



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	<b>Quarter 2 - Revenue and Capital Outturn 2022/23</b>	To be marked with an 'X' by Democratic Services after report has been presented
<b>Meeting of:</b>	Corporate Management Team – 16 <sup>th</sup> November 2022	X
	Leader and Deputy Leaders – 22 <sup>nd</sup> November 2022	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group – 30 <sup>th</sup> November and 1st December 2023	X
	Cabinet – 13 <sup>th</sup> December 2022	
	Audit Committee – 7 <sup>th</sup> December 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: **John Teasdale**

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

Chief Finance Officer: **Sal Khan**

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

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Cabinet**

**Date: 13<sup>th</sup> December 2022**

**REPORT TITLE: Quarter 2 - Revenue and Capital Outturn 2022/23**

**PORTFOLIO: Finance, Treasury Management and Communications**

**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 second quarterly report in the annual cycle of financial monitoring for the financial year 2022/23.

**2. Executive Summary**

- 2.1 Further to the Full Council approval in March 2022 to reallocate £0.596m of resources towards the Towns Fund and Regeneration Priorities, the budget for 2022/23 has increased to £13.138m from the original approved budget of £12.542m. The report highlights that despite some significant ongoing financial pressures as a result of the Covid-19 Pandemic and the current economic conditions in the short term these are forecast to be offset by a further increase in returns on investment income and recycling income exceeding expectations due to a continuation of high commodity prices. At this stage of the year, taking into account sums set aside at Quarter 1<sup>1</sup>, this has resulted in an overall forecast net windfall underspend of £0.350m for the year.
- 2.2 Whilst the forecast position presented at Quarter 2 remains favourable, there is a high degree of uncertainty/volatility and therefore risk within these forecasts. Against the backdrop of fast changing economic circumstances and a number of other unknown factors which could have a significant impact on the forecasts:

Key Risks (both upside and downside)

- Interest rates could be higher/lower than current predictions;

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<sup>1</sup> As detailed at Paragraph 3.3 below.

- Cash balances could be higher/lower than current estimates due to a number of large payments to which the timing is uncertain;
- Significant income streams could be more/less favourable than current forecasts (recycling, planning, car parking etc.);
- The impact of energy prices on the leisure providers financial performance continues to be closely monitored; and finally
- The outcome of decisions/disputes with supported housing providers.

It remains crucial that budget holders and Heads of Service continue to monitor their budgets closely and where necessary take action to contain spending within budget.

- 2.3 The Quarter 2 forecast indicates that in the short term financial pressures look manageable, however as highlighted above there is significant risk to the forecast and Medium Term financial Strategy associated with supported housing claims that are currently pending or in dispute. The forecast risk for the current financial year (excluding any back dated element which is provided for within a reserve) is up to £0.9m, of which £0.159m has been provided within the budget. Members are therefore recommended to note the scale of this risk and consider earmarking any remaining surplus at year end towards mitigating this risk.
- 2.4 Investments as at 30<sup>th</sup> September 2022 stood at £69.5m. Investment returns at the end of September averaged 1.97% (0.05% at September 2021) and are forecast to be significantly higher than budget. This reflects the current economic circumstances and the significant uplift in rates since the budget was set in March and forecasts for further increases. 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.
- 2.5 The authority's capital spending plans total £7.2m, with a further £23.4m remaining in respect of Towns Fund grant which was confirmed in August 2022 alongside the first tranche of funding of £8.637m. The report indicates that on the whole the programme is currently on target to deliver within budget, highlighting that the Washlands project is currently subject to a further report following the recent procurement exercise and the requirement for additional resources. Further details in respect of the Capital Programme are set out within Section 6 of the report.

### 3. **Revenue Budget 2022/23**

- 3.1 On 7<sup>th</sup> March 2022, the full Council approved the revenue budget for the year 2022/23, totalling £12.542m as follows:

<b>Approved Service Budgets</b>	<b>£000's</b>
Leader of the Council	4,660
Community and Regulatory Services	767
Environment and Housing	5,480
Leisure, Amenities and Tourism	2,295
Regeneration and Planning Policy	259
Corporate Budgets	(919)
<b>Total</b>	<b>12,542</b>

- 3.2 On 21<sup>st</sup> March 2022, the full Council approved an amendment to the Revenue Budget as part of the report to consider and approve proposals in relation to the Towns Fund. This re-allocated £0.596m of resources towards a Towns Fund Provision of £0.496m and a further £0.1m to meet the cost of the New Head of Regeneration and Towns Fund Position, which had originally been allocated to be transferred to reserves. This increases the total revenue budget to £13.138m as shown in the table below.
- 3.3 In September 2022 Cabinet approved the setting aside of resources based on the in-year forecast Outturn at Quarter 1 of £0.549m towards a range of priorities. These included community support with the cost of living, monies set aside towards medium term costs pressures facing the council associated with the current economic circumstances, support towards the Washlands Project and an allocation towards energy efficiency projects to support the climate change programme.
- 3.4 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. The budget is presented in line with the political portfolios which have been re-aligned since the MTFS was set in March 2022 and this is reflected in the monitoring information below.

#### 4. **Forecast Revenue Outturn 2022/23**

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

	Annual Net Budget £'000	Forecast Outturn Q2 £'000	Forecast Variation Q2 - Over/(Under) £'000	Quarter 1 Forecast Over/(Under) £'000
<b>Summary by Deputy Leader</b>				
Leader of the Council and Economic Growth	2,755	2,801	46	41
Tourism and Cultural Development	203	653	450	482
Communities and Housing Standards	1,986	1,918	(68)	(139)
Environment & Climate Change	6,353	6,304	(49)	64
Finance, Treasury Management and Communications	2,264	1,207	(1,057)	(776)
Corporate Items, Including In-Year Approvals	(423)	(95)	328	(221)
<b>Total</b>	<b>13,138</b>	<b>12,788</b>	<b>(350)</b>	<b>(549)</b>

- 4.2 The tables at Appendix A summarise, by Portfolio and Service, the variations between the 2022/23 budget and the year-end forecast outturn, including the impact of the pandemic on service budgets. Further supporting narrative in relation to those areas with significant variations is set out below:

## **Leader of the Council and Economic Growth**

### ■ **Legal Services – Forecast Net Pressure of £80k**

There is a forecast shortfall within legal services which arises from a combination of factors. This includes a forecast shortfall in rental income and associated costs arising from vacant units totalling £27k. There is a forecast reduction in relation to legal fees recovered of £28k, which can often be ad-hoc in nature and difficult to predict, as well as an forecast increase in costs associated with standards work of £20k. Staffing costs are forecast to be higher than budget, this includes additional temporary support for the legal team which is being met from the professional reserve, with the remainder relating to increased mayoral activities.

### ■ **Enterprise – Forecast Saving of £47k**

The forecast pressures outlined above are being partially offset by forecast staffing savings within the Enterprise Team of £47k largely arising due to the timing of appointments.

## **Tourism and Cultural Development**

### ■ **Arts, Brewhouse and Functions – Forecast Net Pressure of £65k**

There is a significant forecast shortfall in income levels of approx. £61k in relation to Burton Town Hall, this has been partially offset by a reduction in forecast expenditure. This income shortfall continues to relate to the ongoing impact of the pandemic, there is a sum held in corporate budgets of £57k in relation to Covid pressures within this service area.

### ■ **Markets – Forecast Net Pressure of £75k**

There is a significant forecast shortfall in income levels of approx. £73k together with some forecast pressures including expenditure relating to vacant units and energy costs. These income levels are being impacted by both the ongoing uncertainty surrounding the Market Hall together with the impact of the pandemic, there is a sum of £20k held in corporate budgets in relation to Covid pressures in this area.

### ■ **Off-Street Parking – Forecast Net Pressure of £364k**

There is a significant forecast shortfall in income levels of approx. £364k. This income shortfall continues to relate to the ongoing impact of the pandemic and there is a sum of £277k held in corporate budgets in relation to this Covid pressure.

### ■ **Strategic Tourism – Forecast Savings of £69k**

Forecast savings are expected within the Tourism Team as a result vacancies whilst recruitment takes place and suitable availability in the market.

## **Communities and Housing Standards**

### ■ **Revenues, Benefits and Customer Contacts – Forecast Saving of £8k**

There is a significant temporary increase in staffing costs within the service as a result of the scale of Covid-19, staff vacancies, other grants administration work being undertaken by the team and the subsequent backlog of work. This is being funded from new burdens grants either provided in year or the prior year for this purpose. There is currently a forecast net pressure in relation to housing benefit of

£7k, however this is heavily caveated due to the potential for increased costs in respect of new supported housing providers. Whilst some provision has been made for new providers, should all of those providers currently either being assessed or challenging the Council's decisions be successful then expenditure in this area could rise significantly. There are also some forecast savings following the closure of the Customer Services Centre.

■ Environmental Health – Forecast Savings of £66k

There are currently forecast savings within the Environmental Health Team as a result of additional income from the new selective licensing scheme, the forecast recovery of costs associated with the Homes for Ukraine Scheme and an increase in other fees and charges. Some of the related costs associated with these activities are being absorbed within existing resources.

### **Environment and Climate Change**

■ Community and Open Spaces – Forecast Pressures of £97k

There is a forecast pressure on this budget arising from additional grounds maintenance works outside the contract specification necessary due to a combination of factors as well as unavoidable open space repairs and the contractor undertaking additional activities also outside the contract specification within the Cemetery.

■ Environment – Forecast Net Saving of £137k

This forecast net saving arises due to income levels from recycling forecast in excess of budget by £319k as a result of higher commodity prices and low levels of contamination and a reduction in third party payments largely as a result of lower haulage costs and contamination. This is being partially offset by an increase in staffing costs within waste management of £149k due to both increased workloads, staff sickness/covid-19 related absences and the shortage of HGV drivers in the market. In addition to this, as widely publicised, the cost of fuel has significantly increased, resulting in a forecast pressure of £116k.

### **Finance, Treasury Management and Communications**

■ Financial Services and Capital Financing – Forecast Additional Income £1.031m

The economic circumstances have changed significantly since the budget was prepared/set. Following over a decade of extremely low interest rates and in response to the level of inflation the Bank of England Monetary Policy Committee increased the bank rate to 2.25% by the end of September with expectations of further increases throughout the remainder of the year. The forecast provided by our treasury advisors in late September was for the bank rate to be 5% by March 2023. Taking this into consideration it is estimated that investment income will exceed the original budget by over £1m. This has been partially offset by a forecast increase in the statutory debt repayment charge due to the timing of planned receipts allocated to reduce the underlying debt.

There are increased temporary staffing costs within the service due to recruitment and retention difficulties with this increased cost being met from the professional reserve.

■ **Corporate Budgets – Forecast Net Increase £0.3m**

This budget includes the Corporate Covid-19 Provision of £0.4m and £0.1m in relation to the cost of living pressures. The related forecast pressures are shown within individual service budgets. This is partially offset by a forecast pressure of £0.3m arising from the national local government pay award (this is based on the offer from the employers which since the end of Quarter 2 has been accepted). This line also incorporates the monies set aside by Cabinet in September 2022 from the Quarter 1 forecast Outturn of £0.549m towards key priorities and pressures arising from the current conditions, which has been outlined in Paragraph 3.3.

**Other Matters**

- 4.3 The Council has historically credited property rental income to the revenue account on the basis of four quarterly or twelve monthly rents and whilst this is not strictly in line with proper practice due to an element being billed in advance it has been applied consistently from year to year. Whilst this has not been an issue during previous external audits the current auditors have raised this as an exception and management have agreed to revise the accounts for 2021/22. The rental income to be adjusted amounts to £0.117m and can be adjusted through the contingency reserve.

**5. Treasury Management**

- 5.1 The Council approved the Treasury Management Strategy Statement for 2022/23 on 7<sup>th</sup> March 2022 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 2022/23 budget was 0.5%, which reflected the conditions and forecasts at the time the budget was prepared. Since that time worldwide economic circumstances have significantly changed and inflationary pressures are paramount. The Bank of England Monetary Policy Committee have already increased the Base Rate of Interest to 2.25% at the end of September and it is widely expected that there will be further increases during the year. Forecasts provided by our Treasury Management advisors (at 28<sup>th</sup> September 2022) indicated that the Base Rate would be 5% by March 2023.
- 5.3 Appendix B shows the outstanding investments the authority had as at 30th September 2022 and these are summarised by type in the table below. Investment balances are higher than would normally be the case as we continue to hold Covid funds and other grants pending administration or return to Government in line with the guidelines.



Investments	30 <sup>th</sup> June 2022		30 <sup>th</sup> September 2022	
	£'000	%	£'000	%
Banks	149	0%	105	0%
Certificate of Deposits*	21,500	36%	25,000	36%
Money Market Funds	5,950	10%	3,550	5%
UK Treasury Bills	4,000	7%	20,500	30%
UK Debt Management	23,600	39%	20,400	29%
Other Local Authorities	5,000	8%	-	0%
<b>Total</b>	<b>60,199</b>	<b>100%</b>	<b>69,555</b>	<b>100%</b>

\*Certificate of Deposits are placed with a number of UK based banks and a range of highly rated foreign banks which offer significant counterparty strength as well as diversification of the investment portfolio.

5.4 Average investment returns at the end of September 2022 stood at 1.97% and once the forecast increases in the rates are taken into consideration it is estimated that investment income will exceed the original budget by £1m. However this forecast is subject to a number of factors including timing of cash flows and forecasts of future interest rate rises and the availability of suitable investments in the market.

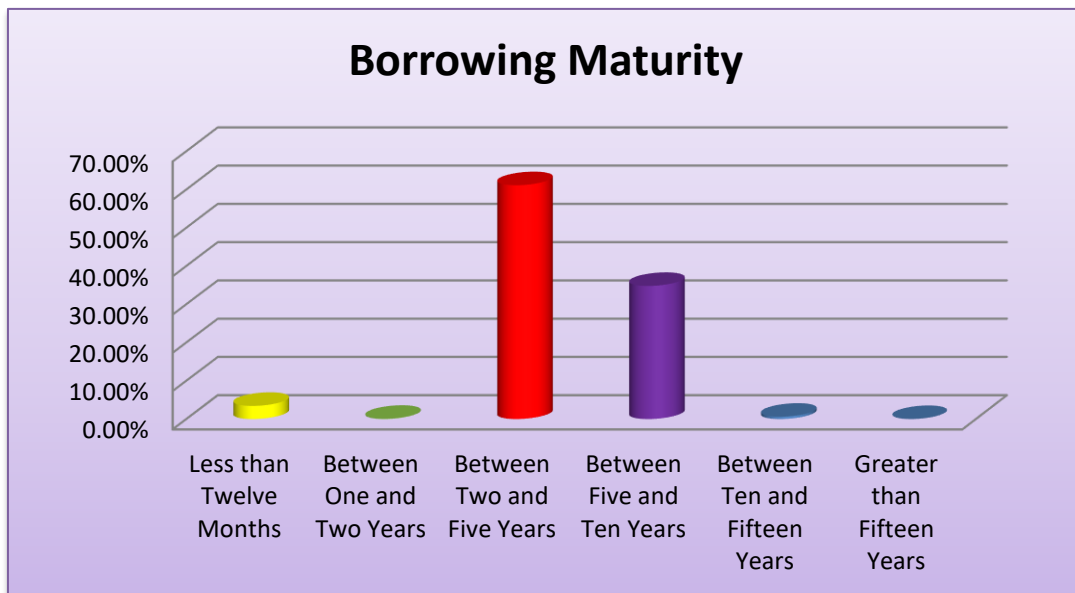
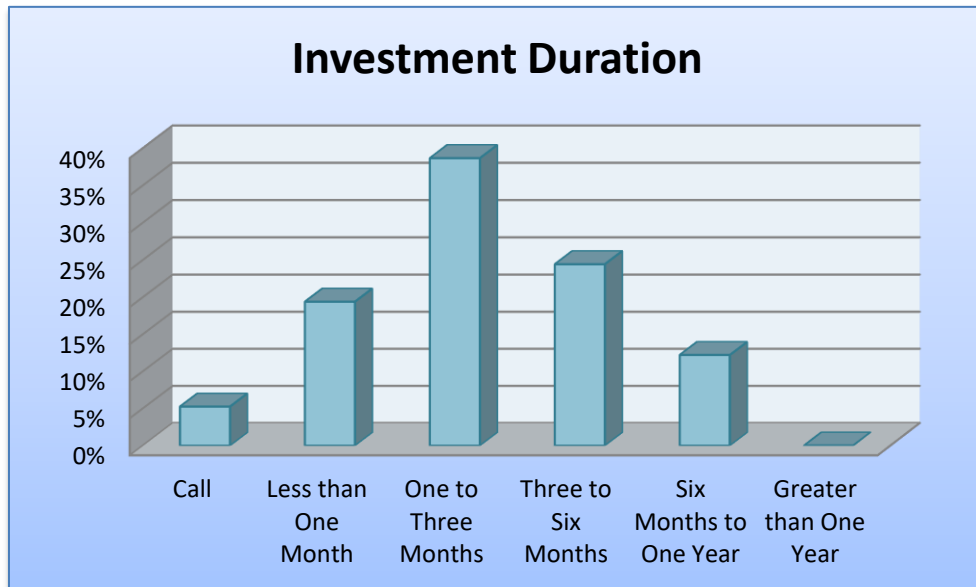
#### 5.6 Borrowing

The average rate payable on the Council's external borrowing as at 30<sup>th</sup> September 2022 is 5.3%, with total, outstanding external debt of £11m.

Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	378,738	8.947%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	-
<b>Total External Debt</b>	<b>10,953,738</b>	<b>5.340%</b>

#### 5.7 Maturity Structure of Investments and Borrowing

The following charts highlight the maturity structure for investments and for fixed term borrowing. In a rising interest rate market, investment maturities are being laddered to benefit from the rising rates, with a proportion of funds being held short term to manage liquidity in relation to unknown timing of some payments.



## 6. Capital Programme 2022/23

6.1 The table below details the approved mainstream capital projects for 2022/23 totalling £7.2m, which includes an additional £0.062m since Quarter 1 approved by Cabinet in August 2022 towards the Cemetery Expansion This demonstrates that on the whole the programme is currently forecast to be delivered within the overall approved budget, although the Washlands Project is currently subject to a report following the recent procurement exercise.

Project	Current Year Budget, including Carry Forwards £	Current Year Expenditure £	Remaining Budget £	Forecast Expenditure at Quarter 2 against Current Year Budget £	Forecast Increased expenditure / (Under-spend) £	Comments
Neighbourhood Working Fund	14,804	0	14,804	14,804	0	Residual funding towards Brook Hollows
Disabled Facility Grants	3,096,941	369,448	2,727,493	3,096,941	0	Ongoing
Bartec Street Cleaning Software	12,742	0	12,742	12,742	0	Ongoing
Cemetery Expansion	247,970	2,000	245,970	247,970	0	Ongoing
Small Business Fund / Business Spring Board Boost Grant Scheme	124,342	21,740	102,602	124,342	0	Ongoing
Assets - Mandatory Works	42,715	1,860	40,855	42,715	0	Ongoing
Washlands	1,870,502	25,952	1,844,551	1,870,502	0	Cabinet Report December 2022
Council Wide Fleet Replacement	505,496	275,036	230,460	515,961	10,465	Ongoing
Electric Charging Infrastructure (fleet)	17,954	4,697	13,257	4,697	(13,257)	Works completed
Planning Assure System (EDR)	59,350	0	59,350	59,350	0	Ongoing, funded from reserves
Community Regeneration Fund	100,000	0	100,000	100,000	0	Ongoing
CCTV Upgrade	205,000	0	205,000	205,000	0	Contract Awarded
EV Charging Points	95,000	0	95,000	95,000	0	Contract Awarded
EV Charging Points (Contribution)	19,000	0	19,000	19,000	0	Pending SCC scheme
ICT - Windows Servers Upgrade	42,000	23,252	18,748	42,000	0	Ongoing
Stubby Lane Sewerage Facility Works	35,000	0	35,000	35,000	0	Ongoing
Cemeteries Road Improvements	38,000	20,800	17,200	38,000	0	Planned for Q4
Dog Waste Bag Dispensers	13,000	5,400	7,600	13,000	0	Ongoing
Tutbury S106 Grant Scheme (EDR)	250,000	93,309	156,691	250,000	0	Ongoing
Brewhouse Roof (Cabinet June 2022)	200,000	0	200,000	200,000	0	Ongoing
Yeoman Industrial Estate (Cabinet June 2022)	120,000	0	120,000	120,000	0	Ongoing
Branston Water Park - Toilets Refurbishment (Cabinet June 2022)	75,000	0	75,000	75,000	0	Starting procurement
<b>Total</b>	<b>7,184,816</b>	<b>843,493</b>	<b>6,341,323</b>	<b>7,182,024</b>	<b>(2,792)</b>	

Note 1 - 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 future years 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 been received and the agreement governing their use extended until September 2023.

### Towns Fund Programme

6.2 In additional to the mainstream capital programme the Council has a Towns Fund allocation of £23.8m with final confirmation of approval and subsequent funding award received in August 2022 alongside the first tranche of funding at £8.637m. The table below sets out the Towns Fund Programme, which is currently subject to a re-allocation of funding submission in respect of those projects that are no longer going ahead. Many of these projects are being delivered by sponsor partners:

Projects	Council Allocations March 2022 £	2021/22 Accrued Spend £	Budget b/f 2022/23 £	Expenditure 2022/23 Quarter 1 £	Available for Re-allocation £
Project C: Regional Learning Centre	1,915,493	0	1,915,493	0	0
Project D: High Street Linkages	15,726,072	0	15,726,072	0	0
Project E: Library and Enterprise Hub (cessation costs)	250,000	32,438	0	0	217,562
Project F: New Pedestrian & Cycle Crossing Over the River Trent (cessation costs)	119,559	119,091	0	0	468
Project G: Improvement of Trent and Mersey Canal Towpath	1,455,073	2,740	1,452,333	0	0
Project H: Cycle Network Enhancements	1,364,789	0	1,364,789	0	0
Project J: Specialist Education Offer	2,969,014	0	2,969,014	0	0
<b>Total</b>	<b>23,800,000</b>	<b>154,269</b>	<b>23,427,701</b>	<b>0</b>	<b>218,030</b>

- 6.3 In addition to this the Council has received in total £232k of capacity funding as accountable body during the course of 2019/20 and 2020/21. Expenditure to the end of September 2022 amounted to £209k which includes support towards the development of the High Street Linkages Project for which the Council is the Lead Project Sponsor. The remaining funding is held in an earmarked reserve to continue to support the programme.

#### Capital Receipts

- 6.4 The following capital receipts have been received during the year to date:

<b>Capital Receipts - 2022/23 Quarter 2</b>	
Sale of Land - 300 Rosliston Road, Stapenhill	25,000
Sale of Land - Shakespeare Road, Burton on Trent	75,000
<b>Total</b>	<b>100,000</b>

## **7. Financial Considerations**

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

- 7.1 This report deals solely with financial matters. The prevailing economic conditions have changed significantly since the Medium Term Financial Strategy was set and as a result there are an unusually high number of significant forecast budget variations at this stage of the year. Given the fast changing circumstances it is possible that this will continue for the remainder of the year and into future years. Management will continue to monitor circumstances and update members as circumstances change.

<b>Revenue</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Forecast Underspend (after taking into account sums set-aside at Quarter 1)	350,000	-	-
<b>Capital</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
-	-	-	-

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

- 8.1 The Council's risk management strategy has been approved by 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 and paragraph 2.2 of this report.

## **9. Legal Considerations**

*This section has been approved by the following member of the Legal Team: John Teasdale*

- 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. Data Protection Implications – Data Protection Impact Assessment (DPIA)**

- 11.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

11.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

## **12. Human Rights**

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

## **13. Cabinet Recommendation(s)**

13.1 To note the forecast financial position at quarter two of 2022/23 in relation to revenue and capital budgets together with the financial impact and degree of financial uncertainty that remains due to the current economic circumstances.

13.2 To note the in-year risk associated with supporting housing claims and disputes highlighted at paragraph 2.3 and consider earmarking any remaining surplus at year end towards mitigating this risk.

13.3 Members note the impact on usable reserves as a result of the external audit for 2021/22 highlighted in Paragraph 4.3.

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

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

## **14. Background Papers**

14.1 Medium Term Financial Strategy 2022/23 to 2024/25

## **15. Appendices**

15.1 Appendix A: Forecast variances against budget at Quarter 2 2022/23

15.2 Appendix B: Investments at 30<sup>th</sup> September 2022

15.3 Appendix C: Corporate and Strategic Risks – Quarter 2 2022/23

**QUARTER TWO  
PORTFOLIO FORECAST OUTTURN AGAINST FULL YEAR BUDGET  
2022/23**

**Leader of the Council and Economic Growth**

<b>Corporate Management Team</b>	<b>Budget (£000's)</b>	<b>Forecast Outturn (£000's)</b>	<b>Forecast Variance (£000's)</b>
Chief Executives	209	212	3
Heads of Service	340	340	-
<b>Total</b>	<b>549</b>	<b>552</b>	<b>3</b>

<b>Division</b>	<b>Explanation</b>	<b>Forecast Amount Over/ (under) £'000</b>
Chief Executives	Employee Costs - Vacancy Factor	3
Heads of Service		0
<b>Total</b>		<b>3</b>

<b>Human Resources, Payments &amp; Pensions</b>	<b>Budget (£000's)</b>	<b>Forecast Outturn (£000's)</b>	<b>Forecast Variance (£000's)</b>
Human Resources	377	364	(13)
Pension Payments	1,972	1,972	-
<b>Total</b>	<b>2,349</b>	<b>2,336</b>	<b>(13)</b>

<b>Division</b>	<b>Explanation</b>	<b>Forecast Amount Over/ (under) £'000</b>
HR & Payroll	Employee Costs	10
HR & Payroll	Supplies & Services	(13)
HR & Payroll	Corporate Training	(10)
Pension Payments	No Change	0
<b>Total</b>		<b>(13)</b>

<b>Enterprise</b>	<b>Budget (£000's)</b>	<b>Forecast Outturn (£000's)</b>	<b>Forecast Variance (£000's)</b>
Enterprise	189	142	(47)
<b>Total</b>	<b>189</b>	<b>142</b>	<b>(47)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Enterprise	Employee costs	(47)
<b>Total</b>		<b>(47)</b>

Legal Services	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Assets and Estates Management	(72)	(69)	3
Civic Ceremonials	55	57	2
Legal	228	276	48
Industrial Units	(613)	(586)	27
<b>Total</b>	<b>(402)</b>	<b>(322)</b>	<b>80</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Assets and Estates Management	Employee Costs	4
Assets and Estates Management	Income	(1)
Mayoral Support & Civic Ceremonials	Employee Costs	10
Mayoral Support & Civic Ceremonials	Transport costs	(4)
Mayoral Support & Civic Ceremonials	Supplies and Services	(4)
Legal	Employee costs	(20)
Legal	Temporary Staff Costs	83
Legal	Consultants	20
Legal	legal costs recovery	28
Legal	Contribution from Professional Reserve	(63)
Industrial Units	NNDR Costs on Vacant Units	17
Industrial Units	Utiility Costs on Vacant Units	10
<b>Total</b>		<b>80</b>

Planning and Land Charges	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Planning Policy	148	148	-
Development Control	(62)	-	62
Land Charges	(16)	(55)	(39)
<b>Total</b>	<b>70</b>	<b>93</b>	<b>23</b>



Division	Explanation	Forecast Amount Over/ (under) £'000
Planning Policy	Employee costs, including temp staff	31
Planning Policy	Contribution from Ringfenced Planning Fee Rese	(31)
Development Control	Employee costs	81
Development Control	Car Allowances	3
Development Control	Supplies and Services	17
Development Control	Planning Application Fees (net of ring-fenced sur	59
Development Control	Contribution from Ringfenced Planning Fee Rese	(98)
Land Charges	Employee Costs	10
Land Charges	Search & Investigation fees	(39)
Land Charges	Supplies and Services - HMLR Transition Grant	20
Land Charges	HMLR - LLC Transition Grant	(30)
<b>Total</b>		<b>23</b>

## Tourism and Cultural Development

Arts, Brewhouse and Functions	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Burton Town Hall	93	147	54
Arts Development and Programmes	106	121	15
Brewhouse Arts Centre	290	286	(4)
<b>Total</b>	<b>489</b>	<b>554</b>	<b>65</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Burton Town Hall	Employees	(10)
Burton Town Hall	Temporary Staff	6
Burton Town Hall	Gas and Electricity	9
Burton Town Hall	Reduced expenditure - Set up Crews	(12)
Burton Town Hall	Room Hire - Shortfall in Income	61
Arts Development and Programmes	Roundabout Theatre Event Cancellation	6
Arts Development and Programmes	Contributions from Other Bodies	9
Brewhouse and Arts Development	Employees	(17)
Brewhouse and Arts Development	Exhibitions and Events	(3)
Brewhouse and Arts Development	Gas	(3)
Brewhouse and Arts Development	Ticket Sales	(11)
Brewhouse and Arts Development	Shortfall in Workshops and Courses and other Income	19
Brewhouse and Arts Development	Brewhouse Cafe/Bar - Net Shortfall	11
<b>Total</b>		<b>65</b>

Leisure Services	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Health and Leisure Grants	10	10	-
Leisure Management	306	306	-
<b>Total</b>	<b>316</b>	<b>316</b>	<b>-</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Health and Leisure Grants		0
Leisure Management	Additional support to provider	167
Leisure Management	NLRF Grant Funding	(167)
<b>Total</b>		<b>0</b>

Markets	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Markets	12	87	75
<b>Total</b>	<b>12</b>	<b>87</b>	<b>75</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Markets	Employee Costs	(9)
Markets	Income Shortfall	73
Markets	Gas and Electricity	7
Markets	Business Rates - Vacant Units	4
<b>Total</b>		<b>75</b>

Cultural Services - Marketing	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Marketing	87	87	-
<b>Total</b>	<b>87</b>	<b>87</b>	<b>-</b>

Strategic Tourism	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Strategic Tourism	31	(38)	(69)
<b>Total</b>	<b>31</b>	<b>(38)</b>	<b>(69)</b>

Strategic Tourism	Explanation	Forecast Amount Over/ (under) £'000
Strategic Tourism	Employees - Delay in appointment of new posts	(69)
<b>Total</b>		<b>(69)</b>

Licensing and Enforcement	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Licensing and Enforcement	55	70	15
<b>Total</b>	<b>55</b>	<b>70</b>	<b>15</b>

Licensing and Enforcement	Explanation	Forecast Amount Over/ (under) £'000
Licensing and Enforcement	Car Allowances	2
Licensing and Enforcement	Supplies and Services	6
Licensing and Enforcement	Licensing Income - 3 and 5 year licences	14
Licensing and Enforcement	New Burdens Grant - Pavement Licensing	(4)
Licensing and Enforcement	Licensing Income Volatility Reserve	(3)
<b>Total</b>		<b>15</b>

Off Street Parking	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Car Parks Income	(787)	(423)	364
<b>Total</b>	<b>(787)</b>	<b>(423)</b>	<b>364</b>

Off Street Parking	Explanation	Forecast Amount Over/ (under) £'000
Car Parks Income	Bargates Additional Income	(11)
Car Parks Income	Car Parking Income Shortfall	297
Car Parks Income	Season/Penalty Notices Income	78
<b>Total</b>		<b>364</b>

## Communities and Housing Standards

Revenues, Benefits and Customer Contacts	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Revenues	(16)	(13)	3
Benefits and Professional Services	271	278	7
Customer Contacts	452	450	(2)
<b>Total</b>	<b>707</b>	<b>715</b>	<b>8</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Revenues	Employee Costs	144
Revenues	Additional support and associated expenditure (	37
Revenues	Use of New Burdens Grant Funding	(37)
Revenues	Use of Reserves (Revenues New Burdens)	(144)
Revenues	Supplies and Services	7
Revenues	Income	(4)
Benefits	Employee Costs	(10)
Benefits	Additional support and associated expenditure	19
Benefits	External Support - Verification Earnings & Pensio	14
Benefits	Supplies and Services	(11)
Benefits	Use of Grant Funding	(49)
Benefits	Decrease in HB Payments (net of subsidy)	(14)
Benefits	OPHB - income and bad debt provision	63
Benefits	Council Tax Benefit Admin Grant	(5)
Customer Contacts	Employee Costs	34
Customer Contacts	Use of Reserves (Revenues New Burdens)	(23)
Customer Contacts	Staffs County Council Income	5
Customer Contacts	Supplies and Services	(7)
Customer Contacts	Transport related expenditure	(4)
Customer Contacts	Pemises related Expenditure - building closure	(7)
<b>Total</b>		<b>8</b>

Environmental Health	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Environmental Health	408	391	(17)
Animal Control	89	40	(49)
Housing Standards	1	1	-
<b>Total</b>	<b>498</b>	<b>432</b>	<b>(66)</b>

Environmental Health	Explanation	Forecast Amount Over/ (under) £'000
Environmental Health	Car Allowances	1
Environmental Health	Supplies & Services esp. Legal Fees	5
Environmental Health	Supplies & Services- Analyst Fees	15
Environmental Health	Income - Export Licenses offset Analyst fees	(15)
Environmental Health	Homes for Ukraine Income	(20)
Environmental Health	Other Income	(3)
Housing Standards	Employee Costs	16
Housing Standards	Selective Licensing Scheme set up costs	11
Housing Standards	Contribution to/from Selective Licensing Reserve	14
Housing Standards	Fees and Charges	(90)
Housing Standards	HIMO - no change	0
Animal Control	No Change	0
<b>Total</b>		<b>(66)</b>

Partnerships	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Partnerships	36	36	-
<b>Total</b>	<b>36</b>	<b>36</b>	<b>-</b>

CCTV	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
CCTV	78	74	(4)
<b>Total</b>	<b>78</b>	<b>74</b>	<b>(4)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
CCTV	Maintenance	(4)
<b>Total</b>		<b>(4)</b>

Community and Civil Enforcement	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Community and Civil Enforcement	288	278	(10)
<b>Total</b>	<b>288</b>	<b>278</b>	<b>(10)</b>

Community and Civil Enforcement	Explanation	Forecast Amount Over/ (under) £'000
Community and Civil Enforcement	Employees	(10)
<b>Total</b>		<b>(10)</b>

Social Regeneration	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Community Centres	19	13	(6)
Councillors Community Fund	22	22	-
Social Regeneration	20	20	-
<b>Total</b>	<b>61</b>	<b>55</b>	<b>(6)</b>

Social Regeneration	Explanation	Forecast Amount Over/ (under) £'000
Community Centres	Repairs & Maintenance to Buildings	(6)
Councillors Community Fund	No change	0
Social Regeneration	No change	0
<b>Total</b>		<b>(6)</b>

Housing	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Housing Options	318	328	10
<b>Total</b>	<b>318</b>	<b>328</b>	<b>10</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Housing Options	Employee Costs	2
Housing Options	Housing Grant funding	(71)
Housing Options	Supplies and Services	1
Housing Options	Delivery of Grant funding conditions/initiatives	72
Housing Options: Accommodation	Rents	3
Housing Options: Accommodation	Premises Related Expenditure	4
Housing Options: Accommodation	B&B Costs (excluding Government funded scheme)	5
Housing Options: Accommodation	Premises Rental/ B&B Rentals income	(5)
Housing Options: Accommodation	B&B Costs (Government funded scheme - RSI Surge)	77
Housing Options: Accommodation	Use of HPG and RSI Grant funding	(78)
<b>Total</b>		<b>10</b>

## Environment and Climate Change

Community and Open Spaces	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Cemeteries	11	43	32
Open Spaces	1,429	1,507	78
Horticultural Centre	46	43	(3)
Facilities Management	358	348	(10)
<b>Total</b>	<b>1,844</b>	<b>1,941</b>	<b>97</b>

Community, Open Spaces and Facilities	Explanation	Forecast Amount Over/ (under) £'000
Cemeteries	Gas and Electricity	4
Cemeteries	Contracted Grounds Maintenance	21
Cemeteries	Supplies and Services	3
Cemeteries	Employees	4
Open spaces	Employees	8
Open spaces	Play Equipment	(4)
Open spaces	Open Space Repairs	20
Open spaces	Contracted Grounds Maintenance	56
Open spaces	Water Services	(2)
Horticultural Centre	Contracted Grounds Maintenance	(3)
Facilities and Health and Safety	Repairs & Maintenance to Buildings	(7)
Facilities and Health and Safety	Gas and Electricity	2
Facilities and Health and Safety	Employees	(5)
<b>Total</b>		<b>97</b>

Environment	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Building Consultancy	51	44	(7)
Council Depot	103	99	(4)
Public Conveniences	137	132	(5)
Land Drainage	66	66	-
Waste Collection	2,940	2,803	(137)
Street Cleaning	1,163	1,179	16
<b>Total</b>	<b>4,460</b>	<b>4,323</b>	<b>(137)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Building Consultancy	Building Control Fee Income	(20)
Building Consultancy	Revised contribution to Building Control Reserve	20
Building Consultancy	Street Naming and Numbering Income	(7)
Council Depots	Gas	(4)
Council Depots	Employee Costs - Maternity Leave	(14)
Council Depots	Revised contribution to Staffs Waste Partnership Reserve	14
Public Conveniences	Employee Costs -Vacant Post	(18)
Public Conveniences	Temporary Staff	13
Land Drainage		0
Waste Collection	Employee Costs	(21)
Waste Collection	Temporary Staff	170
Waste Collection	Recycling Income	(319)
Waste Collection	Third Party Payments	(103)
Waste Collection	Vehicle Fuel	116
Waste Collection	Dry Recycling Contract - additional transition costs	6
Waste Collection	Trade Waste Income	14
Street Cleaning	Employee Costs	(35)
Street Cleaning	Temporary Staff	35
Street Cleaning	Vehicle Fuel	18
Street Cleaning	Bulky Waste Income	2
Street Cleaning	Private Street Cleaning Income	(4)
<b>Total</b>		<b>(137)</b>

Climate Change	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Climate Change	49	40	(9)
<b>Total</b>	<b>49</b>	<b>40</b>	<b>(9)</b>

Climate Change	Explanation	Forecast Amount Over/ (under) £'000
Climate Change	Employee Costs	(9)
<b>Total</b>		<b>(9)</b>

## Finance, Treasury Management and Communications

Corporate and Commercial	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Committee Support	98	102	4
Elections	208	208	-
Emergency Planning	12	8	(4)
Programmes and Transformation	265	237	(28)
Members Allowances	331	327	(4)
<b>Total</b>	<b>914</b>	<b>882</b>	<b>(32)</b>



Division	Explanation	Forecast Amount Over/ (under) £'000
Committee Support	Employee Costs	2
Committee Support	Supplies and Services	2
Elections	Employee Costs	(3)
Elections	Contribution to reserves	3
Emergency Planning	General Grants	(4)
Programmes and Information	Employee Costs - Vacant Post	(28)
Members Allowances	Supplies and Services	(2)
Members Allowances	Basic Allowance	(2)
<b>Total</b>		<b>(32)</b>

IT and Printing	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Central Reprographics and Administration	104	105	1
Computer Services	306	311	5
<b>Total</b>	<b>410</b>	<b>416</b>	<b>6</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Central Reprographics	Employee Costs	1
ICT	Employee Costs	5
<b>Total</b>		<b>6</b>

Financial Services and Capital Financing	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Audit	129	129	-
Capital Finance	264	(767)	(1,031)
Financial Management Unit	547	547	-
<b>Total</b>	<b>940</b>	<b>(91)</b>	<b>(1,031)</b>

Division	Explanation	Forecast Amount Over/ (under) £'000
Capital Financing Costs	Investment Income	(1,071)
Capital Financing Costs	MRP - Debt Repayment - timing of capital receipt	40
Financial Management Unit	Employee Costs	(54)
Financial Management Unit	Temp Staff Costs	122
Financial Management Unit	Contribution - Professional Reserve	(60)
Financial Management Unit	Contribution - New Burdens	(8)
<b>Total</b>		<b>(1,031)</b>

## Appendix B - Investments as at 30<sup>th</sup> September 2022

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
<b>Call Accounts and Money Market Funds</b>				
RBS SIBA	105,447	0.10%		
Barclays	13	0.20%		
MMF Federated	3,550,000	2.09%		Call
<b>Fixed Deposits / Certificates of Deposit</b>				
Lloyds Bank CD	1,500,000	1.50%	01/06/2022	01/11/2022
Lloyds Bank CD	1,000,000	1.99%	03/08/2022	05/12/2022
Lloyds Bank CD	1,000,000	2.18%	16/08/2022	16/12/2022
National Westminster Bank CD	1,000,000	0.65%	24/11/2021	23/11/2022
National Westminster Bank CD	1,000,000	0.82%	14/01/2022	13/01/2023
National Westminster Bank CD	1,000,000	1.71%	17/03/2022	17/03/2023
National Westminster Bank CD	1,000,000	2.85%	18/08/2022	18/08/2023
Santander CD	1,500,000	1.41%	09/05/2022	09/11/2022
Santander CD	1,000,000	2.22%	19/08/2022	18/11/2022
Santander CD	1,000,000	1.63%	01/06/2022	01/12/2022
DZ Bank CD	1,500,000	1.40%	13/04/2022	13/10/2022
DZ Bank CD	1,500,000	2.06%	25/07/2022	25/11/2022
Toronto Dominion Bank CD	1,000,000	1.69%	09/06/2022	09/12/2022
Toronto Dominion Bank CD	1,500,000	1.02%	31/01/2022	31/01/2023
Toronto Dominion Bank CD	1,000,000	1.92%	27/04/2022	27/02/2023
Bank of Montreal CD	1,500,000	2.50%	10/06/2022	09/06/2023
Bank of Montreal CD	1,000,000	2.85%	06/07/2022	05/07/2023
Rabobank CD	1,000,000	3.53%	31/08/2022	31/05/2023
Rabobank CD	1,000,000	2.98%	22/07/2022	21/07/2023
National Australia Bank CD	1,500,000	3.63%	24/08/2022	24/08/2023
Royal Bank of Canada CD	1,500,000	4.40%	23/09/2022	22/09/2023
UK Treasury Bill	1,500,000	0.94%	19/04/2022	17/10/2022
UK Treasury Bill	1,500,000	0.96%	19/04/2022	17/10/2022
UK Treasury Bill	1,500,000	2.30%	30/08/2022	28/11/2022
UK Treasury Bill	1,500,000	2.44%	05/09/2022	05/12/2022
UK Treasury Bill	2,000,000	2.50%	12/09/2022	12/12/2022
UK Treasury Bill	1,000,000	1.79%	04/07/2022	03/01/2023
UK Treasury Bill	1,000,000	1.81%	04/07/2022	03/01/2023
UK Treasury Bill	1,000,000	1.86%	04/07/2022	03/01/2023
UK Treasury Bill	1,500,000	1.90%	11/07/2022	09/01/2023
UK Treasury Bill	2,500,000	2.00%	18/07/2022	16/01/2023
UK Treasury Bill	1,500,000	2.54%	30/08/2022	27/02/2023
UK Treasury Bill	2,000,000	2.81%	12/09/2022	13/03/2023
UK Treasury Bill	2,000,000	2.93%	20/09/2022	20/03/2023
DMO (UK Debt Management)	1,500,000	0.82%	07/04/2022	07/10/2022
DMO (UK Debt Management)	2,000,000	1.75%	15/08/2022	19/10/2022
DMO (UK Debt Management)	5,500,000	1.94%	14/09/2022	19/10/2022
DMO (UK Debt Management)	2,600,000	1.44%	10/06/2022	21/11/2022
DMO (UK Debt Management)	3,300,000	1.53%	15/06/2022	21/11/2022
DMO (UK Debt Management)	3,000,000	1.62%	21/06/2022	21/11/2022
DMO (UK Debt Management)	2,500,000	1.69%	30/06/2022	19/12/2022

Investments rate of interest as at 30 Sep	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>69,555,460</b>	<b>1.97%</b>

Average rate of interest (Year to date)	Principal (£)	Interest Rate
<b>Total Investments</b>	<b>68,951,530</b>	<b>1.15%</b>

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Asylum Seeker Dispersal	The Home Office can arrange accommodation for asylum seekers in any local authority. This may result in unsuitable locations being commissioned.	Officers engage proactively with Serco/Home Office to advise on suitability as a consultee. Officers engage proactively with partner organisations (SCC / Police) to provide a joint response Officers engage with West Midlands Strategic Migration Partnership, and the newly established Staffordshire Strategic Migrations Partnership	2	3	9	30/09/2022
Brexit and wider economic and geo-political circumstances	Consequences of decision to exit the EU and the wider geo-political circumstances have 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 and regular monitoring and reporting. Understanding and acting on any intelligence forthcoming from local and central government bodies.	2	4	13	30/09/2022
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, impact of the recession, 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 any national 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	30/09/2022
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 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/interventions and to mitigate the impact on the ongoing recovery of the area, as well as ensuring the recovery process continues should future interventions occur. The Council is in the 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 regular Covid Update Reports to Cabinet.	2	4	13	30/09/2022
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	30/09/2022
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	30/09/2022
Financial: Pension Scheme	Increasing pension liabilities result in the need to increase future employer contributions (longer term risk).	Realistic provision within MTFS for cost and changes Latest triennial review frozen pension contribution rates (overall). There remains a longer term risk beyond this triennial period (2026 onwards) resulting from economic circumstances.	1	4	10	30/09/2022

Corporate Risks		Risk Owner: Corporate Management Team				Last Reviewed
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	
Homes for Ukraine scheme	There are a number of actions/activities that the Borough Council is expected to undertake in delivering the Homes for Ukraine scheme. Failure to deliver on these aspects may give rise to a reputational risk to the Council. There is also a consequential risk in relation to guests on the scheme once the initial 6 month placement comes to an end.	<p>An internal officer team has been established to address these issues and provide the appropriate response.</p> <p>Officers are working with County colleagues (who are effectively leading on the scheme) to ensure communications channels are appropriate.</p> <p>The appropriate staff are in place to address the issues as required e.g. Environmental Health for housing inspection checks, Revenues team to ensure identified payments are made and Management to ensure appropriate financial controls are in place. Support from the Housing Options Team.</p>	2	2	5	30/09/2022
ICT Security	<p>Unintentional or intentional introduction of malware, resulting impacts on normal service delivery and/or breach of data protection, via:</p> <p>1) Prevention of access to systems or data</p> <p>2) Physical destruction of hardware</p> <p>3) Data Exposure or leaks</p> <p>4) Data alteration</p>	<p>ICT Security Policy</p> <p>Access controls and permissions within system applications</p> <p>Protective defences such as antivirus software</p> <p>Perimeter protection with hardware firewalls</p> <p>Regular patching</p> <p>Quarterly vulnerability scans</p> <p>Officer and Member training and awareness</p> <p>Prevention of access to unnecessary physical facilities e.g. USB devices</p>	2	4	13	30/09/2022
Litigation - General	Failure to comply with the law on a range of services, including the New General Data Protection Regulations (GDPR)	<p>Managers/Heads of Service, with Legal support, keep abreast of new and changed law</p> <p>Monitoring Officer role to oversee legal compliance</p> <p>Training rolled out in respect of GDPR requirements. Compliance oversight by Monitoring Officer and CMT. Updates to the Corporate Report template to ensure GDPR is considered as part of the decision making.</p>	1	4	10	30/09/2022
MTFS: Budget Assumptions	Assumptions made in the MTFS in relation to inflation, interest rates, pay awards, income levels etc. have a negative impact on financial plans/resources.	<p>Robust MTFS provides some degree of resilience to financial shocks</p> <p>Proactive treasury management forecasting, monitoring and reporting</p> <p>Budgeting based on prudent forecasts. Regular in-year monitoring and forecasting</p>	4	4	16	30/09/2022

## Corporate Risks

## Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Supported Housing	(1) Demand for supported housing accelerates within the Borough	Processes for accessing claims reviewed and strengthened, taking into account learning from other authorities and Sector led Pilots. Bid submitted to DHLUC for additional resource/capacity to address these issues.				
	(2) The outcome of appeals and other claims by Supported Housing providers	Use of external expertise and advice. Provision made within reserves against claims and some allowance within the budget for additional support.	2	4	13	30/09/2022
	Results in costs becoming financially unsustainable, impacting on the Council ability to deliver other services within the Borough.	Management oversight				
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. Oversight of the projects via the Business Assurance Group	2	4	13	30/09/2022
Treasury Management - Counter-party risk	Market volatility, geo-political risks result in counter-party failure and financial loss to the Council.	Robust Treasury Management Strategy and a prudent risk approach to investments. Advice from professional treasury advisors, monitoring market developments, benchmarking.	2	4	13	30/09/2022
Unforeseen Environmental Impacts	Floods, fire, chemical, major disaster, terrorism	Major Incident/Emergency Plan Test exercises ensure readiness for incidents, including the forthcoming LEMUR exercise focusing on a National Power Outage scenario. 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	30/09/2022
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	2	4	13	30/09/2022

<b>Corporate Risks</b>		<b>Risk Owner: Corporate Management Team</b>				
<b>Risk</b>	<b>Source of Risk</b>	<b>Treatment Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Level</b>	<b>Last Reviewed</b>
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.	2	4	13	30/09/2022
Wider Public Sector Funding Reductions	Impact on the Council of the wider public sector funding reductions (e.g. homelessness, supported housing, waste etc.)	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	30/09/2022

## 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  The Council is a member of the SSLEP with a place on the board.  One member (Council) one vote, provides Council with a strong voice on GBSLEP	1	4	10	30/09/2022
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.  Approved, up to date BC policy in place. Regular training and associated events for key personnel take place and regular updates are presented to the Corporate Management Team	1	4	10	30/09/2022
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. Communications Plans in place and regularly reviewed.  Proactive social media work undertaken by the Corporate and Commercial Team	2	2	5	30/09/2022
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.	3	4	15	30/09/2022
Council Tax Reduction Scheme	Failure to adopt a scheme that is fit for purpose and affordable.	Scheme suitably approved and adopted; budget set based on forecasts and reviewed; CTR correctly applied per scheme	1	3	6	30/09/2022
Devolution	The levelling up white paper published in February 2022 provides the potential for mayoral combined authorities / unitary authorities or other opportunities/outcomes.	Opportunities kept under review with county council and other districts.  Monitored by the executive	1	4	10	30/09/2022



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	<p>The strategy/policy is adopted following consultation with all relevant internal stakeholders and approved by the Leader</p> <p>H&amp;S team advises, educates and reviews risk assessments etc and has direct reporting access to Chief Executive</p> <p>Incident/accident reporting process in place.</p>	1	4	10	30/09/2022	
Levelling Up	Wider potential impact of central policy outlined in the white paper published in February 2022 and the potential for missed opportunities	<p>Developments and opportunities monitored.</p> <p>Monitored by the executive. Funding bid due to be submitted to Government and outcome awaited.</p>	1	4	10	30/09/2022	
Local Plan Implications	Monitoring of the local plan and maintenance of a five year land supply	<p>Regular monitoring /compliance</p> <p>Planning decisions complying with approved plan/existing planning law/policy.</p> <p>On going work between Members and Officers</p>	1	4	10	30/09/2022	
Managing Change	Ineffective change management resulting in a reduction in the quality of services	<p>Workforce Planning Strategy in place and recently reviewed.</p> <p>Effective track record of performance management - via Corporate Plan, Service Planning, Staff Performance Appraisals</p> <p>Effective Communications - Corporate Management Team, Managers Forum, Team Meetings, Staff 1-1s, Staff Briefings.</p>	2	2	5	30/09/2022	
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.	<p>The MTFS is established with COs and DLs working together to realign political manifesto into a series of objectives and financial targets.</p> <p>Financial support and challenge to proposals with financial implications, minimising risks of a budget shortfall.</p> <p>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.</p>	1	4	10	30/09/2022	

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	30/09/2022
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	2	4	13	30/09/2022
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	30/09/2022