

- There is a forecast net pressure on indoor leisure facilities (£72k) arising from a combination of factors; and
- There are net forecast cost pressures within the Environment Division amounting to £141k.

Further details on these areas are detailed at paragraph 4.2.

- 2.4 Investments as at 30th September 2018 stood at £31m. Investment returns during the first half of the year averaged 0.76%, which exceeds both the average base rate and budget. 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, together with how this is mitigated for 2018/19. 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 £1.6m. The report indicates that taking into account approved contingencies, 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 2018/19

- 3.1 On 26th February 2018, the full Council approved the Revenue Budget for the year 2018/19, totalling £10,667m as follows:

Approved Service Budgets	£000's
Arts, Brewhouse and Functions	393
Community and Open Spaces	1,287
Corporate Management Team	464
Corporate and Commercial	843
Cultural Services – Marketing	130
Enterprise	129
Environment	3,122
Environmental Health	495
Financial Services and Capital Financing	989
Housing	252
Human Resources, Payments & Pensions	1,709
IT and Printing	501
Legal Services, Assets and Licensing	(278)
Leisure - Indoor Facilities	891
Leisure - Outdoor Facilities	147
Markets	(14)
Planning and Land Charges	187
Revenue, Benefits and Customer Contacts	269
Corporate Budgets	(849)
Total Contributions to / (from) Reserves	0

Total	10,667
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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 2018/19

4.1. The following table indicates the quarter two 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 2)	Forecast Variation Q2 (Over/(Under))	Forecast Variation Q1 (Over/(Under))
	£'000	£'000	£'000	£'000
Arts, Brewhouse and Functions	401	439	38	22
Community and Open Spaces	1,219	1,165	(54)	(60)
Corporate Management Team	466	423	(43)	3
Corporate and Commercial	845	852	7	0
Cultural Services - Marketing	131	131	0	0
Enterprise	201	212	11	9
Environment	3,174	3,315	141	81
Environmental Health	497	497	0	0
Financial Services	991	985	(6)	(6)
Housing	253	268	15	4
Human Resources and Payments	1,712	1,675	(37)	(20)
IT and Printing	502	505	3	0
Legal Services and Assets	(360)	(409)	(49)	(34)
Leisure Centres - Indoor Facilities	921	993	72	61
Leisure Centres - Outdoor Facilities	152	163	11	0
Licensing and Enforcement	86	118	32	0
Markets	(12)	(22)	(10)	26
Planning	190	(142)	(332)	(220)
Revenue, Benefits and Customer Contacts	276	276	0	0
Corporate Items	(978)	(978)	0	0
Total Contributions to / (from) Reserves	0	0	0	0
Total	10,667	10,466	(201)	(134)

4.2 The tables at Appendix A summarise, by service division, the variations between the 2018/19 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 - £54k**
 At this stage of the year, there are a number of forecast savings across the division, arising from a combination of factors but mainly arising from grounds maintenance, and staff secondment savings. In addition to which, income from car parking season tickets is forecast to be £35k lower than the budget, with income from other car parking forecast to be £4k higher than the budget.

■ **Planning – Forecast underspend £332k**

Planning income has significantly exceeded budget during the first half of the year. Taking into account a prudent estimate for the remainder of the year, this is forecast to exceed budget by £320k. There are pressures on staffing resources within this service due to a combination of factors. This pressure has been offset by the use of ring-fenced monies associated with the 20% fee increase introduced in 2017/18.

■ **Environment – Forecast net pressure - £141k**

This pressure arises due to a number of factors. There is increased demand for replacement wheelie bins resulting in a forecast increase in expenditure of £40k. Following consideration of the review on public conveniences the original savings target (£60k) will not be achieved. In addition to which, the recycling income budget is under pressure as a result of a reduction in pricing.

■ **Housing/Homeless Accommodation – Pressures (£99k) met from reserves**

There are forecast net pressures on homeless accommodation of £99k, which can be met from ring-fenced homeless funding. This has arisen largely due to increased demand and extended lengths of stay in temporary accommodation, which is primarily influenced by the introduction of the Homeless Reduction Act (HRA), although there are also other factors that have impacted on this position. Key changes that have resulted in this pressure are outlined below:

- Overall we have seen a 93% increase in numbers that have been accommodated during the first half of the year in comparison to 2017;
- The length of stays/number of nights accommodated has increased by 59%;
- The average cost per night has increased by 33% on the same period last year due to various factors; the closure of an existing lower cost provider, price increases for existing providers and the underlying level of demand means additional use of higher cost providers.

A recent study conducted by the District Council's Network following the implementation of the Housing Reduction Act 2017 in order to understand the impact in the first six months since its introduction made the following key points:

- Two thirds of Councils have seen an increase in the visible signs of homelessness in recent years;
- Around 50% of district councils have seen an increase in requests for advice and assistance, with other areas indicating over 100%;
- The new burdens funding is insufficient to sustain the work required to fully implement the HRA.

There are a number of actions that are being taken to mitigate these cost pressures, including those outlined within the report to Cabinet in February 2018. The housing allocations policy was revised and approved by Cabinet on 12th November 2018 which will enable an offer of settled accommodation earlier than at present. Additional lower cost leasehold accommodation is in the process of being acquired and it is expected that there will be an increased supply of lower cost temporary accommodation available in the market in the medium term.

This pressure has been mitigated by the use of homeless reserves in 2018/19. There is a funding allocation in 2019/20 (£142k) from central government to mitigate these pressures, however this may become a factor for the MTFs if demand continues to increase and additional funding is not forthcoming from central government.

■ **Leisure Centres (Indoor Leisure) – Forecast net cost pressure - £72k**

There are a number of reasons for this net pressure including:

- Employee costs are forecast to exceed budget by £40k. This is partially due to the 2% vacancy factor built into the budget – unlike many other services when vacancies occur in this service they are back filled immediately to ensure service continuity. The School Swimming offer has been increased at the Meadowside Leisure Centre, with lessons now being delivered directly to 16 local schools. Finally we have seen a higher turnover of staff in the last twelve months that has contributed to an increase in staffing costs whilst new staff are trained.
- Despite measures that have been adopted to counter this, income is forecast to be £98k lower than budgeted, this is mainly due to reduced memberships at the Meadowside Leisure Centre, which was significantly impacted by the opening of Gym Group in Burton and has since only slightly recovered. To put this point into context, we are now 323 members down at Meadowside against the same point in 2017 (Septembers membership roll at Meadowside was 1,133). We have continued to increase sales in other areas and since quarter one we have seen a 7% increase for people on multi swim card memberships with a total of 743 memberships. Swimming lesson numbers have also increased in comparison to quarter one by 6%. Dry course numbers remains the same with a 20% increase since the turn of 2018.
- These pressures are partly offset by forecast savings of £66k primarily in relation to maintenance, energy and supplies and services.

- 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 2018/19 on 26th February 2018 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 2018/19 budget was 0.5%. 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 future changes are likely to be slow but gradual increases over the coming years.

5.3 Appendix B shows the outstanding investments the authority had as at 30th September 2018. Average investment returns (0.76%) are performing above budget, which is a positive position considering our continued low risk approach. The investment listing (Appendix B) includes certificates of deposit held with a number of international banks, as well as UK Government Treasury Bills. These instruments offer significant counterparty strength as well as diversification of the portfolio.

5.5 Borrowing

The average rate payable on the Council's external borrowing as at 30th September 2018 is 5.4%, with total, outstanding external debt of £11.2m.

Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	605,962	8.330%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	
Total External Debt	11,180,962	5.381%

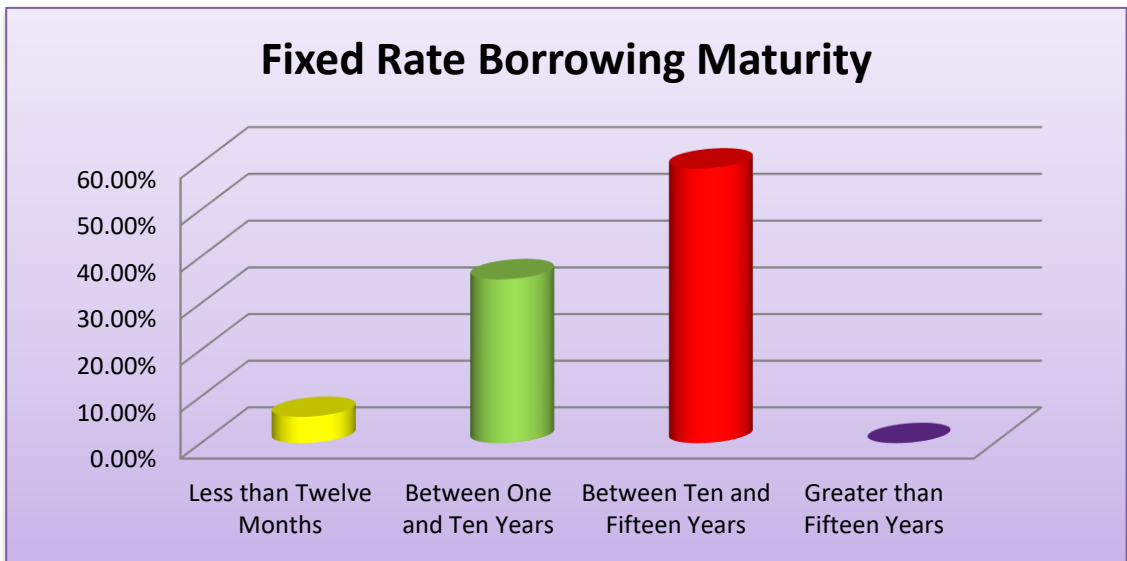
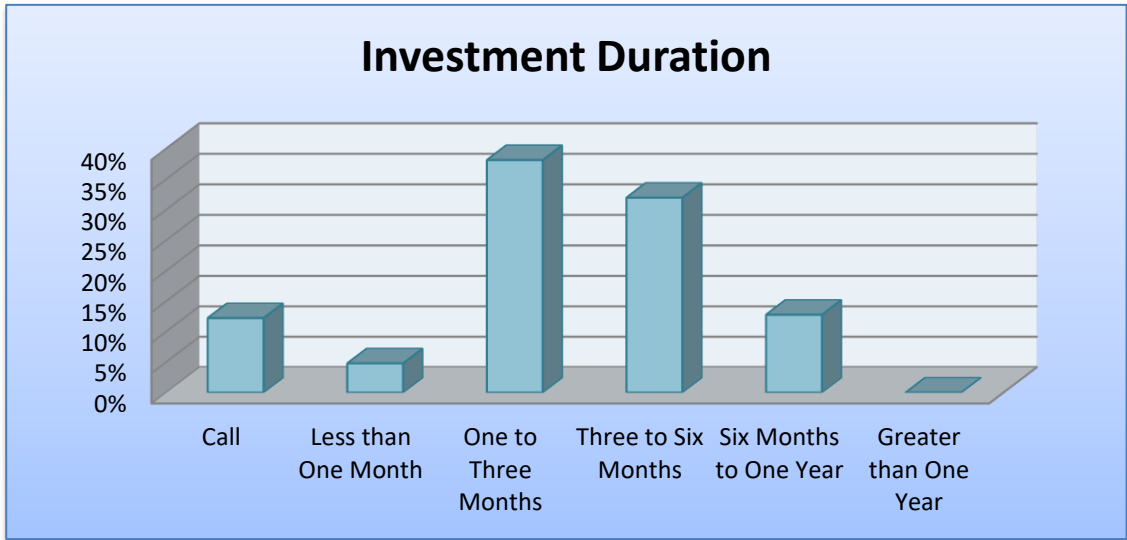
Capital Financing Budget

5.6 This budget consists of £0.8m associated with the cost of servicing the council's debt and £0.1m income from investment returns.

5.7 The capital financing budget was reduced by £153k for 2018/19 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. This risk is currently mitigated through a combination of investment income, which is forecast to exceed budget by £100k, and the debt repayment reserve.

5.8 Maturity Structure of Investments and Borrowing

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



6. Capital Programme 2018/19

6.1 The table below details the approved capital projects for 2018/19 totalling £1.6m. This demonstrates that all projects are currently forecast to be delivered within the overall approved budget.

2018-19	Current Year Budget £	Current Year Expenditure to 30th Sept. £	Remaining Budget £	Forecast 2018/19 Expenditure at Quarter 2 £	Draw down of approved contingency £	Comments
Neighbourhood Working Fund	197,157	37,488	159,669	197,157	0	Ongoing
Disabled Facility Grants (1)	1,142,133	87,923	1,054,210	1,142,133	0	Ongoing
Brewhouse Arts Centre	45,000	0	45,000	45,000	0	Ongoing
Public Art Work Restoration	46,000	0	46,000	46,000	0	Ongoing
Town Hall Office Accommodation (note Below)	90,281	82,273	8,008	108,437	18,156	Works largely complete.
Car Parks - Contactless Machines	7,800	7,200	600	7,800	0	Completed
Yeoman Industrial Units Roofing Works	37,342	0	37,342	37,342	0	Completed
CSC (Burton) Alterations (Cabinet August 18)	39,900	0	39,900	39,900	0	Works largely complete.
CVSC Essential Works (Cabinet September 18)	40,000	0	40,000	40,000	0	Not yet started
Total	1,645,613	214,884	1,430,729	1,663,769	18,156	

(1) An update on disabled facility grants is elsewhere on the agenda.

6.2 In respect of the Town Hall Office Accommodation Project, as part of the original business case, Cabinet approved a £69k contingency which has not yet been allocated. The table above highlights that the current forecast envisages drawing down £18k of this sum towards capital works, with a further £40k to support revenue costs associated with the re-location.

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	2018/19	2019/20	2020/21
Forecast Under-spend	(201,000)	-	-

Capital	2018/19	2019/20	2020/21
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. Cabinet Recommendation(s)

- 12.1 To note the financial position at quarter two of 2018/19 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 2018/19 to 2020/21

14. Appendices

- 14.1 Appendix A: Forecast variances against budget at outturn 2018/19
- 14.2 Appendix B: Investments at 30th September 2018
- 14.3 Appendix C: Corporate and Strategic Risks – Quarter 2 2018/19

**QUARTER TWO
FORECAST VARIANCES AGAINST BUDGET AT OUTTURN
2018/19**

Arts, Brewhouse and Functions

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Arts, Brewhouse and Civic Functions			
Brewhouse and Arts Development	324	340	16
Civic Function Suite	77	99	22
Total Arts, Brewhouse and Civic Functions	401	439	38

Division	Explanation	Forecast Amount Over/ (under) £'000
Civic Function Suite	Hire Income	22
Brewhouse and Arts Development	Income	16
Total		38

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	(22)	(23)	(1)
Open spaces	1,360	1,301	(59)
Partnerships	35	16	(19)
Horticultural Centre	41	41	0
Facilities and Health and Safety	307	322	15
Community Centres	18	16	(2)
Car Parks Income	(804)	(782)	22
Community and Civil Enforcement	284	274	(10)
Total	1,219	1,165	(54)

Division	Explanation	Forecast Amount Over/ (under) £'000
Cemeteries	Contracted Ground Maintenance	(15)
Cemeteries	Fees and Charges	10
Cemeteries	Other minor changes (net)	4
Open Spaces	Contracted Ground Maintenance	(20)
Open Spaces	Play Equipment	(20)
Open Spaces	Other Income	(17)
Open Spaces	Employee Costs	(2)
Partnerships	Employee Costs	(19)
Horticultural Centre	Contracted Ground Maintenance	(5)
Horticultural Centre	Supplies & Services	(5)
Horticultural Centre	Fees and Charges	10
Facilities and Health and Safety	Rents	13
Facilities and Health and Safety	Repair & Maintenance of Buildings	10
Facilities and Health and Safety	Voluntary Organisations - Repairs and Mnt	(6)
Facilities and Health and Safety	Industrial Unit - Statutory Obligations	(5)
Facilities and Health and Safety	Other minor changes (net)	3
Community Centres	Repairs and Maintenance	(2)
Car Parks Income	Income - Season Tickets lower than anticipated	35
Car Parks Income	Cash Collection Contract	(5)
Car Parks Income	Supplies & Services	(4)
Car Parks Income	Other Income - higher than anticipated	(4)
Community and Civil Enforcement	Employee Costs	(12)
Community and Civil Enforcement	Vehicle Maintenance Costs	2
Total		(54)

Corporate Management Team

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Officer : Andy O'Brien			
Chief Executives	197	200	3
Heads of Service	269	223	(46)
CMT	466	423	(43)

Division	Explanation	Forecast Amount Over/ (under) £'000
Chief Executives	Employee Costs	3
Heads of Service	Employee Costs	(46)
Total		(43)

Corporate and Commercial

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Corporate and Commercial			
Programmes and Information	281	289	8
Committee Support	89	89	0
Elections	178	182	4
Emergency Planning	14	14	0
Members Allowances	283	278	(5)
Total Corporate and Commercial	845	852	7

Division	Explanation	Forecast Amount Over/ (under) £'000
Programmes and Information	Employee costs	8
Committee Support	Employee costs	2
Committee Support	Subscriptions	(2)
Elections	Employee Costs	4
Emergency Planning		0
Members Allowances	Members Allowances	(5)
Total		7

Cultural Services - Marketing

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Cultural Services - Marketing	131	131	0
	131	131	0

Enterprise

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Enterprise	121	124	3
Councillors Community Fund	39	39	0
Neighbourhood Working	41	49	8
Total Enterprise	201	212	11

Division	Explanation	Forecast Amount Over/ (under) £'000
Enterprise	Employee costs	3
Neighbourhood Working	Employee costs	8
Total		11

Environment

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environment			
Council Depots	141	139	(2)
Public Conveniences	71	131	60
Waste Collection	1,911	1,999	88
Street Cleaning	936	934	(2)
Building Consultancy	61	58	(3)
Land Drainage	54	54	0
Total	3,174	3,315	141

Division	Explanation	Forecast Amount Over/ (under) £'000
Council Depots	Employee costs	2
Council Depots	Business Rate/Utilities	(4)
Public Conveniences	Impact of re-profiling savings in MTFS	60
Waste Collection	Wheelie Bins	40
Waste Collection	Third Party Payments	(12)
Waste Collection	Contribution from other bodies	(3)
Waste Collection	Recycling Income	63
Street Cleaning	Vehicle Hire	2
Street Cleaning	Bulky Waste collection	(4)
Building Consultancy	Employee costs	5
Building Consultancy	Training expenses	(3)
Building Consultancy	Scanning	4
Building Consultancy	Consultants	(3)
Building Consultancy	Other Income	(2)
Building Consultancy	Change in use of reserve	(4)
Total		141

Environmental Health

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environmental Health			
Environmental Health	386	386	0
Animal Control	16	16	0
Housing Standards	95	95	0
Total Environmental Health	497	497	0

Division	Explanation	Forecast Amount Over/ (under) £'000
Environmental Health	Employee costs	(8)
Environmental Health	Food Safety Inspections	8
Housing Standards	Employee costs	18
Housing Standards	Houses in Multiple Occupation Fees	(18)
Total		0

Financial Services

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Financial Services			
Capital Financing Costs	434	434	0
Financial Management Unit	427	427	0
Internal & External Audit	130	124	(6)
Total Financial Services	991	985	(6)

Division	Explanation	Forecast Amount Over/ (under) £'000
Internal & External Audit	External Audit Fees	(6)
Total		(6)

Housing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Housing			
Housing options	253	268	15
Total: Housing	253	268	15

Division	Explanation	Forecast Amount Over/ (under)
Housing Options	Employee Costs	15
Housing Options	B&B Accommodation/ Rents	228
Housing Options	Premises Rental	(129)
Housing Options	Contribution form Reserves	(99)
Total		15

Human Resources, Payments and Pensions

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Human Resources and Payments			
HR and Payroll	451	434	(17)
Pension Payments	1261	1241	(20)
Total Human Resources and Payments	1,712	1,675	(37)

Division	Explanation	Forecast Amount Over/ (under) £'000
HR and Payroll	Employee Costs	(17)
Pension Payments	Revised estimates from SCC	(20)
Total		(37)

IT and Printing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
IT and Printing			
Central Reprographics and Administration	183	183	0
Computer Services	319	322	3
Total ICT and Printing	502	505	3

Division	Explanation	Forecast Amount Over/ (under) £'000
Central Reprographics and Administration		0
Computer Services	Employee Costs	5
Computer Services	Software Licenses & Contracts	(2)
Total		3

Legal and Asset Services

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Chief Officer : Andy O'Brien			
Legal Services & Assets			
Legal	207	182	(25)
Mayoral Support and Civic Ceremonials	59	59	0
Industrial Units	(554)	(578)	(24)
Assets and Estates Management	(72)	(72)	0
Total Legal Services & Licensing	(360)	(409)	(49)

Division	Explanation	Forecast Amount Over/ (under) £'000
Legal	Legal and Court Costs Recovered	(25)
Industrial Units	Fees & Charges	(24)
Total		(49)

Leisure – Indoor Facilities

	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Head of Service : Mark Rizk			
Leisure Centres - Indoor Facilities			
Leisure Centres - Indoor Facilities	716	792	76
Health and Leisure Grants	12	8	(4)
Active East Staffs	193	193	0
Total Leisure Centres - Indoor Facilities	921	993	72

Division	Explanation	Forecast Amount Over/ (under) £'000
Leisure Centres - Indoor Facilities	Employees including vacancy factor	40
Leisure Centres - Indoor Facilities	Premises	(32)
Leisure Centres - Indoor Facilities	Supplies and Services	(28)
Leisure Centres - Indoor Facilities	Income	98
Leisure Centres - Indoor Facilities	Catering	(2)
Health and Leisure Grants	General Grants	(4)
Total		72

Leisure – Outdoor Facilities

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Leisure Centres - Outdoor Facilities			
Leisure Centres - Outdoor Facilities	152	163	11
	152	163	11

Division	Explanation	Forecast Amount Over/ (under) £'000
Leisure Centres - Outdoor Facilities	Employee Costs	8
Leisure Centres - Outdoor Facilities	Gas and Electricity	(3)
Leisure Centres - Outdoor Facilities	Fees and Charges	6
Total		11

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Licensing and Enforcement			
Licensing and Enforcement	6	38	32
CCTV	80	80	0
Total Licensing and Enforcement	86	118	32

Division	Explanation	Forecast Amount Over/ (under) £'000
Licensing and Enforcement	Employee Costs	11
Licensing and Enforcement	Loss of street trader income	3
Licensing and Enforcement	Provision	18
Total		32

Markets

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Markets	(12)	(22)	(10)
	(12)	(22)	(10)

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Income	39
Markets	Employee costs	(2)
Markets	Premises Costs	(10)
Markets	Supplies and Services	(37)
Total		(10)

Planning and Land Charges

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Planning			
Planning Policy	146	142	(4)
Planning Delivery	66	(254)	(320)
Land Charges	(22)	(30)	(8)
Total	190	(142)	(332)

Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Policy	Employee costs	(4)
Planning Delivery	Employee costs	(30)
Planning Delivery	Temporary staffing cover/support	136
Planning Delivery	Planning Fees	(320)
Planning Delivery	Contribution from additional fee reserve	(106)
Land Charges	Employee costs	(8)
Total		(332)

Revenue and Benefits and Customer Contacts

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
SCC - Revenues, Benefits and Customer Contacts			
Revenues	(17)	(17)	0
Benefits and Professional Services	(129)	(129)	0
Customer Contacts	422	422	0
Total	276	276	0

Division	Explanation	Forecast Amount Over/ (under) £'000
Benefits and Professional	Reduction in Discretionary Housing Payment Grant	32
Benefits and Professional	Reduction in Discretionary Housing Payments Awarded	(32)
Benefits and Professional	Universal Credit Support -Partnership with Citizens	6
Benefits and Professional	Universal Credit DWP Income	(6)
Total		0

Appendix B - Investments as at 30th September 2018

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts and Money Market Funds				
RBS SIBA	76,152	0.01%		Call
Federated Money Market Fund	3,750,000	0.70%		Call
Lloyds	2,500,000	0.80%		95 day notice
Santander	3,500,000	0.85%		95 day notice
Barclays 95 Day Notice Account	3,424,111	0.70%		95 day notice
Barclays Holding Account	15	0.00%		
Fixed Deposits / T Bills / Certificates of Deposit				
BOS	1,500,000	1.05%	28/09/2018	27/09/2019
BOS	500,000	1.00%	06/07/2018	08/07/2019
BOS	500,000	0.65%	08/05/2018	08/11/2018
Lloyds	1,000,000	1.00%	01/06/2018	03/06/2019
Nationwide CD	1,500,000	0.68%	13/07/2018	11/01/2019
Nordea CD	1,500,000	0.77%	27/07/2018	28/01/2019
Toronto Dominion CD	1,500,000	0.73%	24/04/2018	24/10/2018
UK Treasury Bill	1,000,000	0.54%	18/06/2018	17/12/2018
UK Treasury Bill	1,000,000	0.70%	13/08/2018	12/11/2018
UK Treasury Bill	1,000,000	0.70%	20/08/2018	18/02/2019
UK Treasury Bill	1,000,000	0.70%	28/08/2018	25/02/2019
UK Treasury Bill	1,000,000	0.70%	03/09/2018	04/03/2019
UK Treasury Bill	1,000,000	0.71%	03/09/2018	04/03/2019
UK Treasury Bill	1,000,000	0.71%	24/09/2018	25/03/2019
National West Minster Bank CD	1,000,000	0.90%	13/08/2018	13/02/2019
National West Minster Bank CD	1,000,000	0.90%	03/09/2018	04/03/2019
National West Minster Bank CD	1,000,000	1.04%	17/09/2018	16/09/2019

Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Singer	285,000	5.41%		08/10/2008

Investments rate of interest as at 30 th September 2018	Principal (£)	Interest Rate
Total Investments	31,535,278	
Total Investments - Excluding Icelandic Exposure	31,250,278	0.80%
Total Investments - Icelandic Exposure Only	285,000	5.41%

Average rate of interest for the year to date	Principal (£)	Interest Rate
Total Investments	31,915,846	
Total Investments - Excluding Icelandic Exposure	31,630,846	0.76%
Total Investments - Icelandic Exposure Only	285,000	5.41%

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, 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	30/09/2018
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.	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	30/09/2018
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	30/09/2018
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	30/09/2018
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	30/09/2018

Corporate Risks

Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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	30/09/2018
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, 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	30/09/2018
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	30/09/2018
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	30/09/2018
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	30/09/2018

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 <hr/> Access controls and permissions within system applications <hr/> Protective defences such as antivirus <hr/> Perimeter protection with hardware firewalls <hr/> Regular patching <hr/> Access controls and permissions within system applications <hr/> Prevention of access to unnecessary physical facilities e.g. CD drives and USB	2	4	13	30/09/2018
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 <hr/> Seek and develop opportunities to increase income or reduce costs across all Council operations <hr/> Senior level discussions may mitigate or prevent such cost shunts	3	4	12	30/09/2018

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	30/09/2018
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	30/09/2018
Combined Authority	Potential opportunity risk of not maximising any benefits from joining a	Opportunities being constantly reviewed and monitored by the executive	1	4	10	30/09/2018
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	30/09/2018
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	30/09/2018
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	30/09/2018

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	30/09/2018
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	30/09/2018
Combined Authority	Potential opportunity risk of not maximising any benefits from joining a	Opportunities being constantly reviewed and monitored by the executive	1	4	10	30/09/2018
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	30/09/2018
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	30/09/2018
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	30/09/2018

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	30/09/2018
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	30/09/2018
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.	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. Adequate and suitably trained staff. Regular member training/briefings. The appointment of professional treasury management advisors	1	4	10	30/09/2018