

Sandwell MBC

Summary Revenue Outturn 2018/19

Appendix A Revenue Outturn

	Annual Target Budget	Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Carry Forwards Previously Approved	Revenue Contribution to Capital (RCCO)	Projected (Surplus) / Deficit after RCCO & Approved C/fwds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Resources	331	(696)	(105)	0	(591)	0	0	(922)
Adult Social Care	17,140	18,869	0	3,770	15,099	(1,890)	0	(151)
Regeneration & Growth	82,940	76,296	(301)	0	76,597	(5,912)	0	(430)
Housing & Communities	24,479	24,362	(298)	1,050	23,610	(233)	0	(636)
Children's Services	18,638	19,809	95	1,421	18,293	0	100	(245)
	86,643	88,683	1,261	856	86,566	0	0	(77)
Total Net Service Expenditure (excluding Public Health)	230,171	227,323	652	7,097	219,574	(8,035)	100	(2,461)
Public Health - Ringfenced Grant	2,778	395	(33)	109	319	(1,984)	0	(475)
Total Net Expenditure (including Public Health)	232,949	227,718	619	7,206	219,893	(10,019)	100	(2,936)
Non Service Income & Expenditure:								
Central Items	27,454	25,086	(1,331)	290	26,127	0	0	(1,326)
Total Net Expenditure (including Public Health & Central Items)	260,403	252,805	(712)	7,496	246,021	(10,019)	100	(4,263)

Regeneration & Growth	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
Carbon Reduction - Energy Efficiency	300	115			(185)
Total	300	115	0	0	(185)

Children's Services	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
BSF Central Item	400	400			0
Sandwell Guarantee	0	280		233	47
Total	400	680	0	233	47

Housing & Communities	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
Waste Partnership	25,962	25,278			(684)
Total	25,962	25,278	0	0	(684)

Resources	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
Local Authority Subs	85	85			0
W'ton: WMCC & WMRE	45	37			(8)
Joint Committee Servicing	19	0			(19)
External Audit Fee	180	237			57
New Homes Bonus Grant	(3,592)	(3,598)			(6)
Business Rates Compensation Grant	(11,633)	(13,453)			(1,820)
Insurance	(395)	(1,669)	(1,483)		209
Bank Charges	225	329			104
Airport Rent Income	(100)	(96)			4
Apprenticeship Levy	480	440			(40)
Past Service Pension Costs	8,600	8,441			(159)
Housing Benefits	501	908			407
Local Welfare Provision	0	209	152	57	(0)
Pensions General	4,729	4,722			(6)
Coroners	335	462			127
Members Allowances	1,351	1,365			14
Special Events	25	5			(20)
Legal Public Law Fees	366	646			280
Templink	(429)	(57)			372
Total	792	(987)	(1,331)	57	(504)

GRAND TOTAL	27,454	25,086	(1,331)	290	(1,326)
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SPECIFIC RESERVES SUMMARY

APPENDIX C RESERVES

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
			0
<u>Corporate Management</u>			
Brexit Funding	0	(105)	105
<u>Adult Social Care</u>			
Taxi Licensing Operational	105	0	105
Adult Social Care Reserve	1,047	0	1,047
Integrated Care Record	0	(301)	301
			0
<u>Children's Services</u>			
Early Help	1,083	1,083	0
Childrens Workforce Development	68	0	68
Safeguarding Childrens Board	178	178	0
Regeneration and Economy	186	0	186
BSF FM Sinking Fund	2,070	(436)	2,506
<u>Housing & Communities</u>			
Sports Grants	48	0	48
Portway Lifestyle Centre Property Reserve	437	(79)	516
Private Sector Leasing	217	75	142
Mortgage Rescue	59	59	0
Dartmouth Park	358	40	318
<u>Public Health</u>			
Learning for Public Health	288	(33)	321
<u>Housing & Communities</u>			
Sandwell Business Loans Fund	16	16	0
West Midlands Regional Research	343	56	287
Sinking Fund RBC building	326	(106)	432
Sinking Fund Central 6th building	506	(264)	770
<u>Resources</u>			
Insurance Reserve	9,608	(1,483)	11,091
Grants Irregularities Reserve	1,031	0	1,031
Social Fund Reserve	152	152	0
E-Business financial suite	2,625	0	2,625
P.O.C.A. (Proceeds of Crime)	29	0	29
SCT set up costs	770	0	770
<u>Housing Revenue Account</u>			
Welfare Reform Reserve	3,010	(690)	3,700
			0
Total	24,560	(1,838)	26,398

SANDWELL METROPOLITAN BOROUGH COUNCIL**CAPITAL MONITORING 2018/2019 - PERIOD 12 MARCH**

SUMMARY	Original Budget 2018/19 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2018/19 (Main Programme)	Self Financing	Total Budget 2018/19	2018/19			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
MARCH 2018/19	£	£	£	£	£	£	£	£	£	£
<u>PERFORMANCE</u>										
Corporate Management	9,000	0	-9,000	0	0	0	-	-	-	0
Resources	2,270,000	1,200,000	-2,413,986	1,056,014	0	1,056,014	1,056,014.14	-	1,056,014	0
PERFORMANCE TOTAL	2,279,000	1,200,000	-2,422,986	1,056,014	0	1,056,014	1,056,014.14	-	1,056,014	0
<u>PEOPLE</u>										
Childrens Services	0	0	0	0	19,317,444	19,317,444	19,317,443.63	-	19,317,444	0
Adults Social Care	2,244,000	0	-2,083,876	160,124	3,240,857	3,400,981	3,400,980.90	-	3,400,981	0
PEOPLE TOTAL	2,244,000	0	-2,083,876	160,124	22,558,300	22,718,425	22,718,424.53	-	22,718,425	0
<u>NEIGHBOURHOODS</u>										
Regeneration & Growth	4,959,000	224,558	-1,114,731	4,068,828	6,974,210	11,043,037	11,043,037.23	-	11,043,037	0
Housing & Communities	6,734,000	717,326	-4,102,260	3,349,066	1,649,435	4,998,501	4,998,500.92	-	4,998,501	0
NEIGHBOURHOODS TOTAL	11,693,000	941,884	-5,216,991	7,417,894	8,623,645	16,041,538	16,041,538.15	-	16,041,538	0
<u>HOUSING REVENUE ACCOUNT</u>										
Housing Revenue Account (HRA)	68,073,000	-6,782,000	-27,099,000	34,192,000	3,619,699	37,811,699	37,813,333.57	-	37,813,334	1,635
HOUSING REVENUE ACCOUNT (HRA) TOTAL	68,073,000	-6,782,000	-27,099,000	34,192,000	3,619,699	37,811,699	37,813,333.57	-	37,813,334	1,635
GRAND TOTAL	84,289,000	-4,640,116	-36,822,853	42,826,032	34,801,644	77,627,676	77,629,310.39	-	77,629,310	1,635

Key Financial Outturn Performance Indicators at Quarter 4 2018/19

Appendix E (1)

Key Performance Indicator		2018/19	Change from 2017/18	2017/18	Commentary
1	<u>Revenue Collection Performance</u>				
1.1	Council Tax Collection Rate	99%	↔	99%	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs.
1.2	Business Rates Collection Rate	98%	↓	99%	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs.
1.3	General Debtors				
1.3.1	Total Amount Billed to Date (£m)	77	↑	76	Target for Q4 is 90% collection rate, so this is ahead of target in year and ahead on the position as at last year. Billed debt has decreased on this time last year.collection rate.
1.3.2	Collection Rate	85%	↓	87%	
1.3.3	Average No. of Days to receive payment from Customers	72	↑	80	
1.3.4	Credit Notes Raised as a % of Total Customer Invoices	4%	↔	4%	
1.3.5	Proportion of Debt > 90 days old from invoice date	54%	↓	42%	
1.4	Housing Rents				
1.4.1	Value of Rent Debit to Date (£m)	118	↓	120	A small % decrease in the value of the rent debit.
1.4.2	Collection Rate	96%	↔	97%	No change in the collection rate.
2	<u>Accounts Payable</u>				
2.1	Proportion of Payments made by Electronic means (BACS & Bank Transfers)	93%	↔	93%	A higher figure is beneficial in terms of reducing administration costs and improved processes. Suppliers of goods and services receive prompt payment of invoices and therefore improved cash flow.

Aged Debt Report as at Outturn 2018/19

Year	Sundry Debtors 2018 £'000	Council Tax 2018 £'000	NNDR 2018 £'000	Total Aged Debt 2018 £'000
2017/2018	1,540	2,933	628	5,101
2016/2017	753	2,182	288	3,224
2015/2016	1,008	1,657	147	2,812
2014/2015	317	1,583	87	1,987
2013/2014	343	1,332	74	1,749
2012/2013	136	1,031	48	1,215
2011/2012	78	872	31	981
2010/2011	62	737	9	808
2009/2010	36	672	2	711
2008/2009	234	691	13	939
2007/2008	20	562	3	585
2006/2007	2	470	3	475
2005/2006	1	278	8	287
2004/2005	0	173	3	176
2003/2004	15	73	2	90
2002/2003	14	52	2	68
2001/2002	0	0	0	0
2000/2001	0	0	0	0
	4,561	15,299	1,347	0
				21,207

Corporate Management Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Corporate Management is a surplus of £0.922m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	951	1,345	0	0	1,345	394
Gross Income	(620)	(2,041)	(105)	0	(1,936)	(1,316)
Net Expenditure	331	(696)	(105)	0	(591)	(922)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						0
						0
Adjusted Net Variance After Approved CFwds & RCCO						(922)

Further details of the outturn position can be found in Appendix F1. The table below outlines the main reasons for the surplus of £0.922m: -

Reasons for Surplus/Deficit	£000
Levy Surplus Account Grant received in March which was windfall income not expected	(1,536)
Payment for Business Rates Growth not known when preparing the 2018-19 budgets. This has been built into 2019-20 and future budgets	464
Revised Equal Pay Provison due to current open cases	(70)
Balance Sheet adjustments	220
Total	(922)

The net surplus is requested to be treated as follows: -

Requested Treatment	£000
Release to balances	(922)
Total	(922)

2. Available Target Resources

Target budget resources available to Corporate Management were £0.331m. There have been no amendments since the previously reported monitoring.

The following additional specific grants have been received by the directorate since the previously reported monitoring:

- £0.105m was received from MHCLG to support local authorities in their preparations for the UK leaving the EU. It has been requested that this is set aside in a reserve to enable future costs to be covered.
- £1.536m was received from MHCLG as there had been a surplus balance on the Central Government Business Rate Levy Account this was redistributed accordingly. [REDACTED]

3. Virements within the Directorate

There have been no virements of over £0.250m between sub divisions within Corporate Management since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Corporate Management was breakeven, therefore details of the variances that have occurred since then are outlined in section 1.

5. Central Items

Corporate Management has no responsibility for Central Items, there is no Appendix F4 for this service.

6. Earmarked Reserves

The directorate is requesting to set aside sums totalling £0.105m for the creation of a new earmarked reserve for use on specific activities in future years. Details of balances are as follows:

Appendix F Corporate Management

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Brexit Funding	0	(105)	105
			0
Total	0	(105)	105

7. Severance Payments

There were no severance payment costs or provisions for the Corporate Management directorate.

8. Use of Corporate Resources

There is no request to fund expenditure incurred by the directorate from corporate resources.

Capital

9. Overview

Corporate Management is responsible for the delivery of one capital scheme which is detailed in Appendix F5. The projected 2018/19 outturn for this scheme was £0.009m as reported within the Period 9 monitoring to cabinet on 20th February 2019. The actual outturn is nil resulting in a surplus variance of £0.009m. This £0.009m will be carried forward into 2019/20 to be spent on office improvement works on the 3rd floor of Providence Place.

10. Virements

There have been no virements between capital schemes during the period.

11. Section 106 Monies

Corporate Management has no responsibility for Section 106 monies, there is no Appendix F6 for this service.

Appendix F Corporate Management

Contact

Carl Burke

Interim Service Manager

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Corporate Management		Appendix F1 Corporate Management Outturn				
Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Chief Executive	253	156	(105)	0	261	8
Combined Authority	611	1,065	0	0	1,065	454
Corporate Management	(533)	(1,917)	0	0	(1,917)	(1,384)
Total Net Expenditure	331	(696)	(105)	0	(591)	(922)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						0 0
Adjusted Net Variance After Approved CFwds & RCCO						(922)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	188	117	0	0	117	(71)
Premises	0	3	0	0	3	3
Transport	10	8	0	0	8	(2)
Supplies & Services	666	1,130	0	0	1,130	464
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Charges	87	87	0	0	87	0
Capital Financing	0	0	0	0	0	0
Gross Expenditure	951	1,345	0	0	1,345	394
Specific Grants	0	(1,641)	(105)	0	(1,536)	(1,536)
Other Grants & Contributions	0	0	0	0	0	0
Fees & Charges	0	218	0	0	218	218
Recharges in Target	(620)	(618)	0	0	(618)	2
Other Income	0	0	0	0	0	0
Gross Income	(620)	(2,041)	(105)	0	(1,936)	(1,316)
Total Net Expenditure	331	(696)	(105)	0	(591)	(922)

Corporate Management		Appendix F2 Corporate Management Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Chief Executive This service area covers the salary and costs associated with the role of Chief Executive	Employees	188	188	0	0	188	0
	Premises	0	3	0	0	3	3
	Transport	10	8	0	0	8	(2)
	Supplies & Services	55	65	0	0	65	10
	Third Party Payments	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0
	Capital Financing					0	0
	Total Gross Expenditure	253	264	0	0	264	11
	Specific Grants	0	(105)	(105)	0	0	0
	Other Grants & Contributions	0	0	0	0	0	0
	Fees & Charges	0	(2)	0	0	(2)	(2)
	Recharge Income	0	(1)	0	0	(1)	(1)
	Other Income	0	0	0	0	0	0
	Total Gross Income	0	(108)	(105)	0	(3)	(3)
Net Expenditure	253	156	(105)	0	261	8	
Combined Authority This service is responsible for the costs associated with the West Midlands Combined Authority.	Employees	0	0	0	0	0	0
	Premises	0	0	0	0	0	0
	Transport	0	0	0	0	0	0
	Supplies & Services	611	1,065	0	0	1,065	454
	Third Party Payments	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0
	Capital Financing					0	0
	Total Gross Expenditure	611	1,065	0	0	1,065	454
	Specific Grants	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	0	0	0
	Fees & Charges	0	0	0	0	0	0
	Recharge Income	0	0	0	0	0	0
	Other Income	0	0	0	0	0	0
	Total Gross Income	0	0	0	0	0	0
Net Expenditure	611	1,065	0	0	1,065	454	
Corporate Management This service is responsible for the functions of the Council that do not specifically align to any individual directorate.	Employees	0	(71)	0	0	(71)	(71)
	Premises	0	0	0	0	0	0
	Transport	0	0	0	0	0	0
	Supplies & Services	0	0	0	0	0	0
	Third Party Payments	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	87	87	0	0	87	0
	Capital Financing					0	0
	Total Gross Expenditure	87	16	0	0	16	(71)
	Specific Grants	0	(1,536)	0	0	(1,536)	(1,536)
	Other Grants & Contributions	0	0	0	0	0	0
	Fees & Charges	0	220	0	0	220	220
	Recharge Income	(620)	(617)	0	0	(617)	3
	Other Income	0	0	0	0	0	0
	Total Gross Income	(620)	(1,933)	0	0	(1,933)	(1,313)
Net Expenditure	(533)	(1,917)	0	0	(1,917)	(1,384)	
Total Net Expenditure		331	(696)	(105)	0	(591)	(922)

Corporate Management	Appendix F3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Sandwell Contribution to Combined Authority	612	611	1
Sandwell Contribution to Business Rates Growth of the Combined Authority	452	0	452
Operational Services	13	10	3
Catering	14	14	0
Conference Expense	11	3	8
Other Supplies & Services	28	28	0
Total Supplies & Services	1,130	666	464
Specific Grants			
Levy Account Surplus Grant	(1,536)	0	(1,536)
Brexit Funding	(105)	0	(105)
Total Specific Grants	(1,641)	0	(1,641)

Corporate Management				Appendix F5 - Capital	
	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
Thematic Capital Pot					
3rd Floor Providence Place	9	0	9	0	(9)
Total Corporate Management	9	0	9	0	(9)

Resources Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Resources is a surplus of £2.041m, which can be further analysed as follows: -

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	39,591	43,550	0	3,770	39,780	189
Gross Income	(22,451)	(24,681)	0	0	(24,681)	(2,230)
Net Expenditure	17,140	18,869	0	3,770	15,099	(2,041)
Carry Forward Previously Approved						(1,890)
Adjusted Net Variance After Approved CFwds & RCCO						(151)

Further details of the outturn position can be found in Appendices G1 and G2. The following table outlines the main reasons for the surplus: -

Reasons for (Surplus) / Deficit	£'000
Housing Benefit overpayments / Court costs	(1.459)
Projects originally scheduled for 18/19 due to complete in 19/20	(1.500)
Vacant posts held ready for 19/20 savings	(0.563)
Additional income generation in Registration Services	(0.483)
Employee Benefits	(0.130)
2030 Leaders Programme to be completed in 19/20	(0.125)
Miscellaneous	(0.200)
Legal costs re Looked After Children	1.361
Severance Payments	1.058
Net Surplus	(2.041)

The net surplus is requested to be treated as follows: -

Requested Treatment	£000
Carry Forward approved in year	(1,890)
Carry Forward to 2019-20 to be allocated in accordance with Directorate priorities	(151)
Total	(2,041)

2. Available Target Resources

Target budget resources available to Resources were £17.140m. This figure reflects the following amendment that has been made since the previously reported monitoring: -

Target Budget Resources	£000
Target Budget as per last quarter monitoring	17,506
Target Adjustments -	
Public Law Fees transferred to Central Items	(366)
Revised Target Budget Resources	17,140

There have been two additional specific grants received by the directorate since the previously reported monitoring. This is DWP new burdens income for mixed age couples and severe disability premium, and pension credit child addition changes and total £0.010m for 2018/19.

3. Virements within the Directorate

There have been no virements of over £0.250m between sub divisions within Resources since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Resources was a surplus of £1.890m, the variance between this and the

actual outturn is a surplus of £0.151m. The following table explains the reason for this variance:

Reasons for variance to projected outturn Q3	£'000
Projects originally scheduled for 18/19 due to complete in 19/20	(0.151)
	(0.151)

5. Central Items

The directorate has responsibility for the management of a number of Central Items that are detailed in Appendix G4.

The actual outturn for these items is a surplus of £0.504m that is requested to be carried forward to 2019/20 to address anticipated pressures on public law fees.

The main reasons for this surplus are as follows: -

Reasons for Surplus/Deficit - Central Items	£000
Unanticipated additional grant for compensation due to changes to the small business rates relief thresholds	(1,820)
There has been a regionalisation of subscriptions to professional organisations	(27)
Although a lower fee has been negotiated for work carried out by external audit there are some residual costs from 2016/17 & 2017/18 (see Note 30)	57
Additional Insurance income has been moved to the Insurance Reserve Fund	209
Increased usage of online and automated payment methods have increased the card payment transactions	104
A discount for our upfront payment of past service pension deficit and reducing numbers of pensioners	(165)
A higher number of autopsies than usual this year which is difficult to forecast	127
Public Law fees have been transferred to Central Items and have risen due to the increased number of Looked After Children in Sandwell Childrens Trust	280
Templink income has reduced due to the residual impact of Sandwell Childrens Trust	372
An increased number of Discretionary Housing Payments were made in 2018/19, along with timing differences of subsidy payment	407
Other small variances	(48)
Total	(504)

Earmarked Reserves

6. The directorate has set aside sums totalling £14.215m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has made a net contribution of £1.331m to earmarked reserves during the current year. This leaves the following balances remaining: -

Appendix G Resources

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Insurance Reserve	9,608	(1,483)	11,091
Grants Irregularities Reserve	1,031	0	1,031
Social Fund Reserve	152	152	0
E-Business financial suite	2,625	0	2,625
P.O.C.A. (Proceeds of Crime)	29	0	29
SCT set up costs	770	0	770
			0
Total	14,215	(1,331)	15,546

7. Severance Payments

In 2017/18 a provision of £0.933m was created for severance payment costs, of which £0.614m has been utilised during 2018/19.

Severance payment costs of £0.286m, not included in the 2017/18 provision, have been incurred with further net costs of £1.058m expected. The full costs will be funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	614	614	319	313		(6)
Costs not provided for in 2017/18	286			55	723	1,064
Total	900	614	319	368	723	1,058
Funded by:						
Directorate						1,058
Corporate Resources						0

8. Use of Corporate Resources

Expenditure of £3.770m incurred by Resources will be met from corporate resources. This is to cover the cost of;

- Interim Support to Monitoring Officer - £0.191m, this has already been agreed and is part of existing ear-marked balances.
- Corporate Legal charges - £0.222m, this has already been agreed and is part of existing ear-marked balance.
- The Graduate Leader Schemes - £0.435m, this has already been agreed and is part of existing ear-marked balances.
- Oracle Licensing - £0.707m, this has already been agreed and is part of existing ear-marked balances;
- ICT Infrastructure Support - £1.338m, this has already been agreed and is part of existing ear-marked balances;
- Digital Transformation - £0.377m, this has already been agreed and is part of existing ear-marked balances.
- Children's Trust contract sum - £0.500m, this is a new request;

Capital

9. Overview

Resources is responsible for the delivery of a number of capital schemes which are detailed in Appendix G5. The projected 2018/19 outturn for these schemes was £1.242m as reported within the Period 9 monitoring to cabinet on 20th February 2019. The actual outturn is £1.056m resulting in a surplus variance of £0.186m. The main reasons for the main variances above £0.100m are detailed below :-

- ICT End User Computing 2 - £0.140m surplus – slippage of resources into 2019/20 This relates to End User Computing and the replacement of laptop, tablet & thin client devices. Rollout will continue in 2019-20.

Virements

There have been no virements between capital schemes during the period.

Section 106 Monies

Resources has no responsibility for Section 106 monies, there is no Appendix G6 for this service.

Contact

Steve Lilley

Business Partner - Finance

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Appendix G Resources

Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Directorate	377	401	0	0	401	24
Change and Communications	1,343	1,400	0	0	1,400	57
Revenues and Benefits and ICT	8,134	7,546	0	2,422	5,124	(3,010)
Finance	3,538	4,631	0	500	4,131	593
Law & Governance	134	1,175	0	413	762	628
Human Resources	3,614	3,716	0	435	3,281	(333)
Total Net Expenditure	17,140	18,869	0	3,770	15,099	(2,041)
Carry Forward Previously Approved						(1,890)
Adjusted Net Variance After Approved CFwds & RCCO						(151)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	27,183	28,911	0	670	28,241	1,058
Premises	850	501	0	0	501	(349)
Transport	124	103	0	0	103	(21)
Supplies & Services	8,888	10,964	0	2,766	8,198	(690)
Third Party Payments	977	1,501	0	334	1,167	190
Transfer Payments	0	0	0	0	0	0
Capital Charges	1,570	1,570	0	0	1,570	0
Capital Financing	0	0	0	0	0	0
	0	0	0	0	0	0
Gross Expenditure	39,592	43,550	0	3,770	39,780	188
Specific Grants	(2,721)	(2,903)	0	0	(2,903)	(182)
Other Grants & Contributions	(900)	(1,606)	0	0	(1,606)	(706)
Fees & Charges	(9,836)	(11,210)	0	0	(11,210)	(1,374)
Recharges in Target	(8,995)	(8,962)	0	0	(8,962)	33
Other Income	0	0	0	0	0	0
Gross Income	(22,452)	(24,681)	0	0	(24,681)	(2,229)
Total Net Expenditure	17,140	18,869	0	3,770	15,099	(2,041)

Resources		Appendix G2 Resources Outturn						
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit	
		£000	£000	£000	£000	£000	£000	
Directorate	Employees	480	484	0	0	484	4	
Resources directorate consists of five distinct areas providing a range of functions both front facing and back office. • Communications and Service Improvement • Revenues and Benefits and ICT • Finance • Law and Governance • Human Resources	Premises	0	0	0	0	0	0	
	Transport	3	0	0	0	0	(3)	
	Supplies & Services	13	36	0	0	36	23	
	Third Party Payments	0	0	0	0	0	0	
	Transfer Payments	0	0	0	0	0	0	
	Capital Charges	0	0	0	0	0	0	
	Capital Financing	0	0	0	0	0	0	
	Total Gross Expenditure	496	520	0	0	520	24	
	Specific Grants	0	0	0	0	0	0	
	Other Grants & Contributions	0	0	0	0	0	0	
	Fees & Charges	(6)	(6)	0	0	(6)	0	
	Recharge Income	(113)	(113)	0	0	(113)	0	
	Other Income	0	0	0	0	0	0	
	Total Gross Income	(119)	(119)	0	0	(119)	0	
	Net Expenditure	377	401	0	0	401	24	
	Communications & Service Imp	Employees	1,540	1,584	0	0	1,584	44
	The Communications and Service Improvement team is made up of two divisions, who deliver a wide range of excellent services to all the communities of Sandwell:	Premises	0	0	0	0	0	0
Transport		6	2	0	0	2	(4)	
Supplies & Services		159	195	0	0	195	36	
Third Party Payments		0	0	0	0	0	0	
Transfer Payments		0	0	0	0	0	0	
Capital Charges		1	1	0	0	1	0	
Capital Financing		0	0	0	0	0	0	
Total Gross Expenditure		1,706	1,782	0	0	1,782	76	
Specific Grants		0	0	0	0	0	0	
Other Grants & Contributions		0	0	0	0	0	0	
Fees & Charges		(22)	(24)	0	0	(24)	(2)	
Recharge Income		(342)	(359)	0	0	(359)	(17)	
Other Income		0	0	0	0	0	0	
Total Gross Income		(364)	(383)	0	0	(383)	(19)	
Net Expenditure		1,342	1,399	0	0	1,399	57	

Resources		Appendix G2 Resources Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Revenues & Benefits & ICT	Employees	9,864	9,878	0	44	9,834	(30)
Revenues and Benefits provide the following services: <ul style="list-style-type: none"> • The billing and collection of Council Tax and Non Domestic Rates • General debt recovery • Cashier services • Administration of Housing Benefit, Local Council Tax Reduction, Discretionary Housing Payments and Local Welfare Provision. Information and Communication Technology (ICT) is responsible for a range of activities from the development and review of the council's ICT Strategy to the day-to-day support and maintenance of the ICT infrastructure.	Premises	160	5	0	0	5	(155)
	Transport	19	19	0	0	19	0
	Supplies & Services	4,377	4,874	0	2,044	2,830	(1,547)
	Third Party Payments	965	1,480	0	334	1,146	181
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	1,434	1,434	0	0	1,434	0
	Capital Financing	0	0	0	0	0	0
	Total Gross Expenditure	16,819	17,690	0	2,422	15,268	(1,551)
	Specific Grants	(2,721)	(2,856)	0	0	(2,856)	(135)
	Other Grants & Contributions	(900)	(1,588)	0	0	(1,588)	(688)
	Fees & Charges	(1,886)	(2,467)	0	0	(2,467)	(581)
	Recharge Income	(3,178)	(3,233)	0	0	(3,233)	(55)
	Other Income	0	0	0	0	0	0
	Total Gross Income	(8,685)	(10,144)	0	0	(10,144)	(1,459)
	Net Expenditure	8,134	7,546	0	2,422	5,124	(3,010)
Finance	Employees	4,854	5,398	0	0	5,398	544
Finance Services comprises three areas, all of which are vital in ensuring the financial stability of the council. The three areas are :- <ul style="list-style-type: none"> • Finance, incorporating (1) Financial Reporting & Systems and (2) Financial Management • Audit, Fraud and Risk • Procurement 	Premises	0	2	0	0	2	2
	Transport	10	7	0	0	7	(3)
	Supplies & Services	716	1,251	0	500	751	35
	Third Party Payments	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0
	Capital Financing	0	0	0	0	0	0
	Total Gross Expenditure	5,580	6,658	0	500	6,158	578
	Specific Grants	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	0	0	0
	Fees & Charges	(547)	(399)	0	0	(399)	148
	Recharge Income	(1,496)	(1,629)	0	0	(1,629)	(133)
	Other Income	0	0	0	0	0	0
	Total Gross Income	(2,043)	(2,028)	0	0	(2,028)	15
	Net Expenditure	3,537	4,630	0	500	4,130	593

Resources	Appendix G3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Equipment and Furniture	113	193	(80)
Materials & Consumables	191	140	51
Catering	52	54	(2)
Protective Clothing	10	11	(1)
Printing/Stationery	559	975	(416)
Operational Charges	11	29	(18)
Professional Fees & Charges	2,971	3,115	(144)
Legal	1,232	336	896
Cash Collections	43	40	3
Telephone/Postage	304	361	(57)
ICT	3,468	1,882	1,586
Advertising	259	232	27
Court Fees	33	50	(17)
Conferences/Seminar Expenses	34	24	10
Facilities	5	11	(6)
Waste Disposal	71	44	27
Licenses & Subscriptions	164	162	2
Insurance - Premiums	5	0	5
Child Care Vouchers	6	0	6
Civic Events	26	9	17
Compensation	3	0	3
Grants	50	30	20
Bereavement Services	200	162	38
Employee Benefit Scheme	995	924	71
Ranger Services	0	12	(12)
Architects	48	32	16
Planning	3	0	3
Occupational Health	8	2	6
General Recharges	29	21	8
Contribution to Internal Services	49	36	13
Highways Consultancy	19	0	19
Other Supplies & Services	3	1	2
Total Supplies & Services	10,964	8,888	2,076

Resources	Appendix G3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Specific Grants			
Housing Subsidy - Benefit Administration Grant	(1,451)	(1,426)	(25)
Council Tax Administration Grant	(586)	(586)	0
NNDR Admin grant for cost of collection 2018-19	(441)	(451)	10
DHP Admin Grant	(98)	(98)	0
Benefit Cap	(63)	(63)	0
Reduced Temp Absence outside Great Britain	(3)	(3)	0
Migrants Access to Benefits (MABs)	(4)	(4)	0
Single Fraud Investigation Service (SFIS)	(6)	(6)	0
Removal of Assessed Income Period (AIP)	(4)	(4)	0
Limiting Support to 2 Children	(6)	(6)	0
UC Implementation support	(19)	(17)	(2)
Assisted Digital Full Service	(22)	(21)	(1)
Severe disability premium and Pension Credit Child changes	(6)	(6)	0
Migration Support	(9)	(9)	0
Northgate uprating - Transition to HB Pymts	(6)	(6)	0
Mixed age couples changes - New Burdens	(4)	(4)	0
Self Employed Review Funding	(14)	(11)	(3)
Verify Earning and Pension Alerts Service 2018	(113)	0	(113)
Individual Electoral Registration (IER)	(48)	0	(48)
Total Specific Grants	(2,903)	(2,721)	(182)

Resources			Appendix G4 Central Items		
Central Item Description	Annual Budget £000	Actual Outturn £000	Use of (Cont to) Earmarked Reserves £000	Use of Corporate Resources £000	Variance (Surplus) / Deficit £000
Local Authority Subs	85	85			0
W'ton: WMCC & WMRE	45	37			(8)
Joint Committee Servicing	19	0			(19)
External Audit Fee	180	237			57
New Homes Bonus Grant	(3,592)	(3,598)			(6)
Business Rates Compensation Grant	(11,633)	(13,453)			(1,820)
Insurance	(395)	(1,669)	(1,483)		209
Bank Charges	225	329			104
Airport Rent Income	(100)	(96)			4
Apprenticeship Levy	480	440			(40)
Past Service Pension Costs	8,600	8,441			(159)
Housing Benefits	501	908			407
Local Welfare Provision	0	209	152	57	(0)
Pensions General	4,729	4,722			(6)
Coroners	335	462			127
Members Allowances	1,351	1,365			14
Special Events	25	5			(20)
Legal Public Law Fees	366	646			280
Templink	(429)	(57)			372
Total	792	(987)	(1,331)	57	(504)
Subjective Analysis					
Employees	21,413	20,246			(1,167)
Premises	35	40			5
Transport	1	6			5
Supplies & Services	4,456	3,942	(1,331)	57	760
Third Party Payments	19	394			375
Transfer Payments	121,038	115,216			(5,822)
Capital Charges	0	0			0
Gross Expenditure	146,963	139,845	(1,331)	57	(5,844)
Specific Grants	(135,762)	(131,746)			4,016
Other Grants & Contributions	(4,135)	(4,577)			(442)
Fees & Charges	(1,095)	(1,353)			(258)
Recharges in Target	(5,164)	(3,108)			2,056
Other Income	(15)	(48)			(33)
Gross Income	(146,171)	(140,832)	0	0	5,340
Total Net Expenditure	791	(987)	(1,331)	57	(504)

Resources				Appendix G5 - Capital	
	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000	£'000	£'000
<u>Main Programme</u>					
Sandwell Business Services - Development	50	0	50	6	(44)
ICT End User Computing 2	900	0	900	760	(140)
ICT Infrastructure	120	0	120	120	0
ICT Strategy - ICT Equipment	152	0	152	152	0
Sandwell Valley Catering Facility	12	0	12	10	(2)
<u>Thematic Capital Pot</u>					
ICON Project - PC's	8	0	8	8	0
Total Resources	1,242	0	1,242	1,056	(186)

Adult Social Care Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Adult Social Care is a surplus of £6.342m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	187,226	183,323	(301)	0	183,624	(3,603)
Gross Income	(104,287)	(107,026)	0	0	(107,026)	(2,739)
Net Expenditure	82,940	76,296	(301)	0	76,597	(6,342)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(5,912)
						0
Adjusted Net Variance After Approved CFwds & RCCO						(430)

Further details of the outturn position can be found in Appendix H1. The following table outlines the main reasons for the surplus:

Reasons for Surplus/Deficit	£000
Business Strategy - vacancies and lower than anticipated expenditure on the Health Watch Contract and Interpreter services.	(511)
Commissioning Support Unit - vacancies being held pending service review following the full implementation of the finance modules of the social care IT system.	(334)
External Placements - Additional funding from the Winter Pressure Grant, use of resources brought forward to offset savings target and additional income from residential and nursing charges.	(4,090)
Integrated care Hub - Vacancies while the expanded service recruited additional staff.	(1,060)
Direct Services & Commissioning - variations within the volume based Supporting People contracts and for services supporting Carers.	(704)
Protection - reduced levels of income from Taxi License renewals, additional expenditure on Wardens and additional demand for Deprivation of Liberty Safeguarding (Dols) assessments.	567
Prevention - Vacancies within Floating Support and Community Alarms partly offset by an over spend within the Community Equipment Service, reflecting additional demand from hospital discharges.	(179)
Therapy & Sensory Services - Vacancies within the service area, partly offset by reduced income.	(112)
Social Work Teams - additional time limited staffing to support a number of social care projects.	77
Other net variances	4
Total	(6,342)

The net surplus is requested to be treated as follows: -

Requested Treatment	£000
Carry forward approved in year	5,912
Additional carry forward to 2021/22 to assist in the management of financial risks associated with potential slippage in the delivery of the savings reflected within the 2019-22 budget strategy.	430
Total	6,342

2. Available Target Resources

Target budget resources available to Adult Social Care were £82.940m. This figure reflects the following amendments that have been made since the previously reported monitoring:

Target Budget Resources	£000
Target Budget as per last quarter monitoring	83,012
Target Adjustments -	
Capital Charges Adjustment	(72)
Revised Target Budget Resources	82,940

There have been no additional specific grants received by the directorate since the previously reported monitoring.

3. Virements within the Directorate

No virements of over £0.250m of the approved Gross Expenditure budget between sub divisions within Adult Social Care have been processed since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Adult Social Care was a surplus of £5.912m, the variance between this and the actual

outturn is a surplus of £0.430m. The following table explains the reason for this variance:

Reasons for variation to projected outturn Q3	£000
Business Strategy - reduced expenditure within the Healthwatch contract and reduced maintenance costs on the social care IT system.	(76)
Commissioning Support Unit - refunding Independent Visitor fees previously charged to Court of Protection clients cost less than projected and there were under spends on a range of office expenditure budgets.	(95)
Social Work staffing costs in Q4 were less than projected, reflecting staff turnover and reduced use of agency staff.	(138)
Direct Services - reduced activity on a range of volume based contracts and lower than expected grants for carer support.	(94)
Other net variances	(27)
Total	(430)

5. Central Items

As the directorate has no responsibility for the management of Central Items there is no Appendix H4 to this report.

6. Earmarked Reserves

The directorate has set aside sums totalling £1.152m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has not used earmarked reserves during the current year and has created a new reserve for Integrated Care Records resulting in the following balances:

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
			0
Taxi Licensing Operational	105	0	105
Adult Social Care Reserve	1,047	0	1,047
Integrated Care Record	0	(301)	301
			0
Total	1,152	(301)	1,453

7. Severance Payments

In 2017/18 a provision of £0.097m was created for severance costs, of which £0.097m has been utilised during 2018/19.

Severance costs of £0.017m, not included in the 2017/18 provision, have been incurred and further costs of £0.147m are expected. All costs will be funded by the directorate.

The following table summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	97	97	0	0		0
Costs not provided for in 2017/18	17			32	115	164
Total	114	97	0	32	115	164
Funded by:						
Directorate						164
Corporate Resources						0

8. Use of Corporate Resources

There is no request to fund expenditure incurred by the directorate from corporate resources.

Capital

9. Overview

Adult Social Care is responsible for the delivery of a number of capital schemes which are detailed in Appendix H5. The projected 2018/19 outturn for these schemes was £2.917m as reported within the Period 9 monitoring to cabinet on 20th February 2019. The actual outturn is £3.401m resulting in a variance of £0.484m. The main reasons for the variances above £0.100m are detailed below:

- Grants Private Sector (Disabled Facilities Grant) Mandatory - £0.701m deficit – the programme of works associated with disabled adaptations at various private premises within the Borough has been accelerated in 2018/19, more disabled adaptations were completed than originally planned at Period 9.

10. Virements

There have been no virements between capital schemes during the period.

11. Section 106 Monies

Adult Social Care has no responsibility for Section 106 monies, there is no Appendix H6 for this directorate.

Contact

Charlie Davey

Business Partner - Finance

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Adult Social Care		Appendix H1 Directorate Outturn				
Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Management Team	1,413	1,416	0	0	1,416	3
Business Strategy	3,371	2,860	0	0	2,860	(511)
Commissioning Support Unit	1,923	1,589	0	0	1,589	(334)
External Placements	61,818	57,727	0	0	57,727	(4,090)
Social Work Teams	5,731	5,808	0	0	5,808	77
Therapy & Sensory Services	223	111	0	0	111	(112)
Better Care Fund	(6,000)	(6,301)	(301)	0	(6,000)	0
Prevention	555	376	0	0	376	(179)
Direct Services & Commissioning	8,636	7,932	0	0	7,932	(704)
Intergrated Care Hub	568	(492)	0	0	(492)	(1,060)
Protection	4,703	5,269	0	0	5,269	567
Total Net Expenditure	82,940	76,296	(301)	0	76,597	(6,342)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(5,912)
						0
Adjusted Net Variance After Approved CFwds & RCCO						(430)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	33,852	33,671	0	0	33,671	(181)
Premises	1,191	934	0	0	934	(258)
Transport	713	685	0	0	685	(29)
Supplies & Services	38,048	39,345	0	0	39,345	1,297
Third Party Payments	98,598	95,868	(301)	0	96,169	(2,429)
Transfer Payments	10,504	8,501	0	0	8,501	(2,003)
Capital Charges	4,319	4,319	0	0	4,319	0
Capital Financing	0	0	0	0	0	0
Gross Expenditure	187,226	183,323	(301)	0	183,624	(3,603)
Specific Grants	(20,612)	(20,613)	0	0	(20,613)	(1)
Other Grants & Contributions	(29,677)	(30,862)	0	0	(30,862)	(1,185)
Fees & Charges	(16,352)	(17,201)	0	0	(17,201)	(849)
Recharges in Target	(34,404)	(35,109)	0	0	(35,109)	(705)
Other Income	(3,241)	(3,241)	0	0	(3,241)	0
Gross Income	(104,287)	(107,026)	0	0	(107,026)	(2,739)
Total Net Expenditure	82,940	76,296	(301)	0	76,597	(6,342)

Adult Social Care		Appendix H2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Management Team	Employees	867	859			859	(8)
The directorate Management Team, incorporating the Executive Director, Director and Service Managers.	Premises	0	0			0	0
	Transport	1	3			3	2
	Supplies & Services	114	123			123	9
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	431	431			431	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	1,413	1,416	0	0	1,416	3
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
	Total Gross Income	0	0	0	0	0	0
	Net Expenditure	1,413	1,416	0	0	1,416	3
Business Strategy	Employees	3,198	2,841			2,841	(357)
Incorporates the service wide Business Support, Communications and Performance Improvement functions and the Sandwell Safeguarding Adults Board.	Premises	7	0			0	(7)
	Transport	9	1			1	(8)
	Supplies & Services	853	742			742	(111)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	4,067	3,585	0	0	3,585	(482)
	Specific Grants	(218)	(218)			(218)	(0)
	Other Grants & Contributions	(158)	(160)			(160)	(2)
	Fees & Charges	0	(50)			(50)	(50)
	Recharge Income	(320)	(297)			(297)	23
	Other Income	0	0			0	0
	Total Gross Income	(696)	(725)	0	0	(725)	(29)
	Net Expenditure	3,371	2,860	0	0	2,860	(511)
Commissioning Support Unit	Employees	2,306	1,980			1,980	(326)
Contract Management, management of the relationship with the external care market and a range of Financial Services including the Appointeeship Unit.	Premises	0	0			0	0
	Transport	6	3			3	(2)
	Supplies & Services	77	50			50	(28)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	14			14	14
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	2,389	2,047	0	0	2,047	(342)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	(5)			(5)	(5)
	Fees & Charges	(244)	(231)			(231)	13
	Recharge Income	(222)	(222)			(222)	0
	Other Income	0	0			0	0
	Total Gross Income	(466)	(458)	0	0	(458)	8
	Net Expenditure	1,923	1,589	0	0	1,589	(334)

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus)/ Deficit
		£000	£000	£000	£000	£000	£000
External Placements	Employees	(1,862)	0			0	1,862
Externally commissioned packages of care and support for adults with assessed care needs.	Premises	0	6			6	6
	Transport	61	131			131	71
	Supplies & Services	4,794	259			259	(4,535)
	Third Party Payments	79,396	81,421			81,421	2,025
	Transfer Payments	10,295	8,183			8,183	(2,112)
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	92,684	90,001	0	0	90,001	(2,683)
	Specific Grants	(2,250)	(2,249)			(2,249)	0
	Other Grants & Contributions	(4,668)	(4,529)			(4,529)	139
	Fees & Charges	(13,514)	(14,257)			(14,257)	(743)
	Recharge Income	(10,435)	(11,238)			(11,238)	(803)
	Other Income	0	0			0	0
	Total Gross Income	(30,867)	(32,273)	0	0	(32,273)	(1,407)
Net Expenditure	61,818	57,727	0	0	57,727	(4,090)	
Social Work Teams	Employees	5,905	5,993			5,993	89
Social Work Teams operating in a range of settings, including the Mental Health and Community services	Premises	0	7			7	7
	Transport	28	21			21	(7)
	Supplies & Services	172	159			159	(12)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	331	330			330	(0)
	Capital Financing	0	0			0	0
	Total Gross Expenditure	6,435	6,512	0	0	6,512	77
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(66)	(65)			(65)	1
	Recharge Income	(638)	(638)			(638)	0
	Other Income	0	0			0	0
	Total Gross Income	(704)	(704)	0	0	(704)	1
Net Expenditure	5,731	5,808	0	0	5,808	77	
Therapy & Sensory Services	Employees	1,437	1,132			1,132	(305)
Occupational therapists, prevention assessors and the provision of guidance and support to adults with sensory impairment.	Premises	367	236			236	(131)
	Transport	23	14			14	(9)
	Supplies & Services	155	141			141	(14)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	1,983	1,523	0	0	1,523	(460)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	(0)			(0)	(0)
	Recharge Income	(1,760)	(1,412)			(1,412)	348
	Other Income	0	0			0	0
	Total Gross Income	(1,760)	(1,412)	0	0	(1,412)	348
Net Expenditure	223	111	0	0	111	(112)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Better Care Fund	Employees	428	289			289	(139)
A Pool Budget hosted by the local authority and managed in partnership with the Sandell & West Birmingham CCG. The main focus is the management of patient flow through the promotion of independence, hospital avoidance, timely discharge and a range of reablement opportunities.	Premises	200	4			4	(195)
	Transport	0	1			1	1
	Supplies & Services	25,647	31,348			31,348	5,701
	Third Party Payments	16,996	12,480	(301)		12,781	(4,215)
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	43,271	44,122	(301)	0	44,423	1,153
	Specific Grants	(17,939)	(17,939)			(17,939)	(0)
	Other Grants & Contributions	(24,583)	(25,735)			(25,735)	(1,152)
	Fees & Charges	0	0			0	0
	Recharge Income	(6,749)	(6,749)			(6,749)	(0)
	Other Income	0	0			0	0
	Total Gross Income	(49,271)	(50,423)	0	0	(50,423)	(1,153)
Net Expenditure	(6,000)	(6,301)	(301)	0	(6,000)	0	
Prevention	Employees	2,847	2,490			2,490	(357)
A range of services mainly funded by the Better Care Fund which support people to remain independent in their own homes or to return home after a period in hospital or a residential care setting.	Premises	171	152			152	(19)
	Transport	63	48			48	(14)
	Supplies & Services	1,133	1,624			1,624	491
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	37	37			37	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	4,252	4,353	0	0	4,353	101
	Specific Grants	0	0			0	0
	Other Grants & Contributions	(52)	(77)			(77)	(25)
	Fees & Charges	(481)	(559)			(559)	(77)
	Recharge Income	(3,163)	(3,340)			(3,340)	(177)
	Other Income	0	0			0	0
	Total Gross Income	(3,697)	(3,976)	0	0	(3,976)	(280)
Net Expenditure	555	376	0	0	376	(179)	
Direct Services & Commissioning	Employees	6,439	6,467			6,467	28
The Commissioning Team, support to Carers, grant support to the voluntary sector and a range of directly provided care services (residential & daycare).	Premises	222	238			238	16
	Transport	120	113			113	(8)
	Supplies & Services	3,009	2,705			2,705	(304)
	Third Party Payments	2,206	1,967			1,967	(239)
	Transfer Payments	209	304			304	95
	Capital Charges	170	170			170	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	12,375	11,964	0	0	11,964	(411)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	(116)	(262)			(262)	(146)
	Fees & Charges	(317)	(399)			(399)	(82)
	Recharge Income	(3,306)	(3,371)			(3,371)	(65)
	Other Income	0	0			0	0
	Total Gross Income	(3,739)	(4,032)	0	0	(4,032)	(292)
Net Expenditure	8,636	7,932	0	0	7,932	(704)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Intergrated Care Hub	Employees	6,395	5,563			5,563	(832)
The social work teams supporting hospital discharges and the Short Term Assessment & Reablement Team (STAR) which provides time limited support for people in their own home following a stay in hospital.	Premises	149	164			164	15
	Transport	114	64			64	(50)
	Supplies & Services	191	223			223	32
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	6,849	6,013	0	0	6,013	(835)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	(92)			(92)	(92)
	Fees & Charges	0	(131)			(131)	(131)
	Recharge Income	(6,280)	(6,282)			(6,282)	(2)
Other Income	0	0			0	0	
Total Gross Income	(6,280)	(6,505)	0	0	(6,505)	(224)	
Net Expenditure	568	(492)	0	0	(492)	(1,060)	
Protection							
A range of services responsible for protecting Sandwell residents and communities by ensuring businesses, landlords, residents and people working in the borough abide by the laws and regulations applicable to the wide array of activities they are involved in.	Employees	5,893	6,057			6,057	164
	Premises	75	125			125	50
	Transport	289	285			285	(5)
	Supplies & Services	1,902	1,971			1,971	69
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	3,350	3,350			3,350	(0)
	Capital Financing	0	0			0	0
	Total Gross Expenditure	11,510	11,787	0	0	11,787	278
	Specific Grants	(206)	(206)			(206)	(0)
	Other Grants & Contributions	(100)	(2)			(2)	98
	Fees & Charges	(1,730)	(1,509)			(1,509)	221
Recharge Income	(1,531)	(1,560)			(1,560)	(29)	
Other Income	(3,241)	(3,241)			(3,241)	0	
Total Gross Income	(6,807)	(6,518)	0	0	(6,518)	289	
Net Expenditure	4,703	5,269	0	0	5,269	567	

Adult Social Care	Appendix H3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Better Care Fund Pool Budget	31,299	25,647	5,652
Surplus brought forward from previous years	0	5,512	(5,512)
Voluntary Sector Grants	2,778	2,918	(139)
Purchase of Equipment (including Community Equipment store)	1,857	1,372	485
Depreciation of Liberty Safeguarding (DoLS)	769	119	650
ICT	419	541	(122)
Professional Services (Medical, Legal, Architects, Training)	890	455	435
Printing & Stationery	249	377	(128)
Internal recharging within ASC	376	316	60
Phones & Postage	238	289	(51)
Catering (including Community meals)	216	233	(18)
Cleaning & Medical Waste Removal	118	137	(19)
Hire of community venues	31	48	(17)
Advertising & Publicity	15	41	(26)
Subscriptions	56	25	31
Conference Expenses	15	12	2
Translation Services	14	3	11
Other supplies & services	4	1	2
Total Supplies & Services	39,345	38,048	1,297
Specific Grants			
Improved Better Care Fund (iBCF)	(16,091)	(16,091)	0
Winter Pressures Grant	(1,848)	(1,848)	0
Adult Social Care Support Grant	(1,155)	(1,155)	0
Independent Living Fund	(1,058)	(1,058)	0
Local Reform & Community Voices Grant	(257)	(256)	(1)
Controlling Migration Funding	(167)	(167)	0
War pensions Scheme disregards	(37)	(37)	0
Total Specific Grants	(20,613)	(20,612)	(1)
Other Income			
Deferred Charges	(3,241)	(3,241)	0
Total Other Income	(3,241)	(3,241)	0

Adult Social Care				Appendix H5 - Capital	
	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19	(Surplus) / Deficit for the Year
	Main Programm e	Self Financing	Total		
	£'000	£'000	£'000		
Main Programme					
Vulnerable Home Owners Improvements - HMRA Receipts	50	0	50	0	(50)
New Social Care & Health Centre - Rowley Regis Empty Properties	0	0	0	52	52
Housing stock Condition Survey - Private Sector	100	0	100	77	(23)
Swift Impress System (Earmarked Revenue Balance)	29	0	29	0	(29)
	90	0	90	30	(60)
Thematic Capital Pot					
Thematic - Disability Day	9	0	9	1	(8)
Grants / Self Financing					
ILC Alterations	0	80	80	0	(80)
Grants Private Sector (Disabled Facilities Grant) Mandatory	0	2,499	2,499	3,200	701
Contaminated Land Grant	0	20	20	5	(15)
Air Quality Monitoring Grant	0	32	32	21	(11)
Warm Homes Healthy People	0	8	8	15	7
Total Adult Social Care	278	2,639	2,917	3,401	484

Regeneration & Growth Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Regeneration & Growth is a surplus of £0.869m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	53,293	53,185	(314)	1,050	52,449	(844)
Gross Income	(28,814)	(28,823)	16	0	(28,839)	(25)
Net Expenditure	24,479	24,362	(298)	1,050	23,610	(869)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(233) 0
Adjusted Net Variance After Approved CFwds & RCCO						(636)

Further details of the outturn position can be found in Appendix I1 and I2. The table below outlines the main reasons for the surplus:

Reasons for Surplus/Deficit	£000
Site investigations and land remediation - delays in preliminary works	(214)
Economic Regeneration and Planning Services - vacancies held to support planned restructuring	(220)
Planning & Building Control - additional planning fee income	(64)
Office Accomodation leased buildings - potential backdated rent payments were less than expected.	(154)
Office Accomodation owned buildings - additional income reflecting lower than anticipated empty office space and lower than expected utility costs at some buildings.	(338)
Property Services - largely related to business rates and insurance costs.	(94)
Markets - mainly reduced income from stall rental.	329
Corporate Property - committed building works improvements still to be completed	(260)
Property Maintenance - additional building repairs.	364
Highways Maintenance - additional resurfacing and repair work	240
Car parking - additional net income	(186)
Management - project funding to support reviews and service restructuring not fully used.	(203)
Other net variance	(69)
Total	(869)

The surplus is requested to be treated as follows:

Requested Treatment	£000
Carry forward approved in year	233
2019/20 carry forward requests	
- Land remediation Feasibility Studies	153
- Site investigations	61
- Building Improvements	255
- Balance to support directorate priorities and to manage the risks of variations in the 2019/20 savings programme	167
Total	869

2. Available Target Resources

Target budget resources available to Regeneration & Growth were £24.479m. This figure reflects the following amendments that have been made since the previously reported monitoring:

Target Budget Resources	£000
Target Budget as per last quarter monitoring	24,497
Target Adjustments -	
Capital financing charges amendments :	
Expenditure	(79)
Income	61
Revised Target Budget Resources	24,479

There have been no additional specific grants received by the directorate since the previously reported monitoring.

3. Virements within the Directorate

There have been no virements of over £0.250m between sub divisions within Regeneration & Growth since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Regeneration & Growth was a surplus of £0.233m, the variance between this and the actual outturn is a surplus of £0.636m. The following table highlights the reason for this variance:

Reasons for variation to projected outturn Q3	£000
<u>Growth & Spatial Planning</u>	
Strategic Policy & Transportation - variance in completion of preliminary redevelopment works	(59)
<u>Development Planning and Building Control</u>	
Building and Land Charges planning fees income higher than forecast	(64)
<u>Strategic Assets and Land</u>	
Leased Office Accommodation - outcome of rent negotiations not known until late in financial year	(124)
The income from external lettings was higher than projections; a number of tenancies continued longer than anticipated.	(430)
Property Services Management - a planned Commercial Strategy Review was deferred until 2019/20.	(90)
<u>Highway Services</u>	
A number of significant road resurfacing improvements were approved and completed during Q4.	277
Income from Car Parking and Bus Lane Enforcement was less than projections.	73
<u>Management</u>	
Deferral of planned project and investment reviews	(167)
<u>Other - net</u>	(52)
Total	(636)

5. Central Items

The directorate has responsibility for the management of a Central Item that is detailed in Appendix I4.

The actual outturn for this item is a surplus of £0.185m.

The main reason for this surplus is outlined below: -

Reasons for Surplus/Deficit - Central Items	£000
Reduced charges linked to the Carbon Reduction scheme	(185)
Total	(185)

6. Earmarked Reserves

The directorate has set aside sums totalling £1.191m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has made a net contribution of £0.298m to earmarked reserves during the current year leaving the following balances:

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Sandwell Business Loans Fund	16	16	0
West Midlands Regional Research	343	56	287
Sinking Fund RBC building	326	(106)	432
Sinking Fund Central 6th building	506	(264)	770
Total	1,191	(298)	1,489

7. Severance Payments

In 2017/18 a provision of £0.508m was created for severance costs of which £0.358m has been utilised during 2018/19.

Severance costs of £0.167m, not included in the 2017/18 provision have been incurred and further costs of £1.029m are expected.

There will be total additional net severance costs of £1.046m of which £0.880m will be met from corporate resources with the remaining £0.166m being funded from the directorate.

The table below summarises the position:

Appendix I Regeneration & Growth

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	358	358	150	98		(52)
Costs not provided for in 2017/18	167			103	828	1,098
Total	525	358	150	201	828	1,046
Funded by:						
Directorate						166
Corporate Resources						880

Use of Corporate Resources

Expenditure of £1.050m incurred by Regeneration & Economy will be met from corporate resources. This is to cover the severance costs (£0.880m) and building improvements agreed to be funded from earmarked corporate balances (£0.170m).

Capital

Regeneration & Growth is responsible for the delivery of capital schemes which are detailed in Appendix I5. The projected 2018/19 outturn for these schemes was £9.209m as reported within the Period 9 monitoring to cabinet on 20th February 2019. The actual outturn is £11.043m resulting in a variance of £1.834m. The main reasons for the variances above £0.100m are detailed below:

- BSF – Schools for the Future - £0.105m surplus – slippage of resources into 2019/20 to continue with the works at Perryfields High School.
- Property Refurbishment - £0.261m deficit – Refurbishment works in relation to the agile working areas at the Sandwell Council House have advanced quicker than expected at Period 9.
- Street Lighting SOX to LED Conversion - £0.315m deficit – this relates to a new capital scheme that had Cabinet approval after the Period 9 monitoring was reported.

Appendix I Regeneration & Growth

- Shaftesbury House Demolition - £0.716m deficit – after the P9 reporting it was decided to capitalise the demolition costs associated with Shaftesbury House, West Bromwich.
- Local Transport Plan Direct Grant - £0.313m surplus – slippage of resources into 2019/20 to continue a programme of works in relation to carriageway maintenance.
- Additional Highways Maintenance Funding - £1.420m deficit – a late announcement and approval by the Department for Transport (DFT) to provide us with an additional £1.4m for Highways Maintenance works in 2018/19.
- Children's Trust Accommodation Works (DFE) - £0.249m surplus – slippage of resources into 2019/20 to continue any capital works associated with the Children's Trust.

Virements

There have been no virements between capital schemes during the period.

Section 106 Monies

Regeneration & Growth has responsibility for Section 106 monies, details are provided in Appendix I6.

Contact

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Regeneration and Growth				Appendix I1 Directorate Outturn		
Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Growth and Spatial Planning	2,331	2,112	72	92	1,948	(383)
Development Planning and Building Control	712	964	0	391	573	(139)
Strategic Assets and Land	5,577	5,589	(370)	515	5,444	(133)
Highway Services	15,281	15,335	0	0	15,335	54
Management	578	362	0	52	310	(268)
Total Net Expenditure	24,479	24,362	(298)	1,050	23,610	(869)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(233) 0
Adjusted Net Variance After Approved CFwds & RCCO						(636)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	13,252	13,539	40	880	12,619	(633)
Premises	10,917	12,258	(370)	170	12,458	1,541
Transport	246	272	0	0	272	26
Supplies & Services	18,784	17,048	16	0	17,032	(1,752)
Third Party Payments	30	5	0	0	5	(25)
Transfer Payments	1	0	0	0	0	(1)
Capital Charges	10,063	10,063	0	0	10,063	0
Capital Financing	0	0	0	0	0	0
Gross Expenditure	53,293	53,185	(314)	1,050	52,449	(844)
Specific Grants	(269)	(166)	0	0	(166)	103
Other Grants & Contributions	(572)	(400)	0	0	(400)	172
Fees & Charges	(16,889)	(17,937)	0	0	(17,937)	(1,048)
Recharges in Target	(11,072)	(10,308)	16	0	(10,324)	748
Other Income	(12)	(12)	0	0	(12)	0
Gross Income	(28,814)	(28,823)	16	0	(28,839)	(25)
Total Net Expenditure	24,479	24,362	(298)	1,050	23,610	(869)

Regeneration and Growth		Appendix I2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Growth and Spatial Planning	Employees	2,118	2,052	40	92	1,920	(198)
This includes regeneration, strategic policy, transportation, housing and partnerships.	Premises	0	1			1	1
	Transport	10	4			4	(6)
	Supplies & Services	1,233	806	16		790	(443)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	13	13			13	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	3,374	2,876	56	92	2,728	(646)
	Specific Grants	(202)	(112)			(112)	90
	Other Grants & Contributions	(338)	(128)			(128)	210
	Fees & Charges	(18)	(32)			(32)	(14)
	Recharge Income	(473)	(480)	16		(496)	(23)
	Other Income	(12)	(12)			(12)	0
	Total Gross Income	(1,043)	(764)	16	0	(780)	263
Net Expenditure	2,331	2,112	72	92	1,948	(383)	
Development Planning and Building C	Employees	1,989	2,296		391	1,905	(84)
This includes development management, building consultancy, systems and services and land charges.	Premises	2	1			1	(1)
	Transport	10	10			10	0
	Supplies & Services	277	262			262	(15)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	3	3			3	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	2,281	2,572	0	391	2,181	(100)
	Specific Grants	(28)	0			0	28
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(1,445)	(1,464)			(1,464)	(19)
	Recharge Income	(96)	(144)			(144)	(48)
	Other Income	0	0			0	0
	Total Gross Income	(1,569)	(1,608)	0	0	(1,608)	(39)
Net Expenditure	712	964	0	391	573	(139)	
Strategic Assets and Land	Employees	6,182	6,435		345	6,090	(92)
This includes asset management, facilities management, urban design and building services, development and commercial property and markets.	Premises	10,142	11,534	(370)	170	11,734	1,592
	Transport	48	36			36	(12)
	Supplies & Services	5,337	3,950			3,950	(1,387)
	Third Party Payments	20	5			5	(15)
	Transfer Payments	1	0			0	(1)
	Capital Charges	1,508	1,508			1,508	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	23,238	23,468	(370)	515	23,323	85
	Specific Grants	0	0			0	0
	Other Grants & Contributions	(135)	(188)			(188)	(53)
	Fees & Charges	(11,433)	(11,666)			(11,666)	(233)
	Recharge Income	(6,093)	(6,025)			(6,025)	68
	Other Income	0	0			0	0
	Total Gross Income	(17,661)	(17,879)	0	0	(17,879)	(218)
Net Expenditure	5,577	5,589	(370)	515	5,444	(133)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Highway Services	Employees	2,719	2,478			2,478	(241)
This includes car parking, flood protection, highways maintenance, road casualty reduction, highways planning and development, engineers and highways consultancy and traffic management and road safety.	Premises	773	722			722	(51)
	Transport	178	222			222	44
	Supplies & Services	11,529	11,862			11,862	333
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	8,539	8,539			8,539	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	23,738	23,823	0	0	23,823	85
	Specific Grants	(39)	(54)			(54)	(15)
	Other Grants & Contributions	(15)	0			0	15
	Fees & Charges	(3,993)	(4,775)			(4,775)	(782)
	Recharge Income	(4,410)	(3,659)			(3,659)	751
	Other Income	0	0			0	0
Total Gross Income	(8,457)	(8,488)	0	0	(8,488)	(31)	
Net Expenditure	15,281	15,335	0	0	15,335	54	
Management	Employees	244	278		52	226	(18)
This relates to the post of Area Director and a number of centralised budgets within the Directorate.	Premises	0	0			0	0
	Transport	0	0			0	0
	Supplies & Services	408	168			168	(240)
	Third Party Payments	10	0			0	(10)
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	662	446	0	52	394	(268)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	(84)	(84)			(84)	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
Total Gross Income	(84)	(84)	0	0	(84)	0	
Net Expenditure	578	362	0	52	310	(268)	

Regeneration and Growth	Appendix I3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Operational Services	6,776	4,631	2,145
Architects & Building Services	1,948	1,909	39
Highways Maintenance	1,896	2,055	(159)
Professional Services	1,585	2,349	(764)
Engineers Fees	1,163	995	168
Car Parking Contract	1,145	1,095	50
Equipment & Furniture	479	402	77
ICT	434	445	(11)
Postages	409	325	84
Subscriptions	196	101	95
Materials & Consumables	184	667	(483)
Waste Disposal & Hygiene Services	140	138	2
Printing & Stationery	129	98	31
Legal	126	56	70
Advertising & Publicity	105	130	(25)
Groundcare Recharges	104	145	(41)
Telephones	56	48	8
Provision for Bad Debts	51	0	51
Catering	20	26	(6)
Other Internal Recharges	20	30	(10)
Licences	17	16	1
Grants	16	144	(128)
Civic Events	14	14	0
Pest Control	11	5	6
Protective Clothing	10	20	(10)
Cash Collections & Bank Charges	7	7	0
Conference Expenses	7	6	1
Carry forward	0	2,927	(2,927)
Total Supplies & Services	17,048	18,784	(1,736)
Specific Grants			
ERDF AIM - Business support	(89)	(48)	(41)
Bikeability Grant	(39)	(23)	(16)
Sandwell Housing Zone- Capacity Funding	(19)	(155)	136
Section 31 Local Support Services Grant - Flood Protection	(15)	(15)	0
New burdens grant - brownfield registers	(4)	0	(4)
New burdens grant - Land Registry searches	0	(28)	28
Total Specific Grants	(166)	(269)	103
Other Income			
Deferred Charges Govt Grant	(12)	(12)	0
Total Other Income	(12)	(12)	0

Regeneration and Growth				Appendix 14 Central Items	
Central Item Description	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
Carbon Reduction - Energy Efficiency	300	115			(185)
Total	300	115	0	0	(185)
Subjective Analysis					
Employees					
Premises	0	9			9
Transport					0
Supplies & Services	300	106			(194)
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	300	115	0	0	(185)
Specific Grants					0
Other Grants & Contributions					0
Fees & Charges					0
Recharges in Target					0
Other Income					0
Gross Income	0	0	0	0	0
Total Net Expenditure	300	115	0	0	(185)

Regeneration & Growth

Appendix I5 - Capital

	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
Main Programme					
Section 106 Monies - Lyng Lane	15	0	15	0	(15)
Reservoirs Act	20	0	20	9	(11)
College Relocation of Car Parking Costs	14	0	14	0	(14)
West Bromwich Town Square Development	6	0	6	0	(6)
SOHO Foundry	21	0	21	0	(21)
Living Landscapes - Green Bridge P1	16	0	16	0	(16)
Living Landscapes - Green Bridge P2	15	0	15	0	(15)
BSF - Schools for the Future	428	0	428	323	(105)
Property Refurbishment	1,531	0	1,531	1,792	261
Pothole Fund - Council Pot	240	0	240	240	0
Soldiers of India Monument	145	0	145	145	0
Access Fund	307	0	307	295	(12)
Birchley Island	100	0	100	110	10
Street Lighting SOX to LED Conversion	0	0	0	315	315
Multi Storey Car Park Demolition	0	0	0	2	2
Shaftesbury House Demolition	0	0	0	716	716
Crosswells Road Depot Demolition	0	0	0	21	21
Gas Showroom Demolition	0	0	0	71	71
Smethwick Sports Hall Demolition	0	0	0	5	5
Jervoise Lane Toilet Block Demolition	0	0	0	24	24
Bear Junction Upgrade	10	0	10	0	(10)
Brindley II	21	0	21	0	(21)
Temporary Transit Site - Gypsy	5	0	5	0	(5)
Smethwick Council House - Boiler Replacement	4	0	4	0	(4)
Prudential Borrowing					
Hill Top Demolition	3	0	3	0	(3)
1 Providence Place	2	0	2	0	(2)
Eastern Gateway	1	0	1	1	0
Thematic Capital Pot					
Idox Public Access & Consultee Access Modules	7	0	7	0	(7)
H&S Compliance with Construction	8	0	8	0	(8)
Grants / Self Financing					
Local Transport Plan - Direct Grant	0	4,998	4,998	4,685	(313)
Additional Highways Maintenance Funding	0	0	0	1,420	1,420
Woods Lane Re-Development - Growth Fund	0	300	300	374	74
Children's Trust Accommodation Works (DFE)	0	280	280	31	(249)
Jervoise Lane West Bromwich Toilet Block	0	0	0	9	9
BSF Schools for the Future	0	74	74	0	(74)
Mobile Working	0	41	41	0	(41)
Section 106					
A41 Expressway / A4031 All Saints Way Junction	0	509	509	427	(82)
Regional Housing Board Allocations					
Carrington Rd Shops Demolition	0	20	20	16	(4)
School / Carrington Road	0	35	35	0	(35)
Queslade Bungalows Demolition	0	6	6	0	(6)
New Build / Supported Housing	0	27	27	12	(15)
Total Regeneration & Growth	2,919	6,290	9,209	11,043	1,834

Regeneration & Growth		Appendix I6 Section 106 Monitoring		
Scheme	Description of Project	Balance Available @ 01/04/18	Outturn for 2018/19	Balance Remaining @ 31/03/19
		£	£	£
Roway Lane Development	Contribution to improvement works at the Fountain Land / Bromford Road junction	48,000	0	48,000
A41 Expressway / A4031 All Saints Way Junction	Contribution from TESCO towards the overall cost of the A41 Expressway / A4031 All Saints Way Junction scheme.	1,209,000	427,000	782,000
Former Churchfields School, All Saints Way, West Bromwich	Erection of 182 dwellings, 3no 100m x 60m football pitches, changing room facilities together with associated road and sewer.	17,000	0	17,000
Land at Alexandra Road and Upper Church Lane, Tipton	Affordable Housing	603,000	0	603,000
High St / Dartmouth St West Bromwich (was Laing but now Taylor Wimpy)	Affordable Housing	12,000	0	12,000
Land at Seymour Road, Oldbury	Affordable Housing	91,000	0	91,000
Land at Summerton Road, Oldbury	Affordable Housing	28,000	0	28,000
Land off Spon Lane West Bromwich DC/08/49057	Highways Contribution	447,000	0	447,000
TESCO - West Bromwich	Planning / Environmental Health contribution	50,000	0	50,000
Sandwell Road West Bromwich DC/09/51649	Public Realm / Highways Contribution	175,000	0	175,000
Ashes Road Oldbury DC/14/57470	Ashes Road Oldbury Contribution	336,000	0	336,000
Rattlechain Oldbury DC/14/57737	Affordable Housing	210,000	0	210,000
Upper Church Lane Tipton DC/09/50926	Planning Contribution	32,000	0	32,000
Land off Mill Street Tipton DC/15/58921	Affordable Housing	290,000	0	290,000
Grand Total		3,548,000	427,000	3,121,000

Housing & Communities Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Housing and Communities is a surplus of £0.345m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	35,088	35,925	95	1,421	34,409	(679)
Gross Income	(16,450)	(16,116)	0	0	(16,116)	334
Net Expenditure	18,638	19,809	95	1,421	18,293	(345)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						0
						100
Adjusted Net Variance After Approved CFwds & RCCO						(245)

Further details of the outturn position can be found in Appendix J1 and J2. The table below outlines the main reasons for the surplus:

Reasons for Surplus/Deficit	£000
Homelessness - a rising number of people needing to be placed in temporary accommodation	250
Garages - higher rental income and reduced management and repair costs	(102)
Welfare Rights and Community Safety - mainly employee savings pending restructuring and recruitment	(99)
Community Partnerships - reduced level of grant payments and higher than expected income	(71)
Museums - significant back-dated rates revaluation repayments	(119)
Libraries - mainly increased rates and premises insurance costs.	79
PE & Sports - final tranche of grant income received for completed Community Activity Network and reduced premises costs linked to the West Bromwich sports centre	(65)
Sandwell Valley and Events - additional premises related costs (rates & insurances) and a shortfall in income linked to challenging income targets for 2018/19.	81
Green Services - mainly some employee and supplies and services savings	(42)
Fleet - additional income particularly from Serco maintained vehicles	(88)
Customer Services - employee savings from restructured service	(280)
Local Area Budgets and other grant funding to town areas not fully spent by year end	(103)
Severance costs funded by the directorate	248
Other net variance	(34)
Total	(345)

The net surplus is requested to be treated as follows: -

Requested Treatment	£000
Museums RCCO approved in year	100
<u>2019/20 Carry Forward Requests:</u>	
Local town grants	103
Communities team grants	30
Fleet - additional borrowing costs	88
Balance to support directorate priorities	24
Total	345

2. Available Target Resources

Target budget resources available to Housing and Communities were £18.638m. This figure reflects the following amendments that have been made since the previously reported monitoring:

Target Budget Resources	£000
Target Budget as per last quarter monitoring	18,687
Target Adjustments -	
Capital Financing Charges	(49)
Revised Target Budget Resources	18,638

There has been one additional specific grant received by the directorate since the previously reported monitoring. This was for £0.057m from DCLG to enable high street and town centre clean ups and it was fully committed by year end.

3. Virements within the Directorate

There have been no virements of over £0.250m between sub divisions within Housing and Communities since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

The projected outturn variance in the Quarter 3 monitoring reported to Cabinet was a surplus of £0.002m and the actual outturn is a surplus of £0.345m. The following table explains the reason for the movement of £0.343m:

Reasons for variation to projected outturn at Q3	£000
Making better use of the council's housing stock in managing increasing demand and becoming more effective in the management of costs relating to bed and breakfast accommodation	(185)
Local Town Grants proposed to be carried forward to 2019/20	(103)
Additional income from fleet maintenance and vehicle sales	(88)
Impact of restrictions on quarter 4 commitments to internally manage the projected pressure from temporary accommodation	(215)
Severance payments funded by the directorate	248
Total	(343)

5. Central Items

The directorate has responsibility for the management of the Waste Partnership Central Item that is detailed in Appendix J4.

The actual outturn for these items is a surplus of £0.684m and the main reasons for this surplus are outlined below: -

Reasons for Surplus - Central Items	£000
Lower than expected inflation rate - reduced contract costs	(372)
£20 per tonne rebate on recycling payments (being challenged and may not be available in 2019/20)	(512)
10% increase in volume of waste collection and disposal	654
Lower than expected inflation reduced the cost of the W2R waste incineration partnership.	(497)
Other - net	43
Total	(684)

6. Earmarked Reserves

The directorate has set aside sums totalling £1.119m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has used £0.095m of earmarked reserves during the current year leaving the following balances:

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Sports Grants	48	0	48
Portway Lifestyle Centre Property Reserve	437	(79)	516
Private Sector Leasing	217	75	142
Mortgage Rescue	59	59	0
Dartmouth Park	358	40	318
Total	1,119	95	1,024

7. Severance Payments

In 2017/18 a provision of £0.371m was created for severance costs, of which £0.251m has been utilised during 2018/19.

Severance costs of £0.260m, not included in the 2017/18 provision have been incurred and further costs of £0.308m are expected.

There will be total additional net severance costs of £0.556m of which £0.308m will be met from corporate resources with the remaining £0.248m being funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	251	251	120	108		(12)
Costs not provided for in 2017/18	260			93	215	568
Total	511	251	120	201	215	556
Funded by:						
Directorate						248
Corporate Resources						308

Use of Corporate Resources

Expenditure of £1.421m incurred by Housing & Communities will be met from corporate resources.

	£m
• Severance costs	0.308
• Pressure within the Transforming Local Services project	1.000
• Black Patch Park improvements	0.075
• Commonwealth Games Project Team	0.038

Capital

Housing & Communities is responsible for the delivery of capital schemes which are detailed in Appendix J5. The projected 2018/19 outturn for these schemes was £6.948m as reported within the Period 9 monitoring to cabinet on 20th February 2019. The actual outturn is £4.999m resulting in a variance of £1.949m. The main reasons for the main variances above £0.100m are detailed below:

- Environmental Improvements to Neighbourhoods (Grot Spots) - £0.105m surplus – slippage of resources into 2019/20 to continue progressing environmental improvement works at various sites across the borough.
- Public Access Computers – Libraries - £0.196m surplus – slippage of resources into 2019/20 to improve public access to computers across the whole library service.
- Sandwell Aquatic's Centre - £0.156m deficit – it was decided to capitalise the Sandwell Aquatic's Centre project team costs for 2018/19.
- Aquatic Centre – Commonwealth Games 2022 - £2.224m surplus – a late decision by the Department of Culture Media & Sports (DCMS) (see below) to fund an element of the costs in 2018/19 has allowed us to carry forward more of our own resources into 2019/20 to continue to develop the Sandwell Aquatic Centre ready for the 2022 Commonwealth Games.
- Sandwell Aquatic's Centre – DCMS - £1.054m deficit – a late decision by the Department of Culture Media & Sports (DCMS) to fund an element of the costs associated with the Sandwell Aquatic's Centre in 2018/19.
- Acquisition of Vehicles - £0.439m surplus – The overall costs in 2018/19 reflects the Council's current vehicle replacement programme.
- Section 106 Accounts - £0.129m deficit – the service has completed more section 106 schemes in 2018/19 than expected at Period 9.

Virements

There have been no virements between capital schemes during the period.

Section 106 Monies

Housing & Communities has responsibility for Section 106 monies, details are provided in Appendix J6.

Contact

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Business Partner - Finance
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Appendix J Housing & Communities

Housing & Communities		Appendix J2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Housing Management	Employees	3,643	3,330		300	3,030	(613)
This includes homelessness support and temporary accommodation, the welfare rights team, council garages, community safety, resilience and Prevent, community centres and the shop mobility service and local community voluntary sector grants.	Premises	1,379	1,845	134		1,711	332
	Transport	23	10			10	(13)
	Supplies & Services	2,431	2,320			2,320	(111)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	309	309			309	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	7,785	7,814	134	300	7,380	(405)
	Specific Grants	(1,333)	(387)			(387)	946
	Other Grants & Contributions	(957)	(951)			(951)	6
	Fees & Charges	(1,082)	(1,449)			(1,449)	(367)
	Recharge Income	(1,195)	(1,310)			(1,310)	(115)
	Other Income	0	0			0	0
	Total Gross Income	(4,567)	(4,097)	0	0	(4,097)	470
Net Expenditure	3,218	3,717	134	300	3,283	65	
Tourism, Culture & Leisure	Employees	3,508	4,185		700	3,485	(23)
This includes libraries and archives, museums and arts, physical education and sports including contractual agreements for council swimming and sports centres, Sandwell Valley and shows and events.	Premises	953	892	(39)		931	(22)
	Transport	55	55			55	0
	Supplies & Services	2,020	1,934		38	1,896	(124)
	Third Party Payments	4,246	4,276			4,276	30
	Transfer Payments	0	0			0	0
	Capital Charges	2,479	2,479			2,479	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	13,261	13,821	(39)	738	13,122	(139)
	Specific Grants	(1,219)	(1,263)			(1,263)	(44)
	Other Grants & Contributions	(33)	(22)			(22)	11
	Fees & Charges	(1,573)	(1,369)			(1,369)	204
	Recharge Income	(542)	(616)			(616)	(74)
	Other Income	0	(4)			(4)	(4)
	Total Gross Income	(3,367)	(3,274)	0	0	(3,274)	93
Net Expenditure	9,894	10,547	(39)	738	9,848	(46)	
Commercial Services	Employees	4,644	4,827		308	4,519	(125)
This includes parks, allotments, grounds maintenance, the council's fleet service and waste client management costs.	Premises	405	582		75	507	102
	Transport	2,011	2,219			2,219	208
	Supplies & Services	1,410	1,398			1,398	(12)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	2,714	2,714			2,714	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	11,184	11,740	0	383	11,357	173
	Specific Grants	(57)	(57)			(57)	0
	Other Grants & Contributions	0	(15)			(15)	(15)
	Fees & Charges	(2,003)	(2,267)			(2,267)	(264)
	Recharge Income	(4,766)	(4,631)			(4,631)	135
	Other Income	0	0			0	0
	Total Gross Income	(6,826)	(6,970)	0	0	(6,970)	(144)
Net Expenditure	4,358	4,770	0	383	4,387	29	

Appendix J Housing & Communities

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Business Excellence	Employees	2,094	1,755			1,755	(339)
This includes the council's corporate contact centre and Oldbury council house customer services reception, director costs and local town grants.	Premises	75	77			77	2
	Transport	2	1			1	(1)
	Supplies & Services	464	494			494	30
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	223	223			223	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	2,858	2,550	0	0	2,550	(308)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(120)	(122)			(122)	(2)
	Recharge Income	(1,570)	(1,653)			(1,653)	(83)
	Other Income	0	0			0	0
	Total Gross Income	(1,690)	(1,775)	0	0	(1,775)	(85)
	Net Expenditure	1,168	775	0	0	775	(393)
Directorate Total	Employees	13,889	14,097	0	1,308	12,789	(1,100)
	Premises	2,812	3,396	95	75	3,226	414
	Transport	2,091	2,285	0	0	2,285	194
	Supplies & Services	6,325	6,146	0	38	6,108	(217)
	Third Party Payments	4,246	4,276	0	0	4,276	30
	Transfer Payments	0	0	0	0	0	0
	Capital Charges	5,725	5,725	0	0	5,725	0
	Capital Financing	0	0	0	0	0	0
	Total Gross Expenditure	35,088	35,925	95	1,421	34,409	(679)
	Specific Grants	(2,609)	(1,707)	0	0	(1,707)	902
	Other Grants & Contributions	(990)	(988)	0	0	(988)	2
	Fees & Charges	(4,778)	(5,207)	0	0	(5,207)	(429)
	Recharge Income	(8,073)	(8,210)	0	0	(8,210)	(137)
	Other Income	0	(4)	0	0	(4)	(4)
	Total Gross Income	(16,450)	(16,116)	0	0	(16,116)	334
	Net Expenditure	18,638	19,809	95	1,421	18,293	(345)

Appendix J Housing & Communities

Housing & Communities	Appendix J3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Grants	1,924	1,916	8
Materials & Consumables	611	729	(118)
Treeworks	568	347	221
HRA recharges	526	576	(50)
Professional Services	340	292	48
ICT	332	218	114
Waste Disposal & Hygiene Services	291	222	69
Operational Services	287	42	245
Equipment & Furniture	213	418	(205)
Civic Events	139	192	(53)
Other Internal Recharges	138	31	107
Provision for Bad Debts	136	0	136
Printing & Stationery	108	81	27
Catering	89	95	(6)
Telephones	57	80	(23)
Architects & Building Services	55	0	55
Subscriptions	55	20	35
Licences	47	0	47
Advertising & Publicity	34	67	(33)
Legal	34	1	33
Hire of Rooms	29	30	(1)
Postages	22	17	5
Protective Clothing	20	32	(12)
Veterinary Fees	15	10	5
Cash Collections & Bank Charges	14	9	5
Conference Expenses	14	6	8
Car Parking Contract	13	0	13
Laundry	11	0	11
Pest Control	11	7	4
Engineers Fees	8	0	8
Highways Maintenance	5	2	3
Surplus brought forward from previous years	0	868	(868)
Office Accommodation	0	17	(17)
Total Supplies & Services	6,146	6,325	(179)
Specific Grants			
DCLG - Portway Lifestyle Centre PFI	(1,162)	(1,162)	0
Home Office - Prevent Grant	(185)	(123)	(62)
DCLG - Flexible Homelessness Support Grant / New Burdens	(143)	(1,011)	868
DEFRA - Natural England Stewardship Grant	(61)	(46)	(15)
DCLG - High Street Clean Grant	(57)	(57)	0
DWP - ADS / PBS	(33)	(64)	31
Sport England - Community Activity Network	(27)	0	(27)
DCLG - Controlling Migration	(24)	(100)	76
Arts Council - Opportunities For Everyone	(11)	(11)	0
Sport England - Playing Pitch Strategy	(2)	0	(2)
DCLG - H-CLIC	(2)	0	(2)
DWP - Mediation services	0	(35)	35
Total Specific Grants	(1,707)	(2,609)	902
Other Income			
Dividends & Interest	(4)	0	(4)
Total Other Income	(4)	0	(4)

Appendix J Housing & Communities

Housing & Communities				Appendix J4 Central Items	
Central Item Description	Annual Budget	Actual Outturn	Use of (Cont to) Earmarked Reserves	Use of Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000
Waste Partnership	25,962	25,278			(684)
Total	25,962	25,278	0	0	(684)
Subjective Analysis					
Employees					0
Premises					0
Transport					0
Supplies & Services	26,764	27,119			355
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	26,764	27,119	0	0	355
Specific Grants	0	(981)			(981)
Other Grants & Contributions	0	0			0
Fees & Charges	(241)	(148)			93
Recharges in Target	(561)	(712)			(151)
Other Income	0	0			0
Gross Income	(802)	(1,841)	0	0	(1,039)
Total Net Expenditure	25,962	25,278	0	0	(684)

Appendix J Housing & Communities

Housing & Communities	Appendix J5 - Capital				
	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000	£'000	£'000
<u>Main Programme</u>					
Environmental Improvements to Neighbourhoods	235	0	235	130	(105)
Charlemont Community Centre Wigmore	37	0	37	0	(37)
Public Access Computers - Libraries	196	0	196	0	(196)
Libraries Management System	40	0	40	36	(4)
Manor House - Phase 2	12	0	12	0	(12)
Lightwoods House & Park	191	0	191	151	(40)
Sandwell Aquatic's Centre	0	0	0	156	156
Water Safety	14	0	14	14	0
Self Service Customer Portal	184	0	184	102	(82)
West Smethwick Park - HLF Match Funding	0	0	0	59	59
West Smethwick Park Development Plan	80	0	80	80	0
Oak House Museum Roof Repairs	10	0	10	0	(10)
<u>Prudential Borrowing</u>					
lightwoods Park	85	0	85	0	(85)
Aquatic Centre - Commonwealth Games 2022	3,285	0	3,285	1,061	(2,224)
Acquisition of Vehicles	2,000	0	2,000	1,561	(439)
<u>Thematic Capital Pot</u>					
Forge Mill Farm	2	0	2	0	(2)
Lightwoods House Roof Works	35	0	35	0	(35)
<u>Grants / Self Financing</u>					
Libraries Management system	0	4	4	0	(4)
Dartmouth Park - HLF	0	4	4	6	2
West Smethwick Park - HLF	0	50	50	0	(50)
Oak House Barns Restoration Project	0	10	10	0	(10)
Sandwell Valley High Ropes	0	169	169	160	(9)
Youth Centre, Queens Way, Oldbury	0	5	5	0	(5)
Sandwell Aquatic's Centre - DCMS	0	0	0	1,054	1,054
<u>Section 106</u>					
Section 106 accounts - Cultural	0	300	300	429	129
Total Housing & Communities	6,406	542	6,948	4,999	(1,949)

Appendix J Housing & Communities

Section 106 Monitoring - 2018-19				
Housing & Communities		Appendix J6 Section 106 Monitoring		
Scheme	Description of Project	Balance Available @ 01/04/18 £	Outturn for 2018/19 £	Balance Remaining @ 31/03/19 £
Tittford Pools Open Space - Oldbury	Environmental Improvements Work to be carried out by Sandwell Valley Team	8,000	8,000	0
Queensway - Oldbury	Proposal being developed	3,300	0	3,300
Brades Green Open Space - Oldbury DC/07/48918	Open Space Play Area - Barnford Hill Park	27,000	22,347	4,653
Total - Oldbury		38,300	30,347	7,953
Haden Hill Park - Rowley Regis	Fencing Works	4,100	4,073	27
Bearmore Playing Fields Open Space - Rowley Regis	Project being developed	12,200	0	12,200
Total - Rowley Regis		16,300	4,073	12,227
Grenville Drive - Smethwick	Project being developed	18,400	0	18,400
Victoria Road, Smethwick DC/04/42703	Improvements & Enhancements at Victoria Park	124,000	98,700	25,300
Total - Smethwick		142,400	98,700	43,700
The Cracker - Tipton DC/05/45017	Open space / adult recreational works - The Cracker	116,000	105,000	11,000
Victoria Park, Tipton	Adult Gym Equipment	7,100	7,027	73
Total - Tipton		123,100	112,027	11,073
Hydes Road Playing Fields DC/04/42731	Fence & Chiicane Works - Hydes Rd Playing Fields	37,100	37,100	0
Wednesbury Town Centre - Wednesbury	Centenary Celebrations 2018 works	1,600	1,600	0
Hill Top Park, Wednesbury DC/12/55176	Open Space Improvements	86,000	38,758	47,242
Leabrook Rd, Wednesbury DC/05/45542	Open Space Improvements - Hydes Road Pool	64,000	56,570	7,430
Brunswick Park - Wednesbury	Play Equipment replacement	14,500	14,457	43
Total - Wednesbury		203,200	148,485	54,715
Lyttleton Street - West Bromwich DC/05/45555	Project being developed	14,500	0	14,500
Farley Park, Wednesbury DC/08/50253	Open Space Improvements - Farley Park	34,000	30,725	3,275
Bank Street - West Bromwich DC/05/44805	Open Space Improvements - Kesteven Road	4,700	4,640	60
Total - West Bromwich		53,200	35,365	17,835
Grand Total		576,500	428,997	147,503

Children's Services Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Children's Services is a surplus of £0.077m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	99,922	109,260	178	688	108,394	8,472
Gross Income	(13,279)	(20,577)	1,083	168	(21,828)	(8,549)
Net Expenditure	86,643	88,683	1,261	856	86,566	(77)
Carry Forward Previously Approved						0
Revenue Contribution to Capital (RCCO)						0
Adjusted Net Variance After Approved CFwds & RCCO						(77)

Further details of the outturn position can be found in Appendix K1. The table below outlines the significant variances in the service as follows: -

Reasons for Surplus/Deficit	£000
SEN Home to School Transport - Additional costs above the initial contract price due to a retendering of the Meadows Contract and changes to other contracts following due diligence	978
Children's Centres - Savings against the centrally held budget for premises costs that are not included in the Children's Centres contracts	(360)
Savings in the Youth Service	(70)
SEND Implementation Grant - SEND implementation work in 2018/19 will not require the full grant allocation	(150)
Salaries Underspend	(100)
Partner Contributions	(47)
Additional Income - One Off Fees and charges	(559)
Directorate Redundancy Costs	231
Total	(77)

The net surplus is requested to be treated as follows:-

Requested Treatment	£000
Request to Carry Forward to 2019-20 to meet future Directorate needs	(30)
Request to fund the Sandwell Guarantee Deficit in 2018-19	(47)
Total	(77)

2. Available Target Resources

Target budget resources available to Children's Services have changed from £80.036m to £86.643. This figure reflects the following amendments that have been made since the previously reported monitoring:

Target Budget Resources	£000
Target Budget as per last quarter monitoring	80,036
Target Adjustments - Capital Charges Variance	6,607
Revised Target Budget Resources	86,643

There have been no additional specific grants received by the directorate since the previously reported monitoring

3. Virements within the Directorate

There were no virements of over £0.250m between sub divisions within Children's Services since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Children's Services was a deficit of £0.138m and the actual outturn is a surplus of £0.077m. The table below explains the reasons for the variance of £0.215m: -

Appendix K Children's Services

Reasons for variation to projected outturn Q3	£000
Increase in Transport Costs	108
Increase in Legal Fees and Fire Training	68
European Fund Claim better than expected	(100)
Attendance Service collection of fines better than expected	(100)
Childrens Centres increased savings	(335)
Youth Service increased savings	(40)
Directorate Redundancy Costs	231
Partner Contributions	(47)
Total	(215)

A budget amendment is requested to transfer £0.231m from Children's Services to Central Items in 2019-20. This amendment is to reflect expenditure relating to No Recourse for Public Funds (NRPF) is not controllable and should no longer fall under Target Resources.

Changes to 2019/20 Budget	£000
NRPF formal request to transfer to Central Items	231
Total	0

5. Central Items

The Directorate has responsibility for the management of a number of Central Items that are detailed in Appendix K4.

The Building Schools for the Future (BSF) Central item was breakeven with budget and expenditure of £0.400m.

The actual outturn for Sandwell Guarantee Scheme was a deficit of £0.280m of which £0.233m will be funded from earmarked balances that have been set aside for this purpose. The difference of £0.047m has been funded by the Service.

The main reason(s) for this deficit are outlined below: -

Reasons for Surplus/Deficit - Central Items	£000
Sandwell Guarantee Scheme - Additional Expenditure	280
Total	280

The Service has continuing commitments for the Sandwell Guarantee Scheme of approximately £0.250m for 2019/20 and are requesting this to be funded from central balances.

6. Earmarked Reserves

The directorate has set aside sums totalling £3.585m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has used £0.825m of earmarked reserves during the current year leaving the following balances remaining: -

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
			0
Early Help	1,083	1,083	0
Childrens Workforce Development	68	0	68
Safeguarding Childrens Board	178	178	0
Regeration and Economy	186	0	186
BSF FM Sinking Fund	2,070	(436)	2,506
			0
			0
Total	3,585	825	2,760

7. Severance Payments

In 2017/18 a provision of £0.042m was created for severance payment costs, of which all has been utilised during 2018/19.

Severance payment costs of £0.029m, not included in the 2017/18 provision, have been incurred with further costs of £0.236m expected. All of these costs will be met by the Directorate.

The table below summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	42	42	0	0		0
Costs not provided for in 2017/18	29			5	231	265
Total	71	42	0	5	231	265
Funded by:						
Directorate						265
Corporate Resources						0

Use of Corporate Resources

Expenditure of £1.089 incurred by Children's Services will be met from corporate resources as detailed below:-

- £0.233m to cover the cost of the Sandwell Guarantee Scheme, this has already been agreed and is part of existing ear-marked balances;
- £0.130m to cover the cost of SEND reforms, this has already been agreed and is part of existing ear-marked balances;
- £0.208m to address pressures related to No Recourse to Public Funds (NRPF) expenditure.
- Children's need to call on £0.350m for the Primary Mental Health Worker Contract (Kaleidoscope). This is a one off as the CCG will fund from 2019/20 onwards.
- £0.168m reduction in DSG funding of central recharges due to a change in the basis of funding.

8. Capital

Overview

Children's Services is responsible for the delivery of a number of capital schemes which are detailed in Appendix K5. The projected 2018/19 outturn for these schemes was £21.061m as reported within the Period 9 monitoring to cabinet on 20th February 2019.

The actual outturn is £19.317m resulting in a surplus variance of £1.744m. The main reasons for the main variances above £0.100m are detailed below :-

- New School Kelvin Way - £0.942m surplus – project is mid-construction stage, and a contract payment expected to have to be paid had not been submitted by the contractor, these works will complete in 2019/20.
- Q3 Langley Phase 2 - £0.385m surplus – project is mid-construction stage, and a contract payment expected to have to be paid had not been submitted by the contractor, these works will complete in 2019/20.
- Shireland Collegiate Academy - £1.016m surplus - project is mid-construction stage, and a contract payment expected to have to be paid had not been submitted by the contractor, these works will complete in 2019/20.
- George Salter Academy - £0.241m surplus – the project is mid-construction stage, and a contract payment expected to have to be paid had not been submitted by the contractor, these works will complete in 2019/20.
- St Matthews CE Primary - £0.824m surplus – the project experienced delay with start on site due to previous housing demolition programme. Surplus was retained to pay an expected contract stage payment.
- School Condition Lifecycle Property Maintenance - £0.312m deficit - the outturn reflects the current rolling programme of works associated with property maintenance at various schools across the Borough.
- Education & Skills Funding Agency (ESFA) Shireland Technology Primary Free School - £1.105m deficit – fees incurred for feasibility works and design fees associated to the proposed ESFA Free School that is awaiting DfE capital approval to reimburse the Authority for costs incurred.
- Devolved Formula Capital (DFC) - £0.344m deficit – A number of schools have made the decision to incur additional capital expenditure from the DFC budget,

Appendix K Children's Services

- Devolved Formula Capital – School Contribution – £0.345m deficit - a number of schools have made the decision to incur additional capital expenditure, individual schools have made contributions to cover this expenditure.
- BSF Oldbury - £0.171m surplus – monies carried forward into 2019/20 to pay the final retention payment. Slippage due to a delay in agreeing the final retention payment with the contractor.
- Shenstone Lodge School - £0.132m surplus – scheme delayed due to planning consent, and additional capital approval required to deliver the two-classroom extension.

Virements

There have been no virements between capital schemes during the period.

Section 106 Monies

Children's Services has no responsibility for Section 106 monies, there is no Appendix K6 for this service.

Contact

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Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Director of Education and Employment	16,028	16,156	0	168	15,988	(40)
Education Support services	1,669	1,853	0	0	1,853	184
Learning Improvement	3,171	2,712	0	0	2,712	(459)
Inclusive Learning	3,250	4,153	0	130	4,023	773
Director of Children's Services	4,296	5,130	1,083	208	3,839	(457)
Sandwell Children's Trust	58,229	58,679	178	350	58,151	(78)
Total Net Expenditure	86,643	88,683	1,261	856	86,566	(77)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						
Adjusted Net Variance After Approved CFwds & RCCO						(77)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	12,241	12,716	0	130	12,586	345
Premises	1,305	1,250	0	0	1,250	(55)
Transport	2,853	4,367	0	0	4,367	1,514
Supplies & Services	7,223	7,963	0	208	7,755	532
Third Party Payments	58,229	61,785	178	350	61,257	3,028
Transfer Payments	46	212	0	0	212	166
Capital Charges	18,025	20,967	0	0	20,967	2,942
Capital Financing	0	0	0	0	0	0
Gross Expenditure	99,922	109,260	178	688	108,394	8,472
Specific Grants	(2,145)	(5,532)	0	0	(5,532)	(3,387)
Other Grants & Contributions	0	(137)	0	0	(137)	(137)
Fees & Charges	(2,123)	(3,227)	1,083	0	(4,310)	(2,187)
Recharges in Target	(7,842)	(7,587)	0	168	(7,755)	87
Other Income	(1,169)	(4,094)	0	0	(4,094)	(2,925)
Gross Income	(13,279)	(20,577)	1,083	168	(21,828)	(8,549)
Total Net Expenditure	86,643	88,683	1,261	856	86,566	(77)

Childrens Services		Appendix K2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus)/ Deficit
		£000	£000	£000	£000	£000	£000
CF0025							
Director of Education and Employment The Director of Education & Employment is responsible for the delivery of the following key services: • Education Support Services • Learning Improvement • Inclusive Learning	Employees	181	161			161	(20)
	Premises	0	0			0	0
	Transport	0	0			0	0
	Supplies & Services	11	148			148	137
	Third Party Payments					0	0
	Transfer Payments					0	0
	Capital Charges	17,580	20,522			20,522	2,942
	Capital Financing					0	0
	Total Gross Expenditure	17,772	20,831	0	0	20,831	3,059
	Specific Grants	(38)	(130)			(130)	(92)
	Other Grants & Contributions					0	0
	Fees & Charges	0	(295)			(295)	(295)
	Recharge Income	(1,706)	(1,308)		168	(1,476)	230
	Other Income	0	(2,942)			(2,942)	(2,942)
Total Gross Income	(1,744)	(4,675)	0	168	(4,843)	(3,099)	
Net Expenditure	16,028	16,156	0	168	15,988	(40)	
CF0026							
Education Support services Education Support Services encompasses 5 discreet service areas all of which contribute to the education directorate's objectives of learning support and school improvement across Sandwell. These service areas are: School Organisation and Development ; Attendance and Prosecution School Admissions and Appeals , Education Benefits and Residential Centres.	Employees	3,848	4,165			4,165	317
	Premises	265	240			240	(25)
	Transport	266	639			639	373
	Supplies & Services	906	879			879	(27)
	Third Party Payments	0	19			19	19
	Transfer Payments					0	0
	Capital Charges	283	283			283	0
	Capital Financing					0	0
	Total Gross Expenditure	5,568	6,225	0	0	6,225	657
	Specific Grants	(66)	(80)			(80)	(14)
	Other Grants & Contributions					0	0
	Fees & Charges	(175)	(1,237)			(1,237)	(1,062)
	Recharge Income	(2,489)	(1,903)			(1,903)	586
	Other Income	(1,169)	(1,152)			(1,152)	17
Total Gross Income	(3,899)	(4,372)	0	0	(4,372)	(473)	
Net Expenditure	1,669	1,853	0	0	1,853	184	

Childrens Services		Appendix K2 Directorate Outturn						
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit	
		£000	£000	£000	£000	£000	£000	
CF0032								
Learning Improvement	Employees	6,172	6,058			6,058	(114)	
School improvement provides challenge and support for all phase including primary, secondary, special schools and pupil referral units. The team is made up of around 9 school improvement advisers. Post 16 Education includes a number of areas including Connexions, Adult Services, Parent Support and On line learning. Early Years covers all aspects of work relating to children up to the age of 5 including nursery funding for 2 year olds.	Premises	46	101			101	55	
	Transport	57	49			49	(8)	
	Supplies & Services	1,712	2,279			2,279	567	
	Third Party Payments	0	2			2	2	
	Transfer Payments	0	93			93	93	
	Capital Charges	66	66			66	0	
	Capital Financing					0	0	
	Total Gross Expenditure	8,053	8,648	0	0	8,648	595	
	Specific Grants	(1,851)	(2,065)			(2,065)	(214)	
	Other Grants & Contributions					0	0	
	Fees & Charges	(789)	(976)			(976)	(187)	
	Recharge Income	(2,242)	(2,895)			(2,895)	(653)	
	Other Income					0	0	
	Total Gross Income	(4,882)	(5,936)	0	0	(5,936)	(1,054)	
	Net Expenditure	3,171	2,712	0	0	2,712	(459)	
CF0023								
Inclusive Learning	Employees	953	1,046		130	916	(37)	
Inclusive Learning supports vulnerable children and young people to achieve positive outcomes and engage in learning. In order to achieve this, it provides a number of key services. These include: •Inclusion Support •Exclusions Service •SEN Home to School Transport	Premises	63	75			75	12	
	Transport	2,521	3,632			3,632	1,111	
	Supplies & Services	379	295			295	(84)	
	Third Party Payments					0	0	
	Transfer Payments					0	0	
	Capital Charges					0	0	
	Capital Financing					0	0	
	Total Gross Expenditure	3,916	5,048	0	130	4,918	1,002	
		Specific Grants	(190)	(254)			(254)	(64)
		Other Grants & Contributions	0	(137)			(137)	(137)
	Fees & Charges	0	(35)			(35)	(35)	
	Recharge Income	(476)	(469)			(469)	7	
	Other Income					0	0	
	Total Gross Income	(666)	(895)	0	0	(895)	(229)	
	Net Expenditure	3,250	4,153	0	130	4,023	773	

Childrens Services		Appendix K2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
CF0021		£000	£000	£000	£000	£000	£000
Director of Children's Services The Director of Childrens Services is responsible for the delivery of the following key services: • Youth Service • Childrens Centres • NRPF	Employees	1,087	1,007			1,007	(80)
	Premises	931	918			918	(13)
	Transport	9	10			10	1
	Supplies & Services	4,215	4,164		208	3,956	(259)
	Third Party Payments	0	(31)			(31)	(31)
	Transfer Payments	46	99			99	53
	Capital Charges	96	96			96	0
	Capital Financing					0	0
	Total Gross Expenditure	6,384	6,263	0	208	6,055	(329)
	Specific Grants		0			0	0
	Other Grants & Contributions					0	0
	Fees & Charges	(1,159)	(179)	1,083		(1,262)	(103)
	Recharge Income	(929)	(954)			(954)	(25)
	Other Income					0	0
Total Gross Income	(2,088)	(1,133)	1,083	0	(2,216)	(128)	
Net Expenditure	4,296	5,130	1,083	208	3,839	(457)	
11678							
Sandwell Childrens Trust Contract payments to Sandwell ChildrensTrust	Employees					0	0
	Premises					0	0
	Transport		25			25	25
	Supplies & Services		9			9	9
	Third Party Payments	58,229	61,861	178	350	61,333	3,104
	Transfer Payments					0	0
	Capital Charges					0	0
	Capital Financing					0	0
	Total Gross Expenditure	58,229	61,895	178	350	61,367	3,138
	Specific Grants		(2,864)			(2,864)	(2,864)
	Other Grants & Contributions					0	0
	Fees & Charges		(294)			(294)	(294)
	Recharge Income		(58)			(58)	(58)
	Other Income					0	0
Total Gross Income	0	(3,216)	0	0	(3,216)	(3,216)	
Net Expenditure	58,229	58,679	178	350	58,151	(78)	

Childrens Services		Appendix K2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
CF0002		£000	£000	£000	£000	£000	£000
Previous Social Care Templink and other charges that result in net nil charge to Childrens Services	Employees		279			279	279
	Premises		(84)			(84)	(84)
	Transport		12			12	12
	Supplies & Services		189			189	189
	Third Party Payments		(66)			(66)	(66)
	Transfer Payments		20			20	20
	Capital Charges					0	0
	Capital Financing					0	0
	Total Gross Expenditure	0	350	0	0	350	350
	Specific Grants		(139)			(139)	(139)
	Other Grants & Contributions					0	0
	Fees & Charges		(211)			(211)	(211)
	Recharge Income					0	0
	Other Income					0	0
Total Gross Income	0	(350)	0	0	(350)	(350)	
Net Expenditure	0	0	0	0	0	0	
Directorate Total	Employees	12,241	12,716	0	130	12,586	345
	Premises	1,305	1,250	0	0	1,250	(55)
	Transport	2,853	4,367	0	0	4,367	1,514
	Supplies & Services	7,223	7,963	0	208	7,755	532
	Third Party Payments	58,229	61,785	178	350	61,257	3,028
	Transfer Payments	46	212	0	0	212	166
	Capital Charges	18,025	20,967	0	0	20,967	2,942
	Capital Financing	0	0	0	0	0	0
	Total Gross Expenditure	99,922	109,260	178	688	108,394	8,472
	Specific Grants	(2,145)	(5,532)	0	0	(5,532)	(3,387)
	Other Grants & Contributions	0	(137)	0	0	(137)	(137)
	Fees & Charges	(2,123)	(3,227)	1,083	0	(4,310)	(2,187)
	Recharge Income	(7,842)	(7,587)	0	168	(7,755)	87
	Other Income	(1,169)	(4,094)	0	0	(4,094)	(2,925)
	Total Gross Income	(13,279)	(20,577)	1,083	168	(21,828)	(8,549)
	Net Expenditure	86,643	88,683	1,261	856	86,566	(77)

Childrens Services	Appendix K3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
Director of Childrens Services	8	4	4
Youth Service	62	50	12
Childrens Centres	4,103	4,160	(57)
Inclusive Learning (incl SEN Transport & SEND)	295	379	(84)
Director of Education and Employment (incl Legal)	147	12	135
Benefits and Transport Team	40	65	(25)
School Organisation Team	231	221	10
Residential Centres	263	268	(5)
Attendance Service	17	19	(2)
Independent Travel Training	328	333	(5)
Connexions Service	420	155	265
Youth Employment Initiative Programme	18	183	(165)
Employment and Skills	687	324	363
School Improvement Service	320	220	100
Parent Support	35	16	19
Play Service - Voluntary Sector Grants	481	467	14
Early Years Service	319	347	(28)
Childrens Social Care	189	0	189
Other Supplies & Services			0
Total Supplies & Services	7,963	7,223	740
Specific Grants			
Adult Education Grant	(1,377)	(1,324)	(53)
School Improvement Grant	(308)	(210)	(98)
Extended Rights to Free Travel	(40)	(31)	(9)
Migration Fund (STEPS)	(297)	(390)	93
SEND Reform Grant	(190)	(190)	0
SEN Preparation for Employment	(64)	0	(64)
ESF Youth Employment Initiative	(254)	0	(254)
Secure Remand Grant	(152)	0	(152)
Adoption Support	(57)	0	(57)
Unaccompanied Asylum Seeker Children (UASC)	(525)	0	(525)
Troubled Families	(2,096)	0	(2,096)
Staying Put Grant	(130)	0	(130)
Extended Personal Advisor Duty Implementation Grant (EPADI)	(18)	0	(18)
RSS Grant from DFE Rough Sleepers	(24)	0	(24)
Total Specific Grants	(5,532)	(2,145)	(3,387)
Other Income			
REFCUS Section 5 - Unapplied Receipts B/F (no Condions)	(2,942)	0	(2,942)
Residential Centres	(1,152)	(1,169)	17
Total Other Income	(4,094)	(1,169)	(2,925)

Childrens Services			Appendix K4 Central Items		
Central Item Description	Annual Budget £000	Actual Outturn £000	Use of (Cont to) Earmarked Reserves £000	Use of Corporate Resources £000	Variance (Surplus) / Deficit £000
					0
					0
BSF Central Item	400	400			0
Sandwell Guarantee	0	280		233	47
					0
					0
Total	400	680	0	233	47
Subjective Analysis					
Employees		63			63
Premises					0
Transport		2			2
Supplies & Services	400	615		233	(18)
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	400	680	0	233	47
Specific Grants					0
Other Grants & Contributions					0
Fees & Charges					0
Recharges in Target					0
Other Income					0
Gross Income	0	0	0	0	0
Total Net Expenditure	400	680	0	233	47

Childrens Services				Appendix K5 - Capital	
	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
Supported Borrowing					
BSF ICT Element	80	0	80	0	(80)
Thematic Capital Pot					
Edmond Cottage Extension	1	0	1	0	(1)
Grants / Self Financing					
Play Pathfinder	0	6	6	0	(6)
PLAS Gwynant Insurance Receipt	0	18	18	0	(18)
Ingestre Hall Boiler Replacement	0	1	1	1	0
Schools Capital Programme Schemes (Basic Need)					
New School Kelvin Way	0	5,021	5,021	4,079	(942)
Q3 Langley - Phase 2	0	4,204	4,204	3,819	(385)
Shireland Collegiate Academy	0	3,584	3,584	2,568	(1,016)
George Salter Academy	0	1,491	1,491	1,250	(241)
St Mathews CE	0	1,212	1,212	388	(824)
School Condition - LifeCycle property maintenance	0	1,212	1,212	1,524	312
Yew Tree Primary	0	1,111	1,111	1,111	0
ESFA Shireland Primary Free School	0	195	195	1,300	1,105
Old Park / Albert Pritchard / Wood Green Primary	0	170	170	170	0
Moorlands Primary	0	162	162	167	5
Crocketts Community Primary	0	160	160	209	49
Sacred Heart Primary	0	126	126	126	0
Priory Primary Expansion	0	117	117	98	(19)
Ormiston Sandwell Community Academy	0	100	100	73	(27)
New Oldbury Primary - Lightwoods	0	83	83	127	44
Hargate Primary	0	71	71	70	(1)

	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
RSA Academy	0	60	60	30	(30)
Victoria Park Academy	0	50	50	45	(5)
Raddall Hill Primary	0	41	41	47	6
St Huberts	0	32	32	32	0
Great Bridge Primary	0	25	25	13	(12)
Relocation of Stuart Bathurst	0	21	21	21	0
Feasibility work Expansion of Secondary	0	20	20	35	15
Attendance Service Equipment Upgrade	0	20	20	20	0
Causeway Green Flooding	0	11	11	19	8
Bristnall Hall Academy	0	5	5	0	(5)
Summerhill Academy	0	5	5	59	54
St Gregor's	0	3	3	2	(1)
Rood End Bulge Class	0	4	4	4	0
Wood Green Academy	0	1	1	0	(1)
School Kitchens	0	1	1	0	(1)
Holy Trinity CE Primary	0	1	1	1	0
Blackheath Primary	0	1	1	1	0
Phoenix	0	1	1	0	(1)
Refurbishment of the Hollies	0	1	1	7	6
St Michaels	0	1	1	7	6
Shenstone Lodge	0	1	1	1	0
Joseph Turner	0	1	1	1	0
Standards Fund Grant					
Devolved Formula Capital	0	792	792	1,136	344
Devolved Formula Capital - School Contribution	0	0	0	345	345
Devolved Formula Capital - PRU's	0	31	31	31	0
BSF Oldbury	0	171	171	0	(171)
Two Year Old Entitlement - Early Years Capital	0	7	7	5	(2)
Orchard Building Work	0	59	59	1	(58)
Shenstone Lodge	0	300	300	168	(132)
Healthy Pupils Capital Fund	0	270	270	206	(64)
Total Childrens Services	81	20,980	21,061	19,317	(1,744)

Public Health Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for Public Health is a surplus of £2.459m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	27,628	25,322	104	115	25,103	(2,525)
Gross Income	(24,850)	(24,927)	(137)	(6)	(24,784)	66
Net Expenditure	2,778	395	(33)	109	319	(2,459)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(1,984)
						0
Adjusted Net Variance After Approved CFwds & RCCO						(475)

Further details of the outturn position can be found in Appendix L1. The following table outlines the main reasons for the surplus:

Reasons for Surplus/Deficit	£000
Communicable Disease - deficit has mainly occurred from within the Integrated Sexual Health contract, marketing and promotion, the inclusion of a home based element within the new contract and Genitourinary Medicine (GUM) out of area costs being higher than anticipated.	156
Long Term Conditions - surplus is predominantly related to a saving achieved through the re-tendering of the Health Checks contract, weight management initiatives, healthy workplace assessment and lower than anticipated activity from My time contract.	(614)
Children's - surplus has arisen due to income received from NHS England to cover additional insight work for the delivery of Antenatal Programme.	(40)
Substance Misuse & Smoking - surplus has mainly occurred due to reduced activity within the smoking cessation contract and savings from posts that have become vacant during the year.	(621)
Wider Determinants - surplus has mainly occurred due to vacancies within the mental health team and a reduction in the planned programme of activity, including Healthy Sandwell Website Development, Emotional Health & Wellbeing, Winter related programmes and Warmer homes.	(661)
Public Health Management - surplus has mainly arisen as a result of vacant posts within the management tiers.	(461)
Public Health Grant - surplus relates to a directorate contingency funded from the carry forward of one off resources from previous years.	(218)
Total	(2,459)

The net surplus is requested to be treated as follows: -

Requested Treatment	£000
Carry forward approved in-year	1,984
Surplus to be carried forward to 2020/21 to assist in the management of the annual reduction in the value of the Public Health Grant	475
Total	2,459

2. Available Target Resources

Target budget resources available to Public Health were £2.778m. No amendments that have been made since the previously reported monitoring:

No additional specific grants have been received by the directorate since the previously reported monitoring.

3. Virements within the Directorate

There have been no virements of over £0.250 million between sub divisions within Public Health since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for Public Health was £1.984m, the variance between this and the actual outturn is a surplus of £0.475m. The following table explains the reason for this variance:

Reasons for variation to projected outturn Q3	£000
Communicable Disease - deficit mainly relates to the Integrated Sexual Health contract and the Genitourinary Medicine (GUM) out of area costs.	121
Long Term Conditions - surplus is predominantly related to weight management and posts that have become vacant during the year.	(27)
Children's - surplus relates to variation on the school nursing contract	(15)
Substance Misuse & Smoking - surplus has mainly occurred due reduced activity within the smoking cessation contract and lower Prescribing costs for the supply of medicines and appliances.	(507)
Wider Determinants -surplus has mainly occurred due reduced demand for funding from Healthier Town Teams .	(14)
Public Health Management - surplus has mainly arisen as a result of vacant posts, within the management tiers	(34)
Total	(475)

5. Central Items

The service does not have responsibility for the management of any Central Items, therefore there is no Appendix L4 within this report.

6. Earmarked Reserves

The directorate has set aside sums totalling £0.288m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has transferred £0.033m into earmarked reserves during the current year leaving the following balances:

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Learning for Public Health	288	(33)	321
Total	288	(33)	321

These funds are held on behalf of neighbouring NHS partners for future seminars and publications relating to learning for public health.

7. Severance Payments

The service did not create a provision for severance payments in 2017/18.

Severance payment costs of £0.093m have been incurred to date. These costs will be funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	0	0	0	0		0
Costs not provided for in 2017/18	93			0	0	93
Total	93	0	0	0	0	93
Funded by:						
Directorate						93
Corporate Resources						0

Use of Corporate Resources

Expenditure of £0.109m incurred by Public Health will be met from corporate resources. This is to cover the cost of the SHAPE Programme. The SHAPE programme was initiated to ensure that the whole of the council, along with partner organisations, listened and responded to the views of children and young people. The acronym SHAPE is derived from

Staying **S**afe, Being **H**ealthy, Enjoying and **A**chieving, Making a **P**ositive Contribution, **E**conomic Wellbeing.

Capital

There are no capital resources allocated to Public Health, therefore there is no Appendix L5 for this service.

Contact

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Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Communicable Disease	3,190	3,346	0	0	3,346	156
Long Term Conditions	2,789	2,175	0	0	2,175	(614)
Childrens	9,911	9,980	0	109	9,871	(40)
Substance Misuse & Smoking	4,625	4,004	0	0	4,004	(621)
Wider Determinants	4,572	3,911	0	0	3,911	(661)
Public Health Management	2,187	1,693	(33)	0	1,726	(461)
Public Health Grant	(24,496)	(24,714)	0	0	(24,714)	(218)
Total Net Expenditure	2,778	395	(33)	109	319	(2,459)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(1,984)
						0
Adjusted Net Variance After Approved CFwds & RCCO						(475)
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	2,943	2,321	93	57	2,171	(772)
Premises	132	128	0	3	125	(7)
Transport	7	4	0	0	4	(3)
Supplies & Services	24,519	22,842	11	55	22,776	(1,743)
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Charges	27	27	0	0	27	0
Capital Financing	0	0	0	0	0	0
Gross Expenditure	27,628	25,322	104	115	25,103	(2,525)
Specific Grants	(24,714)	(24,714)	0	0	(24,714)	0
Other Grants & Contributions	(127)	(175)	(128)	0	(47)	80
Fees & Charges	0	(11)	0	(2)	(9)	(9)
Recharges in Target	(9)	(27)	(9)	(4)	(14)	(5)
Other Income	0	0	0	0	0	0
Gross Income	(24,850)	(24,927)	(137)	(6)	(24,784)	66
Total Net Expenditure	2,778	395	(33)	109	319	(2,459)

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Communicable Disease Communicable diseases account for a large proportion of our morbidity and mortality, including respiratory and sexually transmitted infections. The role of prevention of these diseases is vital particularly in the context of the rise of antimicrobial resistance. This unit provides assurance and services to protect the population from communicable diseases including mandatory genitourinary medicine.	Employees	124	123			123	(1)
	Premises	0	0			0	0
	Transport	1	0			0	(1)
	Supplies & Services	3,065	3,223			3,223	158
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	3,190	3,346	0	0	3,346	156
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
Total Gross Income	0	0	0	0	0	0	
Net Expenditure	3,190	3,346	0	0	3,346	156	
Long Term Conditions Obesity has been rising in our population over the last quarter of a century. This rise in obesity now poses a major threat to quality and length of life and is having a major impact on health and social care services. We provide services to support people in managing their weight, healthy diets, promoting exercise as well as the mandatory NHS health checks programme designed to identify those at risk of long term conditions.	Employees	456	384			384	(72)
	Premises	0	0			0	0
	Transport	2	2			2	0
	Supplies & Services	2,331	1,804			1,804	(527)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	2,789	2,190	0	0	2,190	(599)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	(1)			(1)	(1)
	Recharge Income	0	(14)			(14)	(14)
	Other Income	0	0			0	0
Total Gross Income	0	(15)	0	0	(15)	(15)	
Net Expenditure	2,789	2,175	0	0	2,175	(614)	
Childrens Included here are our programmes to improve the health of children and adolescents. Covering mandatory service such as the health child programme and national child measurement programme, as well as improving health in partnership with schools, teenage pregnancy prevention and family nurse partnership, parenting, breast feeding, health visiting and school nursing services.	Employees	166	222		57	165	(1)
	Premises	82	85		3	82	0
	Transport	0	0		0	0	0
	Supplies & Services	9,663	9,710		55	9,655	(8)
	Third Party Payments	0	0		0	0	0
	Transfer Payments	0	0		0	0	0
	Capital Charges	0	0		0	0	0
	Capital Financing	0	0		0	0	0
	Total Gross Expenditure	9,911	10,017	0	115	9,902	(9)
	Specific Grants	0	0		0	0	0
	Other Grants & Contributions	0	(31)		0	(31)	(31)
	Fees & Charges	0	(2)		(2)	0	0
	Recharge Income	0	(4)		(4)	0	0
	Other Income	0	0		0	0	0
Total Gross Income	0	(37)	0	(6)	(31)	(31)	
Net Expenditure	9,911	9,980	0	109	9,871	(40)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Substance Misuse & Smoking	Employees	234	179			179	(55)
Death rates and hospital admissions due to alcohol are rising. Alcohol misuse is also associated with many social problems such as anti-social behaviour and violence. This unit develops strategic approaches to the prevention of addictive and harmful substance misuse, including alcohol, drugs and tobacco as well as providing treatment services for those who want to quit.	Premises	50	43			43	(7)
	Transport	1	1			1	0
	Supplies & Services	4,313	3,770			3,770	(543)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	27	27			27	0
	Capital Financing					0	0
	Total Gross Expenditure	4,625	4,020	0	0	4,020	(605)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	(16)			(16)	(16)
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
Total Gross Income	0	(16)	0	0	(16)	(16)	
Net Expenditure	4,625	4,004	0	0	4,004	(621)	
Wider Determinants	Employees	727	580			580	(147)
We understand that factors such as education, housing, employment and the environment can have a much more profound effect on how well and how long people live, than health care services. Such factors also have an impact on emotional health and wellbeing and this in turn can impact on lifestyles such as alcohol consumption or smoking. We develop and invest in programmes to maximise health benefits through the wider determinants and wellbeing.	Premises	0	0			0	0
	Transport	2	0			0	(2)
	Supplies & Services	3,843	3,331			3,331	(512)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing					0	0
	Total Gross Expenditure	4,572	3,911	0	0	3,911	(661)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
Total Gross Income	0	0	0	0	0	0	
Net Expenditure	4,572	3,911	0	0	3,911	(661)	
Public Health Management	Employees	1,236	833	93		740	(496)
Understanding the needs of our population, evaluating services, learning from published evidence, are all key to ensuring that we provide the right services to our population and make the best of available resources. This unit provides these important services for the directorate, the council and the CCG as part of our statutory requirements.	Premises	0	0	0		0	0
	Transport	1	1	0		1	0
	Supplies & Services	1,086	1,004	11		993	(93)
	Third Party Payments	0	0	0		0	0
	Transfer Payments	0	0	0		0	0
	Capital Charges	0	0	0		0	0
	Capital Financing					0	0
	Total Gross Expenditure	2,323	1,838	104	0	1,734	(589)
	Specific Grants	0	0	0		0	0
	Other Grants & Contributions	(127)	(128)	(128)		0	127
	Fees & Charges	0	(8)	0		(8)	(8)
	Recharge Income	(9)	(9)	(9)		0	9
	Other Income	0	0	0		0	0
Total Gross Income	(136)	(145)	(137)	0	(8)	128	
Net Expenditure	2,187	1,693	(33)	0	1,726	(461)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Public Health Grant	Employees	0	0			0	0
Public Health Grant is used to fund the services identified on these templates and is received on an annual basis.	Premises	0	0			0	0
	Transport	0	0			0	0
	Supplies & Services	218	0			0	(218)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing					0	0
	Total Gross Expenditure	218	0	0	0	0	(218)
	Specific Grants	(24,714)	(24,714)			(24,714)	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
Total Gross Income	(24,714)	(24,714)	0	0	(24,714)	0	
Net Expenditure	(24,496)	(24,714)	0	0	(24,714)	(218)	

	Actual Outturn	Annual Target Budget	Earmarked Reserves	Corporate Resources	Variance (Surplus) / Deficit
	£000	£000	£'000	£'000	£000
Supplies and Services					
External & Professional Services - Contracting Costs	16,839	18,195	3	2	(1,360)
Internal & Professional Services - Contracting Costs	4,553	4,896	0	0	(343)
Central Support Costs	617	617	0	0	0
Grant Payments	480	556	0	1	(77)
Advertising & Publicity	159	37	0	4	118
Operational Services	53	83	2	26	(57)
Legal	30	4	0		26
ICT	27	16	0	0	11
Printing Stationery & General Office Expenses	27	35	0	5	(14)
Operational Services and Materials/Consumables etc	12	44	0	0	(31)
Conference Expenses	12	20	6	5	(18)
Equipment	12	8	0	2	1
Catering Provisions	10	3	1	9	(2)
Telephones	5	2	0	0	2
Postages	4	4	0	0	(0)
Subscriptions	2	1	0	1	0
Licences	1	0	0	0	1
Total Supplies & Services	22,842	24,519	11	55	(1,743)
Specific Grants					
Public Health Grant	(24,714)	(24,714)	0	0	0
Total Specific Grants	(24,714)	(24,714)	0	0	0
Other Income					
Total Other Income	0	0	0	0	0

Housing Revenue Account Financial Outturn 2018/19
1 April 2018 to 31 March 2019

Revenue

1. Overview

The financial outturn for the Housing Revenue Account is a surplus of £0.974m, which can be further analysed as follows:

	Annual Target Budget	Actual Outturn	Use of / (Cont to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Gross Expenditure	92,764	92,596	(690)	1,019	92,267	(497)
Gross Income	(131,133)	(131,610)	0	0	(131,610)	(477)
Net Expenditure	(38,369)	(39,014)	(690)	1,019	(39,343)	(974)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(1,433) 833
Adjusted Net Variance After Approved CFwds & RCCO						1,292

Further details of the outturn position can be found in Appendix M1. The table below outlines the main reasons for the surplus:

Reasons for Surplus	£000
Reduced printing costs following move to managed print	(246)
Impact of Balance Sheet adjustments	711
Employer Liability Insurance (Asbestosis)	355
Demolition of Maisonettes on Windmill Lane	344
PFI Capital spend transferred from revenue	(833)
Riverside Audit Fees	30
Grounds Maintenance and tree works	17
Rental income lost due to increase RTB sales above forecast	246
Increased recharges from GF for Fraud Officer and Housing Support officers in extra care	259
Restructuring and staff turnover within Housing Management resulting in staff savings due to budgets being at top of grade, along with vacancies for 6 months while recruitment is carried out	(726)
Reduced cost of running local centres	(122)

Appendix M Housing Revenue Account

Reasons for Surplus	£000
Lower than anticipated legal charges within Income Management.	(279)
Network rental lines for CCTV systems lower than anticipated	(62)
Recharges to GF for Housing Options and repair works	(232)
ICT Software Costs	(191)
Restructuring in Business Excellence	(35)
Central supplies and services budgets	(90)
Vacant posts withing the caretaking and cleaning services	(110)
Reduced utility costs for communal areas in high rise blocks	(181)
Increase in Building Cost Index on contracts	100
Sales to sub contractors (net)	(35)
Additional recruitment within Asset Management to reduce spend with external contractors in 2019/20	155
Other variances	(49)
Total	(974)

The outturn variance is requested to be treated as follows:

Requested Treatment	£000
Transfer to HRA balances approved in year	1,433
Reduce the transfer to HRA balances	(1,292)
Total	141

2. Available Target Resources

Target budget resources available to Housing Revenue Account were a surplus of £38.369m. This figure reflects the following amendments that have been made since the previously reported monitoring:

Target Budget Resources	£000
Target Budget as per last quarter monitoring	(39,982)
Target Adjustments -	
Transfer of budget from RCCO to Capital Charges to cover increase in depreciation charges	1,613
Revised Target Budget Resources	(38,369)

There have been no additional specific grants received by the directorate since the previously reported monitoring.

3. Virements within the Directorate

There have been no virements of over £0.250m between sub divisions within the Housing Revenue Account processed since the previously reported monitoring.

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for the Housing Revenue Account was a surplus of £1.433m, the variance between this and the actual outturn is a deficit of £1.292m. The table below explains the reason for this variance: -

Reasons for variation to projected outturn Q3	£000
Reduced printing costs following move to managed print	(21)
Impact of Balance Sheet adjustments	711
Employer Liability Insurance (Asbestosis)	355
Lower than anticipate legal charges within Income Management	(196)
Recharges to GF for Housing Options and repair works	(166)
ICT Software costs	(191)
Restructuring in Business Excellence	(35)
Central supplies & services budgets	(90)
Reduced utility costs for communal areas in high rise blocks	(181)
Increase in Building Cost Index (BCIS) on contracts	100
Additional recruitment within Asset Management to reduce spend with external contractors in 2019/20	155
Revenue Contribution to Capital (RCCO) - Riverside	833
Other Variances	18
Total	1,292

5. Central Items

As the directorate has no responsibility for the management of Central Items there is no Appendix M4 to this report.

6. Earmarked Reserves

The directorate has set aside sums totalling £3.010m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has contributed an additional £0.690m to earmarked reserves during the current year leaving the following balances:

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
Welfare Reform Reserve	3,010	(690)	3,700
Total	3,010	(690)	3,700

7. Severance Payments

In 2017/18 a provision of £0.303m was created for severance costs of which £0.192m has been utilised during 2018/19.

Severance payment costs of £0.095m, not included in the 2017/18 provision, have been incurred with further costs of £0.391m expected. These costs will be met from Housing Revenue Account balances.

The table below summarises the position:

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	192	192	111	74		(37)
Costs not provided for in 2017/18	95			0	317	412
Total	287	192	111	74	317	375
Funded by:						
Directorate						0
HRA Balances						375

Use of HRA Balances

Expenditure of £1.019m incurred by the Housing Revenue Account will be met from HRA balances. This is to cover the severance costs (£0.375m) and the cost of the ongoing Transforming Tomorrow programme to improve service delivery and update IT systems (£0.644m).

Capital

Overview

The Housing Revenue Account is responsible for the delivery of capital schemes which are detailed in Appendix M5. The projected 2018/19 outturn for these schemes was £47.934m as reported within the Period 9 monitoring to cabinet on 20 February 2019. The actual outturn is £37.815m resulting in a variance of £10.119m. The main reasons for the variances above £0.100m are detailed below:

- A surplus of £0.584m on for High Rise retention payments to be made following refurbishment works
- £3.484m surplus on the new build projects at Churchvale, Metis developments and Strathmore Road whilst awaiting planning permission
- Delays in start on site and letting of contracts at West Road resulting in a surplus of £1.213m
- Surplus of £0.852m against the refurbishment of properties programme whilst new contracts were procured
- £0.743m surplus against the replacement of boilers project reflecting the implementation of new contracts.
- A surplus of £0.250m against ECO projects undertaken during other building works to implements the ECO measures.
- A surplus of £0.927m against Adaptations due to new contracts being implemented, although this money is committed to be spent.

Virements

There have been no virements between capital schemes during the period.

Section 106 Monies

As the Housing Revenue Account has no responsibility for Section 106 monies there is no Appendix M6 for this service.

Contact

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Housing Revenue Account		Appendix M1 Directorate Outturn				
Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Asset Management & Maintenance	31,646	31,692	0	65	31,627	(19)
Business Excellence	3,193	3,530	0	644	2,886	(307)
Commercial Services	4,086	3,893	0	0	3,893	(193)
Corporate HRA	20,194	21,622	0	292	21,330	1,136
Housing Management	9,284	7,928	0	18	7,910	(1,374)
PFI	(928)	(1,650)	0	0	(1,650)	(722)
Rents & Other Charges	(112,796)	(113,240)	(690)	0	(112,550)	246
SLA	6,952	7,211	0	0	7,211	259
Total Net Expenditure	(38,369)	(39,014)	(690)	1,019	(39,343)	(974)
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						(1,433)
						833
Adjusted Net Variance After Approved CFwds & RCCO						1,292
Subjective Analysis	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Employees	32,562	32,610	0	375	32,235	(327)
Premises	2,617	2,620	0	0	2,620	3
Transport	2,106	2,040	0	0	2,040	(66)
Supplies & Services	39,185	38,992	(690)	644	39,038	(147)
Third Party Payments	498	512	0	0	512	14
Transfer Payments	0	26	0	0	26	26
Capital Charges	15,796	15,796	0	0	15,796	0
Capital Financing	0	0	0	0	0	0
Gross Expenditure	92,764	92,596	(690)	1,019	92,267	(497)
Specific Grants	(5,713)	(5,713)	0	0	(5,713)	0
Other Grants & Contributions	0	0	0	0	0	0
Fees & Charges	(124,479)	(124,541)	0	0	(124,541)	(62)
Recharges in Target	(941)	(1,187)	0	0	(1,187)	(246)
Other Income	0	(169)	0	0	(169)	(169)
Gross Income	(131,133)	(131,610)	0	0	(131,610)	(477)
Total Net Expenditure	(38,369)	(39,014)	(690)	1,019	(39,343)	(974)

Housing Revenue Account		Appendix M2 Directorate Outturn					
		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of HRA Balances	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Asset Management & Maintenance This service area is responsible for the repairs of and maintenance of the housing stock, along with the ongoing improvements associated with the capital programme	Employees	16,955	17,108		65	17,043	88
	Premises	1,497	1,316			1,316	(181)
	Transport	1,917	1,851			1,851	(66)
	Supplies & Services	13,745	14,391			14,391	646
	Third Party Payments	0	10			10	10
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	34,114	34,676	0	65	34,611	497
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(2,057)	(2,638)			(2,638)	(581)
	Recharge Income	(411)	(346)			(346)	65
	Other Income	0	0			0	0
	Total Gross Income	(2,468)	(2,984)	0	0	(2,984)	(516)
Net Expenditure	31,646	31,692	0	65	31,627	(19)	
Business Excellence This service provides support to the HRA for strategic development, performance monitoring & customer contact	Employees	1,274	1,239			1,239	(35)
	Premises	0	5			5	5
	Transport	3	2			2	(1)
	Supplies & Services	1,916	2,285		644	1,641	(275)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	3,193	3,531	0	644	2,887	(306)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	(1)			(1)	(1)
	Other Income	0	0			0	0
	Total Gross Income	0	(1)	0	0	(1)	(1)
Net Expenditure	3,193	3,530	0	644	2,886	(307)	
Commercial Services This service looks after the cleaning of high rise blocks, along with the grounds maintenance on HRA services	Employees	2,530	2,419			2,419	(111)
	Premises	165	67			67	(98)
	Transport	148	166			166	18
	Supplies & Services	2,424	2,430			2,430	6
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	5,267	5,082	0	0	5,082	(185)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(1,178)	(1,180)			(1,180)	(2)
	Recharge Income	(3)	(9)			(9)	(6)
	Other Income	0	0			0	0
	Total Gross Income	(1,181)	(1,189)	0	0	(1,189)	(8)
Net Expenditure	4,086	3,893	0	0	3,893	(193)	

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of HRA Balances	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Corporate HRA	Employees	3,784	4,516		292	4,224	440
This includes non operational costs such as capital financing charges & pension liabilities	Premises	125	474			474	349
	Transport	3	0			0	(3)
	Supplies & Services	493	1,127			1,127	634
	Third Party Payments	0	3			3	3
	Transfer Payments	0	0			0	0
	Capital Charges	15,796	15,796			15,796	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	20,201	21,916	0	292	21,624	1,423
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(7)	(123)			(123)	(116)
	Recharge Income	0	(2)			(2)	(2)
	Other Income	0	(169)			(169)	(169)
	Total Gross Income	(7)	(294)	0	0	(294)	(287)
	Net Expenditure	20,194	21,622	0	292	21,330	1,136
Housing Management	Employees	7,625	6,899		18	6,881	(744)
This service is responsible for the management of local offices and letting of the Housing stock. It also includes income management services along with ASB & CCTV.	Premises	522	400			400	(122)
	Transport	33	19			19	(14)
	Supplies & Services	2,489	2,249			2,249	(240)
	Third Party Payments	498	498			498	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	11,167	10,065	0	18	10,047	(1,120)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(1,356)	(1,308)			(1,308)	48
	Recharge Income	(527)	(829)			(829)	(302)
	Other Income	0	0			0	0
	Total Gross Income	(1,883)	(2,137)	0	0	(2,137)	(254)
	Net Expenditure	9,284	7,928	0	18	7,910	(1,374)
PFI	Employees	58	57			57	(1)
The management of the PFI stock is carried out by Riverside, with the contract running until 2031. The unitary fee is payable from here, along with the grant received from Central Government	Premises	53	116			116	63
	Transport	1	0			0	(1)
	Supplies & Services	9,012	8,126			8,126	(886)
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	9,124	8,299	0	0	8,299	(825)
	Specific Grants	(5,713)	(5,713)			(5,713)	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(4,339)	(4,236)			(4,236)	103
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
	Total Gross Income	(10,052)	(9,949)	0	0	(9,949)	103
	Net Expenditure	(928)	(1,650)	0	0	(1,650)	(722)

		Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of HRA Balances	Revised Outturn	Variance (Surplus) / Deficit
		£000	£000	£000	£000	£000	£000
Rents & Other Charges	Employees	336	372			372	36
This includes rental income from council properties and expenditure mainly relates to a provision for bad debts	Premises	255	242			242	(13)
	Transport	1	2			2	1
	Supplies & Services	2,154	1,173	(690)		1,863	(291)
	Third Party Payments	0	1			1	1
	Transfer Payments	0	26			26	26
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	2,746	1,816	(690)	0	2,506	(240)
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	(115,542)	(115,056)			(115,056)	486
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
	Total Gross Income	(115,542)	(115,056)	0	0	(115,056)	486
Net Expenditure	(112,796)	(113,240)	(690)	0	(112,550)	246	
SLA	Employees	0	0			0	0
This is budgets for agreed internal support towards the HRA including ICT, Finance & HR	Premises	0	0			0	0
	Transport	0	0			0	0
	Supplies & Services	6,952	7,211			7,211	259
	Third Party Payments	0	0			0	0
	Transfer Payments	0	0			0	0
	Capital Charges	0	0			0	0
	Capital Financing	0	0			0	0
	Total Gross Expenditure	6,952	7,211	0	0	7,211	259
	Specific Grants	0	0			0	0
	Other Grants & Contributions	0	0			0	0
	Fees & Charges	0	0			0	0
	Recharge Income	0	0			0	0
	Other Income	0	0			0	0
	Total Gross Income	0	0	0	0	0	0
Net Expenditure	6,952	7,211	0	0	7,211	259	

Housing Revenue Account	Appendix M3 - Sub Analysis		
	Actual Outturn	Annual Target Budget	Variance (Surplus) / Deficit
	£000	£000	£000
Supplies and Services			
General Recharges	12,464	11,972	492
Contract Payments	9,900	8,753	1,147
PFI Unitary Fee	8,054	8,988	(934)
Building Products	4,199	3,309	890
Professional Services	1,521	1,102	419
Doubtful Debt Provision	660	1,700	(1,040)
Legal	462	673	(211)
Waste Disposal Charge	398	423	(25)
Insurance	329	340	(11)
ICT	258	500	(242)
Office Expenses	174	606	(432)
Grants	150	180	(30)
Bank Charges & Commissions	100	58	42
Architects	93	2	91
Equipment & Furniture	59	291	(232)
Conference Expenses	49	50	(1)
Tenants Expenses	47	97	(50)
Protective Clothing & Uniforms	27	67	(40)
Subscriptions	23	24	(1)
Licences	18	16	2
Pest Control	6	18	(12)
Bi-Lingual Translation	1	16	(15)
Total Supplies & Services	38,992	39,185	(193)
Specific Grants			
PFI Subsidy	(5,713)	(5,713)	0
Total Specific Grants	(5,713)	(5,713)	0
Other Income			
Interst on Balances	(169)	0	(169)
Total Other Income	(169)	0	(169)

Housing Revenue Account

Appendix M5 - Capital

	Revised 2018/19 Budget as @ Period 9			Actual Outturn 2018/19 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
Prudential Borrowing - New build (inc HCA Grant)					
Moor Lane Extra Care	335	0	335	338	3
Carrisbrooke Close	5,119	1,368	6,487	5,946	(541)
West Road	1,213	1,287	2,500	1,275	(1,225)
Strathmore Road	2,484	0	2,484	307	(2,177)
Prudential Borrowing - New build (1-4-1 Receipts)					
Metis Developments	550	0	550	0	(550)
Ex Neighbourhood Offices New Build	13	0	13	13	0
Ex Neighbourhood Offices New Build - Gladstone Street	10	0	10	0	(10)
Ex Neighbourhood Offices New Build - Hilton Road	44	0	44	0	(44)
Ex Neighbourhood Offices New Build - Ladbury Road	11	0	11	0	(11)
Ex Neighbourhood Offices New Build - Monmouth Drive	44	0	44	0	(44)
Kier Housing - Kent Close, Tibbington	25	0	25	0	(25)
Oxford Road Extra Care - New Build	1,380	0	1,380	1,263	(117)
Brindley 2	24	0	24	2	(22)
Churchvale	647	0	647	126	(521)
Friardale Close Bungalows	0	0	0	36	36
Prudential Borrowing - High Rise					
The Crofts	86	0	86	3	(83)
Charlemont Farm	14	0	14	0	(14)
Kynaston House	185	0	185	54	(131)
Lion Farm	7,257	0	7,257	7,113	(144)
Beaconview	46	0	46	0	(46)
Nelson House	378	0	378	69	(309)
Darley House	23	0	23	7	(16)
Alfred Gunn House	199	0	199	194	(5)
Emergency Cladding Works	30	0	30	27	(3)
Mountford House	325	0	325	260	(65)
High Rise - General	80	0	80	98	18
Prudential Borrowing - Other					
Internal Refurbishment	852	0	852	0	(852)
Boiler Replacement	3,000	0	3,000	1,979	(1,021)
RTB Buy Backs	1,500	0	1,500	1,759	259
Sandfield House	470	0	470	0	(470)
ECO Projects	740	0	740	0	(740)
RTB Receipts - 1-4-1 Replacement					
Brindley 2	1	0	1	1	0
Ex Neighbourhood Offices New Build	6	0	6	6	0
Ex Neighbourhood Offices New Build - Ladbury Road	5	0	5	0	(5)
Oxford Road Extra Care - New Build	592	0	592	541	(51)
Churchvale	278	0	278	54	(224)
Friardale Close Bungalows	0	0	0	16	16
RCCO : MRA/Ringfenced Approvals					
Internal Refurbishment	8,784	0	8,784	7,712	(1,072)
Boiler Replacement	2,000	0	2,000	2,278	278
Single to Double Glazing & Composite Doors	900	0	900	1,017	117
Replacement of CO2 and Smoke Detectors	0	0	0	276	276
Adaptations for Disabled	0	0	0	2,897	2,897
Sandfield House	0	0	0	1,080	1,080
Property Conversions	0	0	0	99	99
Estate Improvements	0	0	0	136	136
RCCO - Other					
Adaptations for Disabled	3,824	0	3,824	0	(3,824)
ECO Projects	260	0	260	0	(260)
Estate Improvements	632	0	632	0	(632)
Property Conversions	121	0	121	0	(121)
Replacement of CO2 and Smoke Detectors	267	0	267	0	(267)
Sandfield House	525	0	525	0	(525)
Riverside PFI	0	0	0	833	833
Total Housing Revenue Account	45,279	2,655	47,934	37,815	(10,119)

Appendix N Individual Schools Budgets

Schools Financial Outturn 2018/19 **1 April 2018 to 31 March 2019**

Revenue

1. Overview

The financial outturn for the Individual Schools Budget (ISB) ledger is a deficit of £1.000m. The deficit relates to the ring-fenced Dedicated Schools Grant and is therefore required to be carried forward.

Area	Annual Target Budget	Actual Outturn	Use of / (Contribution to) Reserves	Use of Corporate Resources	Revised Outturn	Variance (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Individual School Budgets	0	563	(437)	0	1,000	1,000
Total Net Expenditure	0	563	(437)	0	1,000	1,000
Carry Forward Previously Approved Revenue Contribution to Capital (RCCO)						0 0
Adjusted Net Variance After Approved CFwds & RCCO						1,000

School Balances

At the end of 2017/18 accumulates schools balances (including non-schools expenditure and income) were £33.551m. These balances have reduced by £1.000m to £32.551m.

This includes an increase of £2.060m against schools' budget share and a decrease of £3.060m against other budgets.

Appendix A provides details of each individual schools' budget share balance as at 31st March 2019 compared to 31st March 2018. The cumulative level of school balances is summarised in the following table.

	Brought Forward £m	In-Year Movement £m	Carry Forward £m
Primary	16.802	1.833	18.64
Secondary	1.464	0.101	1.57
Special	1.512	0.126	1.64
Schools	19.778	2.060	21.838

Appendix N Individual Schools Budgets

There are 2 schools closing with a deficit budget share for 2018/19: -

Rounds Green Primary (£0.310m)
Sacred Heart (£0.048m)

There was one school; Tameside Primary; that converted to an academy during 2018/19.

2. Earmarked Reserves

The directorate has set aside sums totalling £2.070m in previous years as earmarked reserves for use on specific activities in current and future years. A net contribution of £0.436m was made to earmarked reserves during the current year leaving the following balances remaining: -

Earmarked Reserve	Balance as at 31 March 2018 £000	Actual Expenditure 2018/19 £000	Remaining Balance 31 March 2019 £000
			0
BSF FM Sinking Fund	2,070	(436)	2,506
			0
Total	2,070	(436)	2,506

3. Severance Payments

The contracts of 67 employees were ended during 2018/19 within schools. This incurred liabilities totalling £0.546m which has been met by individual schools.

As at 31st March 2019 there are no outstanding liabilities in relation to those employees who have left during the year and there are no legal and constructive obligations in place for employees to leave the Council during 2019/20.

The table below summarises the position:

Appendix N Individual Schools Budgets

	Actual Costs Incurred 2018/19	Provision Created 2017/18		New Provision Created 2018/19		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2017/18	0	0	0	0		0
Costs not provided for in 2017/18	545,771			0	0	545,771
Total	545,771	0	0	0	0	545,771
Funded by:						
Directorate						545,771
Corporate Resources						0

Use of Corporate Resources

The ISB has not requested any funding from Corporate Resources.

Contact

Steve Lilley
Service Manager

0121 569 3863

SCHOOL BALANCES

School	2017/18					2018/19				
	BUDGET SHARE	STANDARDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
	ABBEY INFANT	102,238.93	0.00	0.00	0.00	102,238.93	150,041.82	12,510.81	0.00	0.00
ABBEY JUNIOR	59,263.80	0.00	0.00	0.00	59,263.80	75,245.06	14,674.80	0.00	0.00	89,919.86
ALBERT PRITCHARD INF	165,729.78	0.00	0.00	0.00	165,729.78	181,918.58	23,946.79	0.00	0.00	205,865.37
ALL SAINTS JR & INF	235,689.27	0.00	0.00	0.00	235,689.27	304,096.46	0.00	0.00	0.00	304,096.46
ANNIE LENNARD	364,915.33	12,687.00	0.00	0.00	377,602.33	358,497.44	0.00	0.00	0.00	358,497.44
BEARWOOD JR & INF	353,476.73	50,080.00	0.00	0.00	403,556.73	359,550.43	42,696.00	0.00	0.00	402,246.43
BLACKHEATH JR & INF	608,892.18	31,103.00	0.00	0.00	639,995.18	763,347.47	45,164.46	0.00	0.00	808,511.93
BLEAKHOUSE JUNIOR	120,261.87	7,161.95	0.00	0.00	127,423.82	168,402.67	20,398.00	0.00	0.00	188,800.67
BRANDHALL JR & INF	125,744.39	0.00	0.00	0.00	125,744.39	184,249.58	0.00	0.00	0.00	184,249.58
BRICKHOUSE JR & INF	27,287.39	0.00	0.00	0.00	27,287.39	35,862.03	6,700.88	0.00	0.00	42,562.91
BURNT TREE JR & INF	267,149.03	29,185.21	0.00	0.00	296,334.24	271,927.15	26,781.51	0.00	0.00	298,708.66
CAPE JR & INF	671,416.86	11,528.50	0.00	0.00	682,945.36	665,723.37	47,546.99	0.00	0.00	713,270.36
CAUSEWAY GREEN JR & INF	220,381.55	10,691.00	0.00	0.00	231,072.55	255,826.93	12,679.88	0.00	0.00	268,506.81
CHRIST CHURCH JR & INF	53,376.29	0.00	0.00	0.00	53,376.29	119,735.96	0.00	192,946.00	0.00	312,681.96
CROCKETTS LANE INF	483,443.35	8,155.75	0.00	0.00	491,599.10	699,342.07	33,336.74	0.00	0.00	732,678.81
Eaton Valley	469,834.02	0.00	0.00	0.00	469,834.02	396,506.26	0.00	0.00	0.00	396,506.26
FERNDALE JR & INF	149,830.16	2,360.95	(141,803.37)	0.00	10,387.74	313,123.89	0.00	(132,197.12)	0.00	180,926.77
GALTON VALLEY	427,560.47	9,546.00	42,232.83	0.00	479,339.30	529,030.57	30,260.00	38,765.93	0.00	598,056.50
GLEBEFIELDS JR & INF	184,994.77	9,006.00	0.00	0.00	194,000.77	150,983.25	11,320.82	0.00	0.00	162,304.07
GRACE MARY JR & INF	179,338.10	11,517.00	0.00	0.00	190,855.10	133,711.83	10,193.24	0.00	0.00	143,905.07
GREAT BRIDGE JR & INF	233,586.59	8,612.00	0.00	0.00	242,198.59	271,169.41	26,357.00	0.00	0.00	297,526.41
GROVE VALE JR & INF	148,705.22	19,688.00	0.00	0.00	168,393.22	265,724.05	2,841.00	0.00	0.00	268,565.05
HANBURY PRIMARY	777,899.75	0.00	0.00	0.00	777,899.75	661,326.35	6,756.24	0.00	0.00	668,082.59
HALL GREEN JR & INF	937,766.65	39,397.52	0.00	0.00	977,164.17	899,892.98	23,123.60	0.00	0.00	923,016.58
HAMSTEAD INF	114,895.06	14,571.00	0.00	0.00	129,466.06	126,544.79	24,761.98	0.00	0.00	151,306.77
HAMSTEAD JUNIOR	160,355.54	13,220.00	0.00	0.00	173,575.54	210,075.69	30,537.80	0.00	0.00	240,613.49
HARGATE JR & INF	418,439.63	70,491.00	0.00	0.00	488,930.63	528,768.30	63,952.83	0.00	0.00	592,721.13
HARVILLS HAWTHORN PR	379,448.61	2,341.00	0.00	0.00	381,789.61	337,236.51	18,401.25	0.00	0.00	355,637.76
HATELEY HEATH PRIM	135,520.39	8,629.00	(318,714.87)	0.00	(174,565.48)	18,483.05	20,884.56	0.00	0.00	39,367.61
HIGHFIELDS JR & INF	207,549.80	24,048.00	0.00	0.00	231,597.80	199,519.32	38,544.30	0.00	0.00	238,063.62
HOLY NAME RC JR & INF	155,727.67	0.00	0.00	0.00	155,727.67	187,082.02	0.00	0.00	0.00	187,082.02
HOLY TRINITY JR & INF	212,202.64	0.00	0.00	0.00	212,202.64	258,518.19	21,084.87	0.00	0.00	279,603.06
JOSEPH TURNER JR & INF	186,352.03	8,592.00	0.00	0.00	194,944.03	204,615.65	0.00	0.00	0.00	204,615.65
KING GEORGE V PRIMARY	69,588.86	0.00	0.00	0.00	69,588.86	88,044.35	10,210.98	0.00	0.00	98,255.33
LANGLEY JR & INF	355,918.06	0.00	0.00	0.00	355,918.06	404,170.89	0.00	0.00	0.00	404,170.89
LIGHTWOODS JR & INF	62,418.45	4,282.86	0.00	0.00	66,701.31	202,817.03	16,684.12	0.00	0.00	219,501.15

School	2017/18					2018/19				
	BUDGET SHARE	STANDARDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
LODGE JR & INF	232,799.61	0.00	0.00	0.00	232,799.61	257,641.39	0.00	0.00	0.00	257,641.39
LYNG JUNIOR & INF	208,202.68	0.00	0.00	0.00	208,202.68	220,564.55	17,596.89	0.00	0.00	238,161.44
MOAT FARM INF	147,280.10	642.00	10,352.60	0.00	158,274.70	185,168.84	24,262.00	43,643.67	0.00	253,074.51
MOAT FARM JUNIOR	207,327.25	0.00	0.00	0.00	207,327.25	271,702.44	18,540.00	0.00	0.00	290,242.44
MOORLANDS JR & INF	128,398.58	0.00	0.00	0.00	128,398.58	163,693.12	0.00	0.00	0.00	163,693.12
NEWTOWN JR & INF	(29,903.63)	0.00	0.00	0.00	(29,903.63)	38,301.90	11,906.12	0.00	0.00	50,208.02
OAKHAM JR & INF	464,976.37	0.00	0.00	0.00	464,976.37	518,529.67	17,011.90	0.00	0.00	535,541.57
OCKER HILL INFANTS	169,499.45	2,839.00	0.00	0.00	172,338.45	88,209.73	12,129.58	0.00	0.00	100,339.31
OLD HILL JR & INF	71,531.94	0.00	0.00	0.00	71,531.94	122,556.80	16,927.00	0.00	0.00	139,483.80
OLD PARK JR & INF	423,937.79	20,805.43	79,899.73	0.00	524,642.95	403,964.89	35,033.36	105,986.89	0.00	544,985.14
PARK HILL JR & INF	139,324.36	0.00	0.00	0.00	139,324.36	202,093.87	18,945.00	0.00	0.00	221,038.87
PENNYHILL	404,536.88	9,566.33	90,625.99	0.00	504,729.20	417,401.27	11,484.32	100,461.23	0.00	529,346.82
PERRYFIELDS JR & INF	132,437.19	0.00	0.00	0.00	132,437.19	207,450.34	5,709.70	0.00	0.00	213,160.04
PRIORY PRIMARY	169,391.63	0.00	0.00	0.00	169,391.63	206,235.53	17,846.17	0.00	0.00	224,081.70
REDDAL HILL JR & INF	250,811.85	5,563.00	0.00	0.00	256,374.85	315,985.25	0.00	0.00	0.00	315,985.25
ROOD END JR & INF	156,679.33	0.00	0.00	0.00	156,679.33	105,278.86	639.98	0.00	0.00	105,918.84
ROUNDS GREEN JR & INF	(543.44)	0.00	0.00	0.00	(543.44)	(309,808.44)	13,607.96	0.00	0.00	(296,200.48)
ROWLEY HALL JR & INF	113,835.88	0.00	60,580.88	0.00	174,416.76	101,978.74	1,174.81	65,476.47	0.00	168,630.02
RYDERS GREEN JR & INF	301,328.11	0.00	0.00	0.00	301,328.11	272,647.21	8,539.00	0.00	0.00	281,186.21
SACRED HEART JR & INF	2,223.99	21,522.00	0.00	0.00	23,745.99	(47,524.06)	17,125.94	0.00	0.00	(30,398.12)
SPRINGFIELD PRIMARY	281,519.46	1,547.34	0.00	0.00	283,066.80	318,513.65	21,301.39	0.00	0.00	339,815.04
ST JAMES CE PRIMARY	235,995.33	484.23	0.00	0.00	236,479.56	284,120.89	16,802.73	0.00	0.00	300,923.62
ST JOHN BOSCO JR & INF	255,049.83	0.00	0.00	0.00	255,049.83	225,709.65	0.00	271,284.77	0.00	496,994.42
ST MARGARETS JR & INF	105,619.64	0.00	0.00	0.00	105,619.64	146,074.82	0.00	0.00	0.00	146,074.82
ST MARTINS JR & INF	73,644.45	0.00	0.00	0.00	73,644.45	108,748.60	17,144.40	0.00	0.00	125,893.00
ST MARY MAG JR & INF	188,498.09	0.00	0.00	0.00	188,498.09	152,155.01	10,422.85	0.00	0.00	162,577.86
ST MARY'S JR & INF	91,958.86	0.00	0.00	0.00	91,958.86	118,208.86	0.00	0.00	0.00	118,208.86
ST MATTHEWS JR & INF	229,286.60	0.00	0.00	0.00	229,286.60	363,385.95	0.00	0.00	0.00	363,385.95
TAMESIDE	189,591.86	30,664.47	0.00	0.00	220,256.33	0.00	0.00	0.00	0.00	0.00
TEMPLE MEADOW JR & INF	67,996.93	0.00	0.00	0.00	67,996.93	135,320.72	1,201.79	0.00	0.00	136,522.51
TIPTON GREEN JUNIOR	114,809.87	0.00	0.00	0.00	114,809.87	174,752.82	12,749.30	0.00	0.00	187,502.12
TIVIDALE HALL JR & INF	176,492.05	0.00	0.00	0.00	176,492.05	196,247.17	17,751.42	0.00	0.00	213,998.59
TIVIDALE COMMUNITY	395,785.49	0.00	0.00	0.00	395,785.49	457,897.27	0.00	0.00	0.00	457,897.27
UPLANDS MANOR PRIMARY	275,934.01	0.35	0.00	0.00	275,934.36	511,670.82	0.00	0.00	0.00	511,670.82
WARLEY INFANTS	118,195.40	0.00	0.00	0.00	118,195.40	101,707.95	13,678.00	0.00	0.00	115,385.95
WHITECREST JR & INF	53,824.51	6,385.00	0.00	0.00	60,209.51	94,015.77	9,805.20	0.00	0.00	103,820.97
WOOD GREEN JUNIOR	105,127.76	0.00	0.00	0.00	105,127.76	161,060.18	0.00	0.00	0.00	161,060.18
YEW TREE JR & INF	321,635.78	11,232.91	0.00	0.00	332,868.69	362,342.98	40,821.60	0.00	0.00	403,164.58
PRIMARY TOTAL	16,802,241.05	518,146.80	(176,826.21)	0.00	17,143,561.64	18,635,116.45	1,052,509.86	686,367.84	0.00	20,373,994.15

School	2017/18					2018/19				
	BUDGET SHARE	STANDARDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
HOLLY LODGE HIGH	404,750.62	322.38	0.00	0.00	405,073.00	252,158.02	75,989.28	0.00	0.00	328,147.30
PHOENIX	761,813.38	0.00	0.00	0.00	761,813.38	781,644.75	31,546.26	0.00	0.00	813,191.01
PERRYFIELDS HIGH	(80,596.72)	2,905.00	0.00	0.00	(77,691.72)	45,544.61	67,438.25	0.00	0.00	112,982.86
ST MICHAELS CE HIGH	110,324.77	0.00	0.00	0.00	110,324.77	348,803.89	0.00	0.00	0.00	348,803.89
STUART BATHURST	267,608.68	0.00	0.00	0.00	267,608.68	136,933.25	0.00	0.00	0.00	136,933.25
SECONDARY TOTAL	1,463,900.73	3,227.38	0.00	0.00	1,467,128.11	1,565,084.52	174,973.79	0.00	0.00	1,740,058.31
MEADOWS	293,830.80	6,944.00	0.00	0.00	300,774.80	365,378.44	22,388.00	0.00	0.00	387,766.44
ORCHARD	423,720.17	49,930.60	0.00	0.00	473,650.77	462,931.44	75,735.83	0.00	0.00	538,667.27
WESTMINSTER	669,119.70	0.00	0.00	0.00	669,119.70	714,474.24	0.00	0.00	0.00	714,474.24
SHENSTONE	125,585.08	6,295.00	0.00	0.00	131,880.08	95,303.61	22,659.00	0.00	0.00	117,962.61
SPECIAL TOTAL	1,512,255.75	63,169.60	0.00	0.00	1,575,425.35	1,638,087.73	120,782.83	0.00	0.00	1,758,870.56
SCHOOLS TOTAL	19,778,397.54	584,543.78	(176,826.21)	0.00	20,186,115.11	21,838,288.70	1,348,266.48	686,367.84	0.00	23,872,923.02

Appendix O

Annual Report on the Treasury Management Service and Actual Prudential Indicators 2018/19

Purpose

The council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code) and the Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

Executive Summary

During 2018/19 the council complied with its legislative and regulatory requirements. The actual prudential indicators for the year along with prior year comparators are as follows:

	2017/18	2018/19
	£'m	£'m
Actual Capital Expenditure	87.504	77.629
Capital Financing Requirement (CFR)		
General Fund	332.929	319.611
HRA	419.037	421.501
Total	751.966	741.112
Financing Costs as a Proportion of Net Revenue Stream		
General Fund	6.1%	6.7%
Housing Revenue Account	23.9%	26.2%

Other prudential and treasury indicators are to be found in the main body of this report. The Chief Financial Officer also confirms that borrowing was only undertaken for capital purposes and that the statutory borrowing limit (Authorised Limit) was not breached.

At 31 March 2019, the council's external debt was £517.577m (£498.245m at 31 March 2018) and its investments totalled £42.846m (£41.351m at 31 March 2018).

The financial year 2018/19 continued with the challenging environment of previous years, mainly low investment returns.

Recommendations

The council is recommended to:

- Approve the actual 2018/19 prudential and treasury indicators in this report.
- Note the annual treasury management report for 2018/19.

[ILO: UNCLASSIFIED]

Annual Report on the Treasury Management Service and Actual Prudential Indicators 2018/19

1. Introduction

1.1. This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity

2. The Council's Capital Expenditure and Financing 2018/19

2.1. The council undertakes capital expenditure on long term assets. These activities can either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc) which has no resultant impact on the council's borrowing need; or
- Financed by borrowing if insufficient financing is available, or a decision is taken to not apply resources. This expenditure will subsequently increase the council's borrowing need.

2.2. Actual capital expenditure is one of the required prudential indicators. The table below also shows how this expenditure was financed.

	2017/18	2018/19	
	Actual £'m	Estimate £'m	Actual £'m
Capital Expenditure			
General Fund	38.022	60.611	39.816
HRA	49.482	68.073	37.813
Total	87.504	128.684	77.629
Resourced by:			
Capital Receipts	14.252	12.772	6.629
Capital Grants & Contributions	29.180	44.314	34.802
Revenue Contributions	29.930	22.926	16.330
Capital Expenditure Financed from Borrowing	14.142	48.672	19.868

3. The Council's Overall Borrowing Need

3.1. The council's underlying need to borrow for capital expenditure is called the Capital Financing Requirement (CFR). This figure is a gauge for the council's debt position. The CFR results from the capital activity of the Council and resources used to pay for

the Capital spend. It represents the 2018/19 unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

- 3.2. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, such as the Government, through the Public Works Loan Board (PWLB), the money markets or utilising temporary cash resources within the Council.
- 3.3. Reducing the CFR – the council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the assets. The council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- 3.4. The total CFR can also be reduced by:
- the application of additional capital financing resources, (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.5. The council's 2018/19 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2018/19 on 28 February 2018.
- 3.6. The council's CFR for the year is shown below and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet. No borrowing is actually required against these schemes as a borrowing facility is included within the contract.

	31 March 18 Actual	31 March 19 Mid Year Indicator	31 March 2019		
			HRA Actual	General Fund Actual	Total
	£'m	£'m	£'m	£'m	£'m
Opening Capital Financing Requirement	767.351	751.966	419.037	332.929	751.966
add: Capital Expenditure funded from Borrowing	14.142	48.672	17.245	2.623	19.868
less: MRP	-24.430	-26.482	-14.053	-12.427	-26.480
add: Movement on Other Long Term Liabilities	-5.097	-5.331	-0.728	-3.514	-4.242
adj: Appropriation of Assets	0.000	0.000	0.000	0.000	0.000
Closing Capital Financing Requirement	751.966	768.825	421.501	319.611	741.112

4. Treasury Position at 31 March 2019

- 4.1. The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well

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established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury management practices.

- 4.2. The figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.
- 4.3. During 2018/19 the Chief Financial Officer managed the debt position to £517.577m; the treasury position at the 31 March 2019 compared with the previous year was:

	31 March 2018				31 March 2019			
	Principal			Average Rate	Principal			Average Rate
	HRA	General Fund	Total		HRA	General Fund	Total	
£'m	£'m	£'m	%	£'m	£'m	£'m	%	
Actual Borrowing Position								
Fixed Interest Rate Debt	384.619	96.264	480.883	4.38	372.193	93.133	465.326	4.39
Variable Interest Rate Debt	0.000	17.362	17.362		0.000	52.251	52.251	
Total Debt	384.619	113.626	498.245		372.193	145.384	517.577	
Capital Financing Requirement (CFR)	419.037	332.929	751.966		421.501	319.611	741.112	
Borrowing Above / (Below) CFR	-34.418	-219.303	-253.721		-49.308	-174.227	-223.535	
Investment Position								
Fixed Interest Investments	0.000	5.250	5.250		0.000	11.250	11.250	
Variable Interest Investments	0.000	36.101	36.101		0.000	31.596	31.596	
Total Investments	0.000	41.351	41.351		0.000	42.846	42.846	
Net Borrowing Position	384.619	72.275	456.894		372.193	102.538	474.731	

The maturity structure of the debt portfolio was as follows:

	31 March 2018	2018/19 Original Limits	31 March 2019	
	Actual		Actual	
	%	%	%	£'m
Under 12 months	9.73%	20.00%	13.69%	70.868
12 months and within 24 months	0.72%	20.00%	3.84%	19.883
24 months and within 5 years	10.45%	25.00%	9.16%	47.414
5 years and within 10 years	11.40%	50.00%	8.14%	42.140
10 years and above	67.69%	90.00%	65.16%	337.272
	100.00%		100.00%	517.577

5. Prudential Indicators and Compliance Issues

- 5.1. Borrowing activity is constrained by prudential indicators for gross borrowing, the CFR and by the authorised limit.
- 5.2. **Gross Borrowing and the CFR** – in order to ensure that borrowing levels are prudent over the medium term and only for capital purposes, the council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement for the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the council is not borrowing to support revenue expenditure. This indicator allowed the council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the council's gross borrowing position against the CFR. The council has complied with this prudential indicator.

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	31 March 2018		31 March 2019	
	HRA £'m	General Fund £'m	HRA £'m	General Fund £'m
Gross Borrowing Position	384.619	113.626	372.193	145.384
CFR	419.037	332.929	421.501	319.611

- 5.3. **The Authorised Limit** – This is the ‘affordable borrowing limit’ required by section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the council has maintained gross borrowing within its authorised limit.

The Operational Boundary – This is the expected borrowing position of the council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

	2018/19 £'m
Original Indicators	
Authorised Limit	741.112
Operational Boundary	599.677
Actual Performance	
Maximum Gross Borrowing Position	545.339
Average Gross Borrowing Position	521.036
Financing Costs as a Proportion of Net Revenue Stream	13.6%

6. The Strategy Agreed for 2018/19

- 6.1 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.

It was not expected that the MPC would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP

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growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

- 6.2 Since PWLB rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December and (apart from the one year rate) reached lows for the year at the end of March. There was a significant level of correlation between movements in US Treasury yields and UK gilt yields -which determine PWLB rates. The Fed in America increased the Fed Rate four times in 2018, making nine increases in all in this cycle, to reach 2.25% – 2.50% in December. However, it had been giving forward guidance that rates could go up to nearly 3.50%. These rate increases and guidance caused Treasury yields to also move up. However financial markets considered by December 2018, that the Fed had gone too far, and discounted its expectations of further increases. Since then, the Fed has also come around to the view that there are probably going to be no more increases in this cycle. The issue now is how many cuts in the Fed Rate there will be and how soon, in order to support economic growth in the US. But weak growth now also looks to be the outlook for China and the European Union so this will mean that world growth as a whole will be weak. Treasury yields have therefore fallen sharply during 2019 and gilt yields / PWLB rates have also fallen.

7. Actual debt management activity during 2018/19

- 7.1. **Borrowing** – one short term loan totalling £15.000m was drawn and two long term soft loans totalling £0.571m were drawn in 2018/19 to fund the net unfinanced capital expenditure and naturally maturing debt.
- 7.2. **Rescheduling** – No rescheduling of debt was undertaken during 2018/19.
- 7.3. **Repayment** – Seven debts matured during 2018/19 (two short term and five long term) totalling £41.786m. No early repayment of debt was undertaken during 2018/19.

8. Investment Position

- 8.1. **Investment Policy** – The council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by council on 28 February 2018. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data. The investment activity during the year, conformed to the approved strategy and the council had no liquidity difficulties.
- 8.2. **Resources** – The council's longer-term cash balances comprise primarily revenue and capital resources, although these will be influenced by cash flow considerations. The council's core cash resources include the council's balances, earmarked reserves, provisions and capital receipts.
- 8.3. **Investments Held by The Council** - The council maintained an average balance of £68.252m of internally managed funds. The internally managed funds received an average return of 0.698%. The comparable performance indicator is the average 7-day

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LIBID rate as at 31 March 2019, which was 0.568%. The LIBID rate saw a sharp increase in August 2018 to reflect the MPC's Bank Rate increase from 0.50% to 0.75%. The council has seen a steady increase on returns, towards the second half of 2018/19.

9. Performance Indicators set for 2018/19

- 9.1 One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The council's performance indicators were set out in the annual Treasury Management Strategy Statement.

10. The Economy and Interest Rates

UK. After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real term increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. The Conservative minority government has so far, (8.4.19), been unable to muster a majority in the Commons over its Brexit deal. The EU has set a deadline of April 12 for the House of Commons to propose what form of Brexit it would support. If another form of Brexit, other than the proposed deal, does get a majority by April 12, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there would be a Commons majority which would

support a disorderly Brexit or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.

EUROZONE. The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels "at least through the end of 2019", but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

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WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overdone.

11. Other Issues

11.1. **IFRS 9** Risk management will need to take account of the 2018/19 Accounting Code of Practice proposals for the valuation of investments. Whilst for many authorities, this may not be a significant issue, key considerations are:

- Expected credit loss model. Whilst this should not be material for vanilla treasury investments such as bank deposits, this is likely to be problematic for some funds e.g. property funds (and also for non-treasury management investments dealt with in the capital strategy e.g. longer dated service investments, loans to third parties or loans to subsidiaries).
- The valuation of investments previously valued under the available for sale category e.g. equity related to the 'commercialism' agenda, property funds, equity funds and similar, will be charged to fair value through profit and loss (FVPL).

Following the consultation undertaken by the Ministry of Housing, Communities & Local Government (MHCLG) on IFRS 9, the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.