



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Quarter 3 - 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 – 15 th February 2022	X
	Leader and Deputy Leaders – 21 st February 2022	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group – 2 nd & 3 rd March 2022	
	Cabinet – 14 th March 2022	
	Scrutiny Audit and Value for Money Council Services Committee – 23 rd March 2022	



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: **Chris Ebberley**

Date Signature

Chief Finance Officer: **Sal Khan**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 14th March 2022

REPORT TITLE: Quarter 3 - 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 third 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. This recognised that there was a high degree of uncertainty and potential volatility within the budgets. The report highlights that overall there remains some 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 forecast which would only require a minimal draw down from reserves of £15k.
- 2.2 Overall the forecast outlook for the year is better than was anticipated when the budget was set. This is largely due to the success of the vaccine rollout, in terms of re-opening the economy and preventing further restrictions or lockdowns. Whilst the Omicron variant initially seemed to pose a significant threat for Quarter 3 onwards, that has not materialised to the degree previously seen. The most significant changes in the overall forecast since Quarter 2 relate to a continued uplift in income from recycling and a re-assessment of the supported housing provision. **Paragraph 4.2 and 4.3 of the report set out the most significant variations against budgets at this point in the year.**

- 2.3 Overall, the Council's underlying financial position is robust and this provides a strong foundation of financial resilience. 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.
- 2.4 Investments as at 31st December 2021 stood at £66.1m. Investment returns to the end of December averaged 0.05%. This has reflected the availability in the markets, but following increases in the base rate this is now starting to improve. 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 £9.5m. 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 2021/22, 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 three 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 Q3	Forecast Variation Q3 - Over/(Under)	Forecast Variation Q2 - Over/(Under)
	£'000	£'000	£'000	£'000
Arts, Brewhouse and Function Suite	405	511	106	97
Community and Open Spaces	1,400	1,737	337	295
Corporate Management Team	431	438	7	7
Corporate and Commercial	880	830	(50)	(31)
Cultural Services - Marketing	86	86	0	0
Enterprise	169	162	(7)	(7)
Environment	4,134	3,999	(135)	(68)
Environmental Health	506	380	(126)	(39)
Financial Services	1,126	1,157	31	43
Housing	309	285	(24)	(6)
Human Resources, Payments & Pensions	2,039	2,019	(20)	(5)
IT and Printing	392	398	6	6
Legal Services and Assets	(417)	(343)	74	46
Leisure Services	498	489	(9)	(4)
Licensing and Enforcement	96	82	(14)	(10)
Markets	18	69	51	57
Planning and Land Charges	42	(7)	(49)	(17)
Revenue, Benefits and Customer Contacts	1,110	1,089	(21)	143
Service Budget Total	13,224	13,381	157	507
Corporate Items	147	(1,011)	(1,158)	(1,183)
Retained Business Rates	(3,365)	(3,365)	0	0
Covid-19 Government Support	(931)	(993)	(62)	(62)
Lower Tier Support Grant	(615)	(615)	0	0
Council Tax, including Special Expenses	(7,346)	(7,346)	0	0
Council Tax Surplus from prior years	(36)	(36)	0	0
Amount to be met from Reserves - Increase / (decrease)	1,078	15	(1,063)	(738)

- 4.2 The tables at Appendix A summarise, by service, the variations between the 2021/22 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 £106k**
There is a significant forecast shortfall in income levels of approx. £159k which is being partially offset by forecast expenditure savings on staffing, business rates and other premises costs. This income shortfall continues to relate to the ongoing impact of the pandemic.
- **Community and Open Spaces – Forecast Net Pressure of £337k**
This forecast pressure arises because of a forecast shortfall in car parking income estimated to be £352k due to the Covid-19 Pandemic. There are a number of other forecast changes in this area, including increased costs for grounds maintenance, although these pressures are primarily being partially offset by savings associated

with facility repairs and maintenance and staffing in the Community and Civil Enforcement Team.

■ **Environment – Forecast Net Savings - £135k**

Within this overall forecast net savings, there are forecast pressures arising from an increase in staffing costs within waste management (£135k) due to both increased workloads/waste arising from the pandemic, the number of staff in this area being required to self-isolate and the approved pay enhancement for HGV drivers due to the pressures in the market. This is being offset by a number of other areas, including a forecast increase in income levels associated with bulky waste (£15k) and recycling (£208k), which includes a significant uplift in commodity prices as a result of economies around the world re-opening following lockdowns and the subsequent demands, reduced contamination following an awareness campaign and also a reduction in business rates costs (£34k).

■ **Environmental Health – Forecast Net Savings - £126k**

There are staffing savings arising from vacancies and staff time allocated towards Covid-19 activities that have been met through grant funding in year. In addition, one-off funding was carried forward from 2021/22 for professional support remains unspent. Furthermore, additional income is forecast from export fees.

■ **Leisure – Forecast Saving £9k**

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. This anticipated cost pressures to be met by the Council of £472k for the duration of 2021/22 – with a provision held in Corporate Budgets towards this. A combination of external funding of £236k being awarded after the budget was set, together with performance significantly improving during the interim period with surpluses reported in each month between July and October, results in positive forecast position for this Service. This also includes savings in relation to leisure grant funding and support.

■ **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 Quarter 3 forecast

COVID-19 Corporate Contingency - Mid Case Monitoring	Budget Provision (Mid Case)	Forecast Outturn Q3	Forecast Variation Q3 - Over/(Under)
	£'000	£'000	£'000
Brewhouse Income Shortfall	66	50	(16)
Civic Function Suite Income Shortfall	70	109	39
Car Parking Income	232	352	120
Leisure Management	407	0	(407)
Legal - Cost Recovery	10	25	15
Property Rents	121	29	(92)
Markets Income Shortfall	43	62	19
HMO Income	11	0	(11)
MRP Delays - Timing of Capital Receipts	54	40	(14)
Council Tax/NNDR Court Cost Recovery	21	0	(21)
Planning Income Shortfall	53	0	(53)
Land Charges Income Shortfall	13	4	(9)
Homelessness Accommodation	69	0	(69)
Waste Contamination	140	0	(140)
Trade Waste Income	20	23	3
Total COVID-19 Mid Case at Q3	1,330	694	(636)

5. Treasury Management

- 5.1 The Council approved the Treasury Management Strategy Statement for 2021/22 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. Since Quarter 2 there has been an increase in the bank rate to 0.25% plus a further increase in Quarter 4 to 0.5%.
- 5.3 Appendix B shows the outstanding investments the authority had as at 31st December 2021. Average investment returns for the year to date were 0.05%, although forecast investment returns are currently forecast to be slightly in excess of budget. Following the recent bank rate increases investment returns are likely to increase over the forthcoming period and this has been reflected within the budget for 2022/23 onwards. 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.

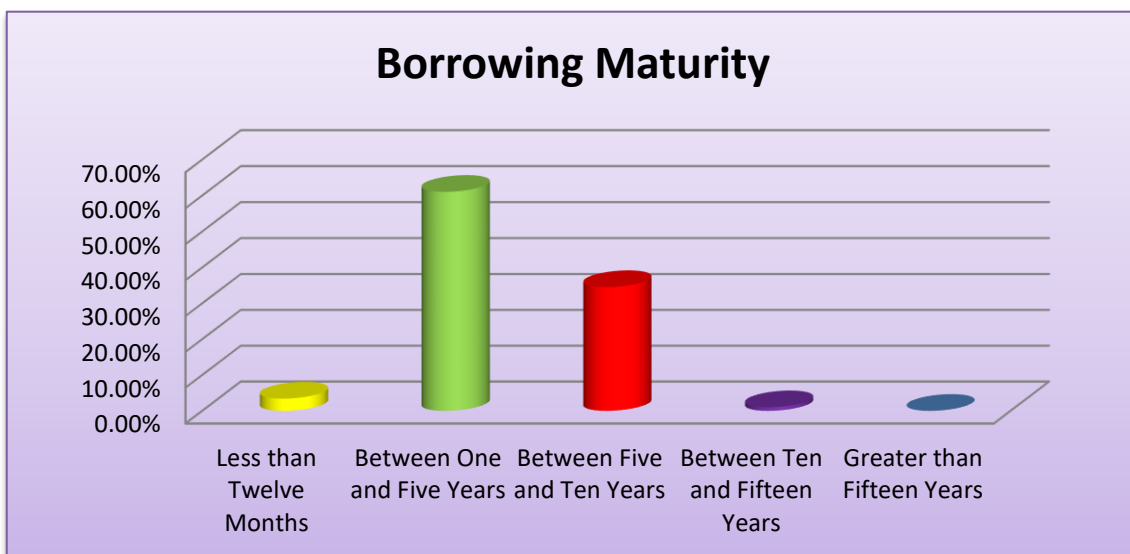
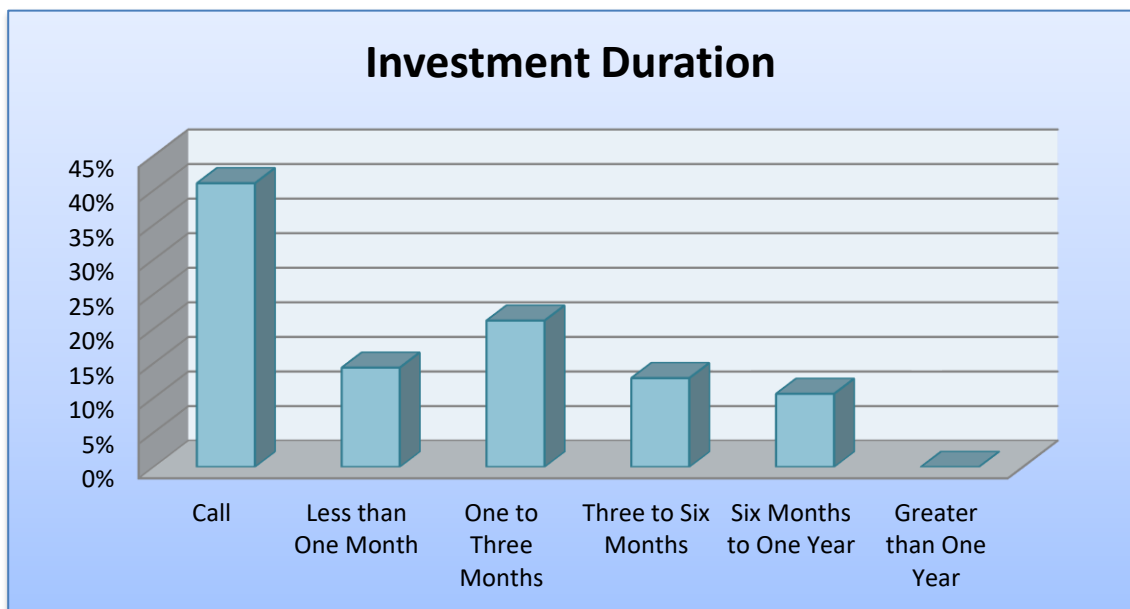
5.4 Borrowing

The average rate payable on the Council's external borrowing as at 31st December 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.

Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	406,555	8.849%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	-
Total External Debt	10,981,555	5.345%

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 £9.5m, this includes £4m carried forward from 2020/21 and £0.2m in year approvals. This demonstrates that all projects are currently forecast to be delivered within the overall approved budget.

2021-22	Budget, including Carry Forwards from Prior Year £	Current Year Expenditure £	Remaining Budget £	Forecast Expenditure against Budget at Quarter 3 £	Increased expenditure / (Under-spend) £	Comments
Neighbourhood Working Fund	22,324	7,520	14,804	22,324	0	Ongoing
Disabled Facility Grants ¹	2,910,530	499,408	2,411,121	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	Final Account
Cemetery Expansion	189,950	5,980	183,970	189,950	0	Scoping scheme
Small Business Fund ²	100,000	45,816	54,184	100,000	0	Ongoing
ICT - CISCO Switches	1,186	475	711	475	(711)	Completed
Assets - Mandatory Works	37,654	6,492	31,161	37,654	0	Ongoing
Washlands ³	1,973,308	77,715	1,895,592	1,973,308	0	Ongoing
Council Wide Fleet Replacement ⁴	3,888,549	3,144,941	743,608	3,888,549	0	Fleet replacement commenced
Electric Charging Infrastructure	36,000	0	36,000	36,000	0	Ongoing
ICT Servers and Equipment ⁵	45,000	28,615	16,385	45,000	0	Ongoing
Shobnall Artificial Pitch Turf Replacement (S106 - EDR)	162,055	147,552	14,503	151,335	(10,720)	Practically completed
Shobnall Leisure Complex Floodlight Replacement	35,669	35,669	(0)	35,669	0	Completed
Total	9,496,467	4,000,184	5,496,282	9,485,036	(11,431)	

Note 1 - There are 169 active grants not yet completed, applications or enquiries currently in the system at Q3 worth an estimated additional £1.8m, this includes new DFG enquiries (£0.5m), those at referral stage (£0.7m), those at application stage (£0.1m) and those approved/work in progress not yet paid (£0.5m).

Note 2 – Note 2 - Small Business Fund Grants meeting the criteria and paid during the year will now be funded from Additional Restrictions (ARG) up to £100k. Any residual 2021/22 balances still pending at the financial year end to be carried forward into next year (EDR 392/22 refers).

Note 3 - 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 £3 million awarded by the LEP was split £2 million with the EA and £1 million to ESBC. This was revised to £3 million for the Burton Flood Defence Works on condition that the £1 million is paid over to ESBC by the EA. These monies have now been received.

Note 4- Cabinet approved an increase of £27,150 in relation to Bartec Software onto the Council Wide Fleet Replacement budget at their 20th December 2021 Meeting. (Minute 227/21 refers).

Note 5 - This forms part of a larger project estimated at between £165k - £200k to refresh IT equipment over several years; the balance of which is funded by an IT equipment reserve / IT budget held for the purpose.

6.2 The following capital receipts have been received so far this year:

Capital Receipts – 2021/22	£
Sale of land, Grafton Road, Burton upon Trent	30,000
Sale of land at Bradmore Road	160,000
Kick Start Loan Repayment	26,400
Total	216,400

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	(1,063,000)	-	-

Capital	2021/22	2022/23	2023/24
Forecast Project Underspends	(11,431)		

8. Risk Assessment and Management

8.1 The Council's risk management strategy has been approved at Cabinet. 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: Glen McCusker

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 forecast financial position at quarter three of 2021/22 in relation to revenue and capital budgets together with the financial impact and uncertainty that has arisen 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 31st December 2021

14.3 Appendix C: Corporate and Strategic Risks – Quarter 3 2021/22

**QUARTER THREE
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	314	346	32
Civic Function Suite	91	165	74
Total Arts, Brewhouse and Civic Functions	405	511	106

Division	Explanation	Forecast Amount Over/ (under) £'000
Brewhouse and Arts Development	Employees	(13)
Brewhouse and Arts Development	Business Rates	(13)
Brewhouse and Arts Development	Maintenance Contracts	10
Brewhouse and Arts Development	Other Premises Costs	(6)
Brewhouse and Arts Development	Professional Theatre Fees	12
Brewhouse and Arts Development	Shortfall in Room Rental and other Income	31
Brewhouse and Arts Development	Brewhouse Cafe/Bar - Net Shortfall	19
Brewhouse and Arts Development	Art Development Programme	(8)
Civic Function Suite	Employees	(24)
Civic Function Suite	Premises Related expenses	(4)
Civic Function Suite	Set up Crews	(7)
Civic Function Suite	Shortfall - Catering/Bar Income	12
Civic Function Suite	Room Hire - Shortfall in Income	97
Total		106

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)	(3)	14
Open spaces	1,410	1,462	52
Partnerships	33	33	0
Horticultural Centre	45	39	(6)
Facilities and Health and Safety	340	315	(25)
Community Centres	18	18	0
Car Parks Income	(800)	(461)	339
Community and Civil Enforcement	299	262	(37)
Social Regeneration	50	50	0
Councillors Community Fund	22	22	0
Total Community and Open Spaces	1,400	1,737	337

Division	Explanation	Forecast Amount Over/ (under) £'000
Cemeteries	Transport-Related Expenditure	4
Cemeteries	Contracted Grounds Maintenance	4
Cemeteries	Supplies and Services	6
Open spaces	Contracted Grounds Maintenance	42
Open spaces	Employees	5
Open spaces	Play Equipment	5
Horticultural Centre	Contracted Grounds Maintenance	(2)
Horticultural Centre	Supplies & Services	(4)
Facilities and Health and Safety	Repairs & Maintenance to Buildings	(13)
Facilities and Health and Safety	Maintenance Contracts	(5)
Facilities and Health and Safety	Premises-Related Expenditure	(3)
Facilities and Health and Safety	Supplies and Services	(4)
Car Parks Income	Bargates Additional Income	(4)
Car Parks Income	Car Parking Income Forecast Shortfall	287
Car Parks Income	Season/Penalty Notices Income	65
Car Parks Income	Supplies and Services Savings	(9)
Community and Civil Enforcement	Employees	(37)
Total		337

Corporate Management Team

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
CMT			
Chief Executives	202	205	3
Heads of Service	229	233	4
Total CMT	431	438	7

Division	Explanation	Forecast Amount Over/ (under) £'000
Chief Executives	Employee Costs - Vacancy Factor	3
Heads of Service	Employee Costs - Vacancy Factor	4
Total		7

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	261	221	(40)
Committee Support	95	104	9
Elections	205	197	(8)
Emergency Planning	12	10	(2)
Members Allowances	307	298	(9)
Total Corporate and Commercial	880	830	(50)

Division	Explanation	Forecast Amount Over/ (under) £'000
Programmes and Information	Employee Costs - Vacant Post	(33)
Programmes and Information	Supplies and Services	(3)
Programmes and Information	Christmas Decorations	(4)
Committee Support	Employee Costs - Vacancy Factor	2
Committee Support	Other Equipment	7
Elections	Employee Costs	(6)
Elections	Supplies & Services	(2)
Emergency Planning	General Grants	(2)
Members Allowances	Supplies and Services	(7)
Members Allowances	Basic Allowance	(2)
Total		(50)

Cultural Services - Marketing

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

Enterprise

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Enterprise			
Enterprise	169	162	(7)
Total Enterprise	169	162	(7)

Division	Explanation	Forecast Amount Over/ (under) £'000
Enterprise	Employee costs	(7)
Total		(7)

Environment

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environment			
Council Depots	99	94	(5)
Public Conveniences	150	104	(46)
Waste Collection	2,673	2,604	(69)
Street Cleaning	1,106	1,104	(2)
Building Consultancy	49	36	(13)
Land Drainage	57	57	0
Total Environment	4,134	3,999	(135)

Division	Explanation	Forecast Amount Over/ (under) £'000
Council Depots	Premises-Related Expenditure	(5)
Public Conveniences	Employee Costs -Vacant Post	(21)
Public Conveniences	Temporary Staff	9
Public Conveniences	Business Rates	(34)
Waste Collection	Employee Costs	3
Waste Collection	Temporary Staff	131
Waste Collection	Recycling Income	(208)
Waste Collection	Third Party Payments	(46)
Waste Collection	Vehicle Contract Hire - Extensions due to delays for new vehicles	7
Waste Collection	Vehicle Maintenance Costs - Repairs	21
Waste Collection	Trade Waste Income	23
Street Cleaning	Employee Costs	(11)
Street Cleaning	Temporary Staff	(7)
Street Cleaning	Vehicle Contract Hire - Extensions due to delays for new vehicles	16
Street Cleaning	Street Sweepings Disposal Cost	10
Street Cleaning	Bulky Waste Income	(10)
Building Consultancy	Building Control Fee Income	(76)
Building Consultancy	Training Expenses	(3)
Building Consultancy	Supplies and Services	(2)
Building Consultancy	Reduced contribution from Building Control Reserve	81
Building Consultancy	Other Income	(13)
Total		(135)

Environmental Health

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environmental Health			
Environmental Health	414	306	(108)
Animal Control	6	(4)	(10)
Housing Standards	86	78	(8)
Total Environmental Health	506	380	(126)

Division	Explanation	Forecast Amount Over/ (under) £'000
Environmental Health	Employee Costs	(50)
Environmental Health	Supplies and Services	9
Environmental Health	Fees and Charges	(19)
Environmental Health	Professional Support - no longer required	(48)
Animal Control	Kenneling Expenses	(6)
Animal Control	Fees and Charges	(4)
Housing Standards	Employee Costs	(6)
Housing Standards	Supplies and Services	(4)
Housing Standards	Fees and Charges	5
Housing Standards	HIMO - Fees and Charges	4
Housing Standards	Contribution to/from Reserves	(7)
Total		(126)

Financial Services

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Financial Services			
Capital Financing Costs	485	495	10
Financial Management Unit	513	534	21
Internal & External Audit	128	128	0
Total Financial Services	1,126	1,157	31

Division	Explanation	Forecast Amount Over/ (under) £'000
Capital Financing Costs	Investment Income	(30)
Capital Financing Costs	Debt Repayment - timing of capital receipts	40
Financial Management Unit	Employee Costs	(14)
Financial Management Unit	Temp Staff Costs	27
Financial Management Unit	Contribution - Professional Reserve/New Burdens	(10)
Financial Management Unit	Card Processing Costs and other Supplies	18
Total		31

Housing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Housing			
Housing options	309	285	(24)
Total: Housing	309	285	(24)

Division	Explanation	Forecast Amount Over/ (under) £'000
Housing Options	Employee Costs	4
Housing Options	Supplies and Services	(4)
Housing Options: Accommodation	Rents	(2)
Housing Options: Accommodation	Premises Related expenditure	4
Housing Options: Accommodation	B&B Costs (excluding Covid 19)	(92)
Housing Options: Accommodation	Premises Rental/ B&B Rentals income (excluding Covid 19)	66
Housing Options: Accommodation	B&B Costs (Covid 19)	32
Housing Options: Accommodation	Premises Rental/ B&B Rentals income (Covid 19)	(5)
Housing Options: Accommodation	Use of Grants	(27)
Total		(24)

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	364	344	(20)
Pension Payments	1,675	1,675	0
Total Human Resources and Payments	2,039	2,019	(20)

Division	Explanation	Forecast Amount Over/ (under) £'000
HR & Payroll	Employee Costs	2
HR & Payroll	Supplies and Services	(3)
HR & Payroll	Corporate Training	(19)
Pension Payments	Superannuation Payments	0
Total		(20)

IT and Printing

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
IT and Printing			
Central Reprographics	106	107	1
ICT	286	291	5
Total ICT and Printing	392	398	6

Division	Explanation	Forecast Amount Over/ (under) £'000
Central Reprographics	Employee Costs - Vacancy Factor	1
ICT	Employee Costs - Vacancy Factor	5
Total		6

Legal and Asset Services

Chief Officer : Andy O'Brien	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Legal Services & Assets			
Legal	215	253	38
Mayoral Support and Civic Ceremonials	49	49	0
Industrial Units	(607)	(569)	38
Assets and Estates Management	(74)	(76)	(2)
Total Legal Services & Assets	(417)	(343)	74

Division	Explanation	Forecast Amount Over/ (under) £'000
Legal	Temporary Staff cover offset salary savings	55
Legal	Use of professional earmarked reserve	(55)
Legal	Standards Investigations	13
Legal	Shortfall in court costs recovery	25
Mayoral Support & Civic Ceremonials	Employee Costs	5
Mayoral Support & Civic Ceremonials	Reduced functions due to Covid 19	(5)
Industrial Units	Pennycroft Lane - costs pending sale	9
Industrial Units	Vacant Units (rent loss plus NNDR, Ins)	29
Assets and Estates Management	Salary savings	(2)
Total		74

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	10	(9)
Leisure Management	479	479	0
Total Leisure Management	498	489	(9)

Division	Explanation	Forecast Amount Over/ (under) £'000
Health and Leisure Grants	Grant Savings	(9)
Leisure Management	Additional support to provider due to Covid-19	16
Leisure Management	NLRF Grant Funding	(16)
Total		(9)

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	25	18	(7)
CCTV	71	64	(7)
Total Licensing and Enforcement	96	82	(14)

Division	Explanation	Forecast Amount Over/ (under) £'000
Licensing and Enforcement	Supplies and Services	(7)
Licensing and Enforcement	Licensing Income	21
Licensing and Enforcement	Contribution from Reserves	(23)
CCTV	Supplies and Services	(5)
Total		(14)

Markets

Head of Service : Mark Rizk	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Markets	18	69	51
Total Markets	18	69	51

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Income Shortfall	62
Markets	Employee Costs	(11)
Markets	Expenditure	(5)
Total		51

Planning and Land Charges

Head of Service : Sal Khan	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Planning			
Planning Policy	143	135	(8)
Development Control	(82)	(134)	(52)
Land Charges	(19)	(8)	11
Total Planning	42	(7)	(49)

Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Policy	Employee costs	20
Planning Policy	Supplies and Services	(8)
Planning Policy	Contribution from Reserves	(20)
Development Control	Employee costs	54
Development Control	Supplies and Services	15
Development Control	Contribution from Reserves	(73)
Development Control	Planning Fees	(48)
Land Charges	Employee Costs	7
Land Charges	Fees and Charges	13
Land Charges	Search and Investigation Fees	(9)
Total		(49)

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	5	15	10
Benefits and Professional Services	669	646	(23)
Customer Contacts	436	428	(8)
Total - Revenues, Benefits and Customer Contacts	1,110	1,089	(21)

Division	Explanation	Forecast Amount Over/ (under) £'000
Revenues	Employee Costs	6
Revenues	RV Finder Service	185
Revenues	Use of Business Rates Reserve	(185)
Revenues	Additional support and associated expenditure	223
Revenues	Use of Covid-19 Grant Funding	(229)
Revenues	Departmental Postage - Council Tax re Direct	18
Revenues	Supplies and Services	(8)
Benefits	Employee Costs	(5)
Benefits	Additional support and associated expenditure	21
Benefits	Use of Covid-19 Grant Funding	(16)
Benefits	External Support - Verification Earnings &	22
Benefits	Use of new burdens grants	(22)
Benefits	Benefits Subsidies	(8)
Benefits	Reduction in HB Supported Housing costs	(639)
Benefits	Provision - Supported Housing	552
Benefits	Housing Subsidy forecast	92
Benefits	OPHB - income and bad debt provision	(2)
Benefits	Council Tax Benefit Admin Grant	(18)
Customer Contacts	Employee Costs	(12)
Customer Contacts	Additional support and associated expenditure	45
Customer Contacts	Use of Covid-19 Grant Funding	(33)
Customer Contacts	Staffs County Council Income	5
Customer Contacts	Supplies and Services	(13)
Total		(21)

Annex 2: Investments as at 31st December 2022

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts and Money Market Funds				
RBS SIBA	1,840,943	0.01%		
Barclays	43	0.05%		
Santander 95 day notice account	3,500,000	0.40%		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	4,000,000	0.05%		Call
MMF Aberdeen	4,000,000	0.06%		Call
MMF Federated	3,800,000	0.04%		Call
MMF Blackrock	-	0.00%		Call
MMF CCLA	4,000,000	0.13%		Call
Fixed Deposits / Certificates of Deposit				
National Westminster Bank CD	1,000,000	0.65%	24/11/2021	23/11/2022
National Westminster Bank CD	2,000,000	0.09%	18/02/2021	18/02/2022
National Westminster Bank CD	1,000,000	0.15%	19/08/2021	18/08/2022
UK Treasury Bill	1,500,000	0.20%	01/11/2021	03/05/2022
DMO (UK Debt Management)	2,500,000	0.01%	12/11/2021	19/01/2022
DMO (UK Debt Management)	7,000,000	0.01%	15/11/2021	19/01/2022
DMO (UK Debt Management)	2,000,000	0.11%	17/12/2021	21/02/2022
DMO (UK Debt Management)	5,000,000	0.02%	29/11/2021	21/03/2022
DMO (UK Debt Management)	5,000,000	0.03%	01/12/2021	21/03/2022
DMO (UK Debt Management)	2,000,000	0.09%	03/12/2021	01/06/2022
Basildon BC	5,000,000	0.07%	20/09/2021	15/07/2022
Merseyside PCC	5,000,000	0.10%	22/06/2021	21/06/2022

Investments rate of interest as at 31 Dec :	Principal (£)	Interest Rate
Total Investments	66,140,986	0.07%

Average rate of interest (Year to date)	Principal (£)	Interest Rate
Total Investments	57,652,366	0.05%

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	31/12/2021
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 and the planned business rates reset.	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, including a business rates reserve.	4	4	16	31/12/2021
Covid -19	The potential to impact on business, communities, resources and the delivery of council services	The Council has adapted well to the Covid-19 Pandemic within minimal service disruption. Services are largely operating as business as usual, with a large proportion of office based staff working on a hybrid basis. The Council will continue to work with its partners on preparedness for and prevention of future lockdowns to mitigate the impact on the ongoing recovery of the area, as well as ensuring the recovery process continues should a lockdown occur. The Council has moved into a recovery phase, focusing on supporting the local economy and business, as well as supporting local communities adapt to new norms of behaviour - with further details outlined in the Covid Update Report to Cabinet in January 2022.	2	4	13	31/12/2021
Central Government Funding	Uncertainty surrounding future government funding, including the impact of the business rates reset, New Homes Bonus, and finally the planned needs review in relation to the allocation of funding within the sector being updated (previously the fair funding review).	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	31/12/2021
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	31/12/2021

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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 Keeping abreast of updates from the actuary and pension fund	2	4	13	31/12/2021
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	31/12/2021
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	31/12/2021
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.	3	4	15	31/12/2021
Towns Fund	Failure to deliver the Towns Fund for the Borough	Multi Agency Towns Fund Board established. Senior Officers and Members attend/sit on the Board. Appropriate Governance arrangements in place within ESBC as the accountable body. Close liaison with Partners and Government Department.	2	4	13	

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
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	31/12/2021
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	31/12/2021
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	31/12/2021
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 Regular monitoring of scheme against financial provisions / MTFS Financial modelling/impact assessment. More frequent in year monitoring.	3	4	15	31/12/2021
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 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	15	31/12/2021

Strategic Risks		Risk Owner: Corporate Management Team					Last Reviewed
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level		
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 <hr/> The Council has joined the SSLEP with a place on the board. <hr/> One member (Council) one vote, provides Council with a strong voice on GBSLEP	1	4	10	31/12/2021	
Business Continuity	Failure to have effective plans in place	Approach to Business Continuity was reviewed in Quarter 2 2021/22. Individual BCPs are reviewed and updated on a regular basis. <hr/> BC's reviewed in preparation for recent Covid-19 events <hr/> Approved, up to date BC policy in place.	1	4	10	31/12/2021	
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.	Communications strategy reviewed and revised in December 2021. <hr/> Proactive social media work undertaken by the Corporate and Commercial Team	2	2	5	31/12/2021	
Corporate Plan	Failure to deliver corporate plan objectives	Corporate Plan is adopted at full council and refreshed at full council annually. <hr/> The CP is established with COs and DLs working together to realign political manifesto into a series of objectives and SMART targets. <hr/> 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. There continues to be unforeseen impacts arising from the Pandemic and impacting upon the delivery of the Corporate Plan.	3	4	15	31/12/2021	
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	31/12/2021	
Devolution	Forthcoming white paper, with potential for mayoral combined authorities / unitary authorities or other opportunities/outcomes.	Opportunities kept under review with county council and other districts. <hr/> Monitored by the executive	1	4	10	31/12/2021	

Strategic Risks		Risk Owner: Corporate Management Team					Last Reviewed
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level		
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	31/12/2021	
Levelling Up	Potential impact of central policy to be set out in forthcoming white paper and the potential for missed opportunities	Developments and opportunities monitored. Monitored by the executive	1	4	10	31/12/2021	
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. On going work between Members and Officers	2	4	13	31/12/2021	
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	31/12/2021	
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.	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	31/12/2021	

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	31/12/2021
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	31/12/2021
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.	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	31/12/2021