2019/20 REVENUE MONITORING SUMMARY

APPENDIX 1

	Appendix	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Corporate Management	1A	954	0	**954**	941	**(13)**	53	**40**
Resources	1B	15,582	2,041	**17,623**	21,939	**4,316**	(3,207)	**1,109**
Adult Social Care	1C	82,285	6,738	**89,023**	89,937	**914**	0	**914**
Regeneration & Growth	1D	21,317	1,206	**22,523**	22,532	**9**	(101)	**(92)**
Housing & Communities	1E	18,289	428	**18,717**	19,035	**318**	(314)	**4**
Children's Services	1F	85,693	30	**85,723**	86,056	**333**	(333)	**0**
TOTAL DIRECTORATES		**224,120**	**10,443**	**234,563**	**240,440**	**5,877**	**(3,902)**	**1,975**
Central Items	2	24,894	0	**24,894**	25,767	**873**	(639)	**234**
TOTAL INCLUDING CENTRAL ITEMS		**249,014**	**10,443**	**259,457**	**266,207**	**6,750**	**(4,541)**	**2,209**
Public Health (Ringfenced Grant)	1G	97	2,370	**2,467**	672	**(1,795)**	(112)	**(1,907)**
TOTAL INCLUDING PUBLIC HEALTH & CENTRAL ITEMS		**249,111**	**12,813**	**261,924**	**266,879**	**4,955**	**(4,653)**	**302**
Non Service Income & Expenditure		(14,121)	0	**(14,121)**	(14,121)	**0**	0	**0**
Levy Payments		13,014	0	**13,014**	13,014	**0**	0	**0**
Movements on Reserves & Balances		(17,931)	0	**(17,931)**	(17,931)	**0**	0	**0**
Use of Specific Reserves		0	0	**0**	0	**0**	422	**422**
Use of Centrally Earmarked Balances		0	0	**0**	0	**0**	4,231	**4,231**
Ringfenced Grants to be carried forward		0	0	**0**	1,907	**1,907**	0	**1,907**
GRAND TOTAL		**230,073**	**12,813**	**242,886**	**249,748**	**6,862**	**0**	**6,862**

APPENDIX 1A

Corporate Management

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Chief Executive	265	0	**265**	252	**(13)**	53	**40**
Combined Authority	1,222	0	**1,222**	1,222	**0**	0	**0**
Corporate Management	(533)	0	**(533)**	(533)	**0**	0	**0**
TOTAL	**954**	**0**	**954**	**941**	**(13)**	**53**	**40**

APPENDIX 1B

Resources

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Directorate	346	97	**443**	495	**52**	0	**52**
Change and Communications	1,182	38	**1,220**	1,222	**2**	0	**2**
Revenues and Benefits and ICT	7,299	1,485	**8,784**	9,567	**783**	(1,272)	**(489)**
Finance	3,416	59	**3,475**	3,491	**16**	(63)	**(47)**
Law and Governance	(178)	215	**37**	2,936	**2,899**	(1,064)	**1,835**
Human Resources	3,517	148	**3,665**	3,776	**111**	(355)	**(244)**
TOTAL	**15,582**	**2,041**	**17,623**	**21,487**	**3,864**	**(2,755)**	**1,109**

APPENDIX 1C

Adult Social Care

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Management Team	(3,989)	6,015	**2,026**	1,319	**(707)**	0	**(707)**
Business Strategy	3,343	13	**3,356**	3,225	**(131)**	0	**(131)**
Commissioning Support Unit	1,833	60	**1,893**	1,768	**(125)**	0	**(125)**
External Placements	62,818	0	**62,818**	65,463	**2,645**	0	**2,645**
Social Work Teams	2,950	0	**2,950**	2,976	**26**	0	**26**
Therapy and Sensory Services	289	0	**289**	(25)	**(314)**	0	**(314)**
Better Care Fund	0	0	**0**	0	**0**	0	**0**
Prevention	650	0	**650**	564	**(86)**	0	**(86)**
Direct Services and Commissioning	8,350	0	**8,350**	8,582	**232**	0	**232**
Integrated Care Hub	1,204	0	**1,204**	199	**(1,005)**	0	**(1,005)**
Protection	4,837	650	**5,487**	5,866	**379**	0	**379**
TOTAL	**82,285**	**6,738**	**89,023**	**89,937**	**914**	**0**	**914**

APPENDIX 1D

Regeneration & Growth

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Growth and Spatial Planning Service	1,844	214	**2,058**	2,287	**229**	(351)	**(122)**
Development Planning and Building Control Service	539	0	**539**	449	**(90)**	0	**(90)**
Strategic Assets and Land Service	3,810	255	**4,065**	3,948	**(117)**	250	**133**
Highways Services	14,465	337	**14,802**	14,904	**102**	0	**102**
Management	659	400	**1,059**	944	**(115)**	0	**(115)**
TOTAL	**21,317**	**1,206**	**22,523**	**22,532**	**9**	**(101)**	**(92)**

APPENDIX 1E

Housing & Communities

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Housing Management	2,612	115	**2,727**	2,845	**118**	(105)	**13**
Tourism, Culture & Leisure	10,114	48	**10,162**	10,442	**280**	(209)	**71**
Commercial Services	3,954	128	**4,082**	4,221	**139**	0	**139**
Business Excellence	1,609	137	**1,746**	1,527	**(219)**	0	**(219)**
TOTAL	**18,289**	**428**	**18,717**	**19,035**	**318**	**(314)**	**4**

Children's Services

APPENDIX 1F

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Director of Education & Employment	9,365	0	**9,365**	9,401	**36**	0	**36**
Education Support Services	1,664	0	**1,664**	1,561	**(103)**	0	**(103)**
Learning Improvement	3,104	0	**3,104**	3,411	**307**	(333)	**(26)**
Inclusive Learning	3,204	0	**3,204**	5,699	**2,495**	0	**2,495**
Director of Children's Services	12,129	30	**12,159**	9,757	**(2,402)**	0	**(2,402)**
Sandwell Children's Trust	56,227	0	**56,227**	56,227	**0**	0	**0**
TOTAL	**85,693**	**30**	**85,723**	**86,056**	**333**	**(333)**	**0**

APPENDIX 1G

Public Health

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Communicable Disease	2,919	0	**2,919**	3,088	**169**	0	**169**
Long Term Conditions	2,946	0	**2,946**	2,451	**(495)**	0	**(495)**
Childrens	9,494	0	**9,494**	10,013	**519**	(125)	**394**
Substance Misuse & Smoking	3,993	0	**3,993**	3,766	**(227)**	0	**(227)**
Wider Determinants	4,223	0	**4,223**	3,531	**(692)**	0	**(692)**
Public Health Management	2,165	0	**2,165**	1,884	**(281)**	13	**(268)**
Public Health Grant	(25,643)	2,370	**(23,273)**	(24,061)	**(788)**	0	**(788)**
TOTAL	**97**	**2,370**	**2,467**	**672**	**(1,795)**	**(112)**	**(1,907)**

CENTRAL ITEMS SUMMARY

APPENDIX 2

Central Item	Annual Target Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	Use of Reserves/ Corporate Resources (£000)	Projected Outturn Variance (£000)
BSF FM Contribution	0	400	**400**	(400)	**0**
Waste Partnership	26,700	26,995	**295**	0	**295**
Carbon Reduction - Energy Efficiency	300	124	**(176)**	0	**(176)**
Local Authority Subs	104	104	**0**	0	**0**
W'ton: WMCC & WMRE	45	37	**(8)**	0	**(8)**
Joint Committee Servicing	0	0	**0**	0	**0**
External Audit Fee	144	154	**10**	0	**10**
New Homes Bonus Grant	(2,923)	(2,923)	**0**	0	**0**
No Recourse to Public Funds	231	281	**50**	0	**50**
Business Rates Compensation Grant	(14,827)	(15,063)	**(236)**	0	**(236)**
Insurance	(395)	(395)	**0**	0	**0**
Bank Charges	225	225	**0**	0	**0**
Airport Rent Income	(100)	(100)	**0**	0	**0**
Apprenticeship Levy	480	440	**(40)**	0	**(40)**
Past Service Pension Costs	8,600	8,199	**(401)**	0	**(401)**
Housing Benefits	501	501	**0**	0	**0**
Local Welfare Provision	0	239	**239**	(239)	**0**
Pensions General	4,559	4,559	**0**	0	**0**
Coroners	336	336	**0**	0	**0**
Members Allowances	1,377	1,377	**0**	0	**0**
Public Law Fees	366	781	**415**	0	**415**
Special Events	25	25	**0**	0	**0**
Templink	(429)	(529)	**(100)**	0	**(100)**
Savings Target	(425)	0	**425**	0	**425**
TOTAL	**24,894**	**25,767**	**873**	**(639)**	**234**

VIREMENTS

APPENDIX 3

Virements above £0.250m for approval by Cabine	DR (£000)	CR (£000)
HOUSING & COMMUNITIES		
Housing Management - Housing Solution movement of grant from mainline to grant cost centre	308	
Housing Management - Housing Solution movement of grant from mainline to grant cost centre		308
Housing Management - Community safety Supporting Famillies Grant allocation expenditure	373	
Housing Management - Community safety Supporting Famillies Grant allocation income		373
TOTAL	**681**	**681**

Virements between Directorates/Service Areas below £0.250m for information in Cabinet Report	DR (£000)	CR (£000)
PUBLIC HEALTH		
Substance Misuse - Community Alcohol Project movement of resources from redirection - Supplies and Services		40
Childrens - Community Alcohol Project movement of resources from redirection to Employees	40	
HOUSING & COMMUNITIES		
Commercial Services - Park target budget transfer to Shows and Events	53	
Tourism, Culture and Leisure - Park target budget transfer to Shows and Events		53
TOTAL	**93**	**93**

EARMARKED RESERVES

APPENDIX 4

Earmarked Reserve	Balance as at 31 March 2019 (£000)	Projected Expenditure 2019/20 (£000)	Remaining Balance as at 31 March 2020 (£000)
CORPORATE MANAGEMENT			
Brexit Funding	105	(53)	**158**
RESOURCES			
Insurance Reserve	8,091	0	**8,091**
Grants Irregularities Reserve	1,031	0	**1,031**
E-Business financial suite	2,625	483	**2,142**
P.O.C.A. (Proceeds of Crime)	29	0	**29**
Sandwell Children's Trust	770	32	**738**
ADULT SOCIAL CARE			
Taxi Licensing Operational	105	0	**105**
Adult Social Care Reserve	1,047	0	**1,047**
Integrated Care Record	301	0	**301**
PUBLIC HEALTH			
Learning for Public Health	320	(13)	**333**
REGENERATION & GROWTH			
West Midlands Regional Research	287	51	**236**
Sinking Fund RBC building	432	(100)	**532**
Sinking Fund Central 6th Building	770	(150)	**920**
HOUSING & COMMUNITIES			
Physical Activity Board	48	24	**24**
Sinking Fund - Portway Lifestyle Centre	516	(70)	**586**
Private Sector Landlord	142	105	**37**
Dartmouth Park HLF	318	60	**258**
HRA			
Welfare Reform Reserve	3,701	0	**3,701**
CHILDREN'S SERVICES			
Regeneration and Economy	186	53	**133**
BSF FM Sinking Fund	2,506	0	**2,506**
TOTAL	**23,330**	**422**	**22,908**

PERFORMANCE INDICATORS **APPENDIX 5**

	2019/20	2018/19	Change from 2018/19	Comments
REVENUE COLLECTION PERFORMANCE				
Council Tax Collection Rate	57%	57%	↔	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. This is the collection rate as at the end of quarter 1.
Business Rates Collection Rate	57%	58%	↓	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. This is the collection rate as at the end of quarter 2. A small % decrease in the collection rate.
General Debtors:				
Collection Rate	75%	74%	↑	
Average No. of Days to receive payment from customers	104	127	↑	A lower figure is beneficial to the Council in relation to improved cash flow and reduced administration costs.
Credit Notes raised as a % of total customer invoices	4%	5%	↑	A lower figure helps to save time in dealing with customer queries and reduces the cost of administration. Residential & Third Party accommodation fees the Adult Services Migrated Financial Systems to new system. However, the interim invoices produced were issued for 3 days instead of 2.
Proportion of Debt > 90 days old from invoice date	52%	51%	↔	A lower figure helps to improve the council's cash flow.
Housing Rents:				
Value of Rent Debit to Date	61	61	↔	
Collection Rate	90%	93%	↓	Average Performance Metropolitan Authorities 97.24.
ACCOUNTS PAYABLE				
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.

	Original Budget 2019/20 (Main Programme) £	Additional Approvals / Adjustments £	Re-Profile to Future Years £	Revised Budget 2019/20 (Main Programme) £	Self Financing £	Total Budget 2019/20 £	2019/20 Actual Spend to Date £	2019/20 Remaining Spend £	2019/20 Total Forecast Expenditure £	(Surplus) / Deficit for the Year £	2020/21 Budget £	2020/21 Re-Profile / adjustment £	2020/21 Self Financing £	2020/21 Forecast £	2020/21 (Surplus) / Deficit £	2021/22 Budget £	2021/22 Re-Profile / adjustment £	2021/22 Self Financing £	2021/22 Forecast £	2021/22 (Surplus) / Deficit £
Regeneration & Growth																				
Main Programme																				
West Bromwich Car Parking	581,000	0	(580,000)	1,000	0	**1,000**	**15**	**985**	**1,000**	**0**	0	580,000	0	580,000	0	0	0	0	0	0
Section 106 Monies - Lyng Lane	15,000	0	(15,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	15,000	0	15,000	0	0	0	0	0	0
Reservoirs Act	31,000	0	0	31,000	0	**31,000**	**3,909**	**27,091**	**31,000**	**0**	20,000	0	0	20,000	0	20,000	0	0	20,000	0
Birchley Island - 10% Local Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	2,620,000	0	0	2,620,000	0	0	0	0	0	0
College Relocation of Car Parking Costs	14,000	0	(14,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	14,000	0	14,000	0	0	0	0	0	0
West Bromwich Town Square Development	6,000	0	(6,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	6,000	0	6,000	0	0	0	0	0	0
SOHO Foundary	21,000	0	(21,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	21,000	0	21,000	0	0	0	0	0	0
Living Landscapes - Green Bridge P1	16,000	0	(16,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	16,000	0	16,000	0	0	0	0	0	0
Living Landscapes - Green Bridge P2	15,000	0	(15,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	15,000	0	15,000	0	0	0	0	0	0
BSF Schools for the Future	105,000	0	0	105,000	0	**105,000**	**105,000**	**0**	**105,000**	**0**	0	0	0	0	0	0	0	0	0	0
Property Refurbishment (Capital Receipts)	739,000	2,888,000	(200,000)	3,427,000	0	**3,427,000**	**592,349**	**2,834,651**	**3,427,000**	**0**	1,000,000	200,000	0	1,200,000	0	1,000,000	0	0	1,000,000	0
Access Fund	508,000	0	0	508,000	0	**508,000**	**130,617**	**377,383**	**508,000**	**0**	300,000	0	0	300,000	0	300,000	0	0	300,000	0
Birchley Island - (Corporate **RCCO**)	138,000	0	0	138,000	100,000	**238,000**	**238,000**	**0**	**238,000**	**0**	0	0	0	0	0	0	0	0	0	0
Bear Junction Upgrade (Earmarked balances)	10,000	0	(10,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	10,000	0	10,000	0	0	0	0	0	0
Brindley II - (Earmarked Reserve)	21,000	0	0	21,000	0	**21,000**	**33**	**20,967**	**21,000**	**0**	0	0	0	0	0	0	0	0	0	0
Temporary Transit Site - Gypsy (Earmarked Balances 16/17 Outturn	5,000	0	(5,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	5,000	0	5,000	0	0	0	0	0	0
Smethwick Council House Boiler Replacement (Theme PMA)	4,000	0	(4,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	4,000	0	4,000	0	0	0	0	0	0
Street Lighting SOX to LED Conversion	185,000	1,015,000	0	1,200,000	0	**1,200,000**	**627,584**	**572,416**	**1,200,000**	**0**	0	0	0	0	0	0	0	0	0	0
Prudential Borrowing																				
Hill Top Demolition	3,000	(3,000)	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
1 Providence Place	2,000	(2,000)	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
Thematic Pot Allocations																				
Idox Public Access & Consultee Access Modules	7,000	0	(7,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	7,000	0	7,000	0	0	0	0	0	0
H&S Compliance with Construction	8,000	0	(8,000)	0	0	**0**	**0**	**0**	**0**	**0**	0	8,000	0	8,000	0	0	0	0	0	0
Grants / Self Financing																				
Major Schemes - Salaries Design Land in Advance	0	0	0	0	220,000	**220,000**	**55,512**	**164,488**	**220,000**	**0**	0	0	0	0	0	0	0	0	0	0
Major Route Signing	0	0	0	0	60,000	**60,000**	**0**	**60,000**	**60,000**	**0**	0	0	0	0	0	0	0	0	0	0
Local Safety Schemes	0	0	0	0	150,000	**150,000**	**13,992**	**136,008**	**150,000**	**0**	0	0	0	0	0	0	0	0	0	0
Local Area Safety Schemes	0	0	0	0	115,000	**115,000**	**70,637**	**44,363**	**115,000**	**0**	0	0	0	0	0	0	0	0	0	0
Traffic Initiated Schemes (Traffic Calming)	0	0	0	0	100,000	**100,000**	**1,513**	**98,487**	**100,000**	**0**	0	0	0	0	0	0	0	0	0	0
Measures to encourage Cycling	0	0	0	0	125,000	**125,000**	**122,055**	**2,945**	**125,000**	**0**	0	0	0	0	0	0	0	0	0	0
Measures to encourage Walking	0	0	0	0	125,000	**125,000**	**13,975**	**111,025**	**125,000**	**0**	0	0	0	0	0	0	0	0	0	0
Child Safety - Safe Routes to School	0	0	0	0	125,000	**125,000**	**27,182**	**97,818**	**125,000**	**0**	0	0	0	0	0	0	0	0	0	0
Traffic & Demand Management Measures	0	0	0	0	100,000	**100,000**	**33,615**	**66,385**	**100,000**	**0**	0	0	0	0	0	0	0	0	0	0
Major Scheme Contributions	0	0	0	0	357,000	**357,000**	**213,506**	**143,494**	**357,000**	**0**	0	0	0	0	0	0	0	0	0	0
Estimated & Provisional	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	1,694,000	1,694,000	0	0	0	1,694,000	1,694,000	0
Structural Maintenance Roads	0	0	0	0	2,474,000	**2,474,000**	**324,405**	**2,149,595**	**2,474,000**	**0**	0	0	2,211,000	2,211,000	0	0	0	2,211,000	2,211,000	0
Structural Maintenance Bridges	0	0	0	0	516,000	**516,000**	**111,292**	**404,708**	**516,000**	**0**	0	0	967,000	967,000	0	0	0	967,000	967,000	0
Street Lighting - Maintenance Block	0	0	0	0	130,000	**130,000**	**25,110**	**104,890**	**130,000**	**0**	0	0	222,000	222,000	0	0	0	222,000	222,000	0
Incentive Fund	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
Pothole Fund	0	0	0	0	159,000	**159,000**	**146**	**158,854**	**159,000**	**0**	0	0	0	0	0	0	0	0	0	0
Additional Highway Maintenance Funding	0	0	0	0	2,000	**2,000**	**0**	**2,000**	**2,000**	**0**	0	0	0	0	0	0	0	0	0	0
Flood & Coastal Erosion Risk Management Grant - Thimblemill Broo	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
Woods Lane Re-Development	0	0	0	0	120,000	**120,000**	**105,193**	**14,807**	**120,000**	**0**	0	0	0	0	0	0	0	0	0	0
Children's Trust Accomodation Works (DFE Funded)	0	0	0	0	249,000	**249,000**	**0**	**249,000**	**249,000**	**0**	0	0	0	0	0	0	0	0	0	0
BSF Schools for the Future	0	0	0	0	74,000	**74,000**	**74,000**	**0**	**74,000**	**0**	0	0	0	0	0	0	0	0	0	0
Mobile Working	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	41,000	41,000	0	0	0	0	0	0
Section 106																				
Roway Lane Development	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	48,000	48,000	0	0	0	0	0	0
A41 Expressway / A4031 All Saints Way Junction - Tesco 106	0	0	0	0	782,000	**782,000**	**210,570**	**571,430**	**782,000**	**0**	0	0	0	0	0	0	0	0	0	0
Construction of homes and sports facilities - Churchfields school	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	17,000	17,000	0	0	0	0	0	0
Affordable Housing	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	1,234,000	1,234,000	0	0	0	0	0	0
Spon Lane, West Bromwich - Highways Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	447,000	447,000	0	0	0	0	0	0
TESCO - Planning / Env. Health Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	50,000	50,000	0	0	0	0	0	0
Sandwell Rd - Public Realm / Highways Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	175,000	175,000	0	0	0	0	0	0
Ashes Road Oldbury Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	336,000	336,000	0	0	0	0	0	0
Upper Church Lane Tipton Contribution	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	32,000	32,000	0	0	0	0	0	0

Regional Housing Board Allocations																				
General - Carrington Road Shops Demolition	0	0	0	0	112,000	**112,000**	**79,951**	**32,049**	**112,000**	**0**	0	0	1,000,000	1,000,000	0	0	0	0	0	0
School / Carrington Road	0	0	0	0	35,000	**35,000**	**0**	**35,000**	**35,000**	**0**	0	0	0	0	0	0	0	0	0	0
Queslade Bungalows Demolition	0	0	0	0	6,000	**6,000**	**0**	**6,000**	**6,000**	**0**	0	0	0	0	0	0	0	0	0	0
New Build / Supported Housing	0	0	0	0	15,000	**15,000**	**1,580**	**13,420**	**15,000**	**0**	0	0	0	0	0	0	0	0	0	0
Total Regeneration & Growth	**2,434,000**	**3,898,000**	**(901,000)**	**5,431,000**	**6,251,000**	**11,682,000**	**3,181,741**	**8,500,259**	**11,682,000**	**0**	**3,940,000**	**901,000**	**8,474,000**	**13,315,000**	**0**	**1,320,000**	**0**	**5,094,000**	**6,414,000**	**0**

	Original Budget 2019/20 (Main Programme) £	Additional Approvals / Adjustments £	Re-Profile to Future Years £	Revised Budget 2019/20 (Main Programme) £	Self Financing £	Total Budget 2019/20 £	2019/20 Actual Spend to Date £	2019/20 Remaining Spend £	2019/20 Total Forecast Expenditure £	(Surplus) / Deficit for the Year £	2020/21 Budget £	2020/21 Re-Profile / adjustment £	2020/21 Self Financing £	2020/21 Forecast £	2020/21 (Surplus) / Deficit £	2021/22 Budget £	2021/22 Re-Profile / adjustment £	2021/22 Self Financing £	2021/22 Forecast £	2021/22 (Surplus) / Deficit £
Housing & Communities																				
Main Programme																				
Environmental Improvements To Neighbourhoods (Grot Spots)	105,000	0	0	105,000	0	**105,000**	**19,433**	**85,567**	**105,000**	**0**	0	0	0	0	0	0	0	0	0	0
Charlemont Community Centre Wigmore	37,000	0	0	37,000	0	**37,000**	**0**	**37,000**	**37,000**	**0**	0	0	0	0	0	0	0	0	0	0
Public Access Computers - Libraries	196,000	0	0	196,000	0	**196,000**	**27,075**	**168,925**	**196,000**	**0**	0	0	0	0	0	0	0	0	0	0
Libraries Management System	4,000	0	0	4,000	0	**4,000**	**0**	**4,000**	**4,000**	**0**	0	0	0	0	0	0	0	0	0	0
Manor House - Phase 2	12,000	0	0	12,000	0	**12,000**	**0**	**12,000**	**12,000**	**0**	0	0	0	0	0	0	0	0	0	0
Lightwoods House & Park (16/17 outturn report)	40,000	0	0	40,000	0	**40,000**	**28,585**	**11,415**	**40,000**	**0**	0	0	0	0	0	0	0	0	0	0
Sandwell Aquatic's Centre - Main Programme	300,000	0		300,000	0	**300,000**	**0**	**300,000**	**300,000**	**0**	300,000	0	0	300,000	0	300,000	0	0	300,000	0
Self Service Customer Portal (Corporate £600k / HRA £440k)	382,000	0	0	382,000	0	**382,000**	**11,736**	**370,264**	**382,000**	**0**	0	0	0	0	0	0	0	0	0	0
West Smethwick Park (HLF Match Funding) - centrally earmarked b	491,000	0	0	491,000	0	**491,000**	**127,981**	**363,019**	**491,000**	**0**	0	0	0	0	0	0	0	0	0	0
Oak House Museum Roof Repairs (Earmarked Balances 16/17 outtu	10,000	0	0	10,000	0	**10,000**	**0**	**10,000**	**10,000**	**0**	0	0	0	0	0	0	0	0	0	0
Prudential Borrowing																				
The Public - conversion to college	341,000	0	0	341,000	0	**341,000**	**0**	**341,000**	**341,000**	**0**	0	0	0	0	0	0	0	0	0	0
Lightwoods Park	85,000	0	0	85,000	0	**85,000**	**0**	**85,000**	**85,000**	**0**	0	0	0	0	0	0	0	0	0	0
Aquatic Centre - Commonwealth Games 2022	2,912,000	0	0	2,912,000	0	**2,912,000**	**2,454,053**	**457,947**	**2,912,000**	**0**	0	0	0	0	0	0	0	0	0	0
Acquisition of Vehicles - Prudential	1,500,000	0		1,500,000	0	**1,500,000**	**302,566**	**1,197,434**	**1,500,000**	**0**	1,500,000	0	0	1,500,000	0	1,500,000	0	0	1,500,000	0
Thematic Pot Allocations																				
Forge Mill Farm	2,000	0	0	2,000	0	**2,000**	**0**	**2,000**	**2,000**	**0**	0	0	0	0	0	0	0	0	0	0
Lightwoods House Roof Works	35,000	0	0	35,000	0	**35,000**	**0**	**35,000**	**35,000**	**0**	0	0	0	0	0	0	0	0	0	0
Grants / Self Financing																				
Libraries Management System	0	0	0	0	4,000	**4,000**	**0**	**4,000**	**4,000**	**0**	0	0	0	0	0	0	0	0	0	0
Manor House Conservation Plan	0	0	0	0	248,000	**248,000**	**1,271**	**246,729**	**248,000**	**0**	0	0	0	0	0	0	0	0	0	0
Dartmouth Park - HLF	0	0	0	0	1,000	**1,000**	**0**	**1,000**	**1,000**	**0**	0	0	0	0	0	0	0	0	0	0
West Smethwick Park HLF	0	0	0	0	80,000	**80,000**	**0**	**80,000**	**80,000**	**0**	0	0	0	0	0	0	0	0	0	0
Oakhouse Barns Restoration Project	0	0	0	0	10,000	**10,000**	**0**	**10,000**	**10,000**	**0**	0	0	0	0	0	0	0	0	0	0
Sandwell Valley High Ropes (Insurance Receipt £169k)	0	0	0	0	6,000	**6,000**	**0**	**6,000**	**6,000**	**0**	0	0	0	0	0	0	0	0	0	0
Youth Centre, Queens Way, Oldbury	0	0	0	0	5,000	**5,000**	**0**	**5,000**	**5,000**	**0**	0	0	0	0	0	0	0	0	0	0
Sandwell Aquatics Centre DCMS	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
Section 106																				
Section 106 Accounts - Cultural	0	0	0	0	215,000	**215,000**	**98,182**	**116,818**	**215,000**	**0**	0	0	265,000	265,000	0	0	0	0	0	0
Total Housing & Communities	**6,452,000**	**0**	**0**	**6,452,000**	**569,000**	**7,021,000**	**3,070,882**	**3,950,118**	**7,021,000**	**0**	**1,800,000**	**0**	**265,000**	**2,065,000**	**0**	**1,800,000**	**0**	**0**	**1,800,000**	**0**

	Original Budget 2019/20 (Main Programme) £	Additional Approvals / Adjustments £	Re-Profile to Future Years £	Revised Budget 2019/20 (Main Programme) £	Self Financing £	Total Budget 2019/20 £	2019/20 Actual Spend to Date £	2019/20 Remaining Spend £	2019/20 Total Forecast Expenditure £	(Surplus) / Deficit for the Year £	2020/21 Budget £	2020/21 Re-Profile / adjustment £	2020/21 Self Financing £	2020/21 Forecast £	2020/21 (Surplus) / Deficit £	2021/22 Budget £	2021/22 Re-Profile / adjustment £	2021/22 Self Financing £	2021/22 Forecast £	2021/22 (Surplus) / Deficit £
Childrens Services																				
Supported Borrowing																				
BSF ICT Element	80,000	0	0	80,000	0	**80,000**	**0**	**80,000**	**80,000**	**0**	0	0	0	0	0	0	0	0	0	0
Thematic Allocations																				
Edgmond Cottage Extension	1,000	0	0	1,000	0	**1,000**	**0**	**1,000**	**1,000**	**0**	0	0	0	0	0	0	0	0	0	0
Grants / Self Financing																				
Playpathfinder	0	0	0	0	6,000	**6,000**	**0**	**6,000**	**6,000**	**0**	0	0	0	0	0	0	0	0	0	0
Plas Gwynant (Insurance Receipt)	0	0	0	0	18,000	**18,000**	**14,529**	**3,471**	**18,000**	**0**	0	0	0	0	0	0	0	0	0	0
Schools Capital Programme Schemes																				
New School Kelvin Way - West Bromwich Collegiate Academy	0	0	0	0	5,330,000	**5,330,000**	**5,248,477**	**81,523**	**5,330,000**	**0**	0	0	135,000	135,000	0	0	0	0	0	0
West Bromwich Collegiate Academy - Phase 2	0	0	0	0	628,000	**628,000**	**0**	**628,000**	**628,000**	**0**	0	0	0	0	0	0	0	0	0	0
Q3 Langley Phase 2	0	0	0	0	4,085,000	**4,085,000**	**3,618,279**	**466,721**	**4,085,000**	**0**	0	0	100,000	100,000	0	0	0	0	0	0
Q3 Langley Phase 3	0	0	0	0	600,000	**600,000**	**0**	**600,000**	**600,000**	**0**	0	0	0	0	0	0	0	0	0	0
Shireland Collegiate Academy	0	0	0	0	2,708,000	**2,708,000**	**2,207,192**	**500,808**	**2,708,000**	**0**	0	0	100,000	100,000	0	0	0	0	0	0
George Salter Academy	0	0	0	0	3,003,000	**3,003,000**	**2,129,977**	**873,024**	**3,003,000**	**0**	0	0	100,000	100,000	0	0	0	0	0	0
St Matthews CE	0	0	0	0	4,181,000	**4,181,000**	**1,863,508**	**2,317,492**	**4,181,000**	**0**	0	0	0	0	0	0	0	0	0	0

School Condition - LifeCycle property maintenance	0	0	0	0	2,929,000	**2,929,000**	**1,567,390**	**1,361,610**	**2,929,000**	**0**	0	0	0	0	0	0	0	0	0	0
Priory Primary Expansion	0	0	0	0	100,000	**100,000**	**34,416**	**65,584**	**100,000**	**0**	0	0	0	0	0	0	0	0	0	0
Annie Lennard Infant	0	0	0	0	8,000	**8,000**	**0**	**8,000**	**8,000**	**0**	0	0	0	0	0	0	0	0	0	0
Ormiston Sandwell Community Academy - retention	0	0	0	0	26,000	**26,000**	**207**	**25,793**	**26,000**	**0**	0	0	0	0	0	0	0	0	0	0
New Oldbury Primary - Lightwoods	0	0	0	0	146,000	**146,000**	**92,376**	**53,624**	**146,000**	**0**	0	0	0	0	0	0	0	0	0	0
Hargate Primary	0	0	0	0	100,000	**100,000**	**464**	**99,536**	**100,000**	**0**	0	0	0	0	0	0	0	0	0	0
RSA Academy	0	0	0	0	270,000	**270,000**	**208,025**	**61,975**	**270,000**	**0**	0	0	0	0	0	0	0	0	0	0
Victoria Park Academy	0	0	0	0	51,000	**51,000**	**34,953**	**16,047**	**51,000**	**0**	0	0	0	0	0	0	0	0	0	0
Reddall Hill Primary	0	0	0	0	17,000	**17,000**	**0**	**17,000**	**17,000**	**0**	0	0	0	0	0	0	0	0	0	0
All Saints CE Primary	0	0	0	0	49,000	**49,000**	**5**	**48,995**	**49,000**	**0**	0	0	0	0	0	0	0	0	0	0
Great Bridge Primary	0	0	0	0	12,000	**12,000**	**151**	**11,849**	**12,000**	**0**	0	0	0	0	0	0	0	0	0	0
Feasibility Work Expansion of Secondary	0	0	0	0	269,000	**269,000**	**7,225**	**261,775**	**269,000**	**0**	0	0	0	0	0	0	0	0	0	0
Bristnall Hall Academy	0	0	0	0	405,000	**405,000**	**221**	**404,779**	**405,000**	**0**	0	0	0	0	0	0	0	0	0	0
St Michaels	0	0	0	0	53,000	**53,000**	**54**	**52,946**	**53,000**	**0**	0	0	0	0	0	0	0	0	0	0
Programme Contingency 19/20 5%	0	0	0	0	317,000	**317,000**	**0**	**317,000**	**317,000**	**0**	0	0	0	0	0	0	0	0	0	0
Old Park/Wood Green Junior	0	0	0	0	18,000	**18,000**	**17,657**	**343**	**18,000**	**0**	0	0	0	0	0	0	0	0	0	0
Rood End Bulge Class	0	0	0	0	46,000	**46,000**	**23,568**	**22,432**	**46,000**	**0**	0	0	0	0	0	0	0	0	0	0
St Gregorys	0	0	0	0	4,000	**4,000**	**3,165**	**835**	**4,000**	**0**	0	0	0	0	0	0	0	0	0	0
Moorlands	0	0	0	0	12,000	**12,000**	**695**	**11,305**	**12,000**	**0**	0	0	0	0	0	0	0	0	0	0
Joseph Turner	0	0	0	0	7,000	**7,000**	**6,223**	**777**	**7,000**	**0**	0	0	0	0	0	0	0	0	0	0
Temporary Expansions	0	0	0	0	2,000	**2,000**	**1,038**	**962**	**2,000**	**0**	0	0	0	0	0	0	0	0	0	0
Perryfields - Purchase Mobile Classrooms - Portakabin	0	0	0	0	800,000	**800,000**	**0**	**800,000**	**800,000**	**0**	0	0	0	0	0	0	0	0	0	0
School Kitchen Repairs	0	0	0	0	1,000	**1,000**	**196**	**804**	**1,000**	**0**	0	0	0	0	0	0	0	0	0	0
Devolved Formula Capital	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
Devolved Formula Capital - PRU's	0	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0	0	0
BSF Oldbury	0	0	0	0	171,000	**171,000**	**0**	**171,000**	**171,000**	**0**	0	0	0	0	0	0	0	0	0	0
Two Years Old Entitlement - Early Years Capital	0	0	0	0	2,000	**2,000**	**0**	**2,000**	**2,000**	**0**	0	0	0	0	0	0	0	0	0	0
Orchard Building Work/ Primrose Caretaker House	0	0	0	0	57,000	**57,000**	**54**	**56,946**	**57,000**	**0**	0	0	0	0	0	0	0	0	0	0
EVOLVE Funding	0	0	0	0	420,000	**420,000**	**397,079**	**22,921**	**420,000**	**0**	0	0	0	0	0	0	0	0	0	0
Healthy Pupils Capital Fund	0	0	0	0	63,000	**63,000**	**34,974**	**28,026**	**63,000**	**0**	0	0	0	0	0	0	0	0	0	0
Total Childrens Services	**81,000**	**0**	**0**	**81,000**	**26,914,000**	**26,995,000**	**17,512,099**	**9,482,901**	**26,995,000**	**0**	**0**	**0**	**435,000**	**435,000**	**0**	**0**	**0**	**0**	**0**	**0**

Section 106 & Community Infrastructure Levy (CIL) Monitoring - Period 6 2019/20 APPENDIX 7

Section 106

Section 106 Scheme	Service Area	Description of Project	Balance Available @ 01/04/19 £	Forecast Expenditure for 2019/20 £	Balance Remaining @ 31/03/20 £
Roway Lane Development	Regeneration & Growth	Contribution to improvement works at the Fountain Lane / Bromford Road junction	48,000	0	48,000
A41 Expressway / A4031 All Saints Way Junction	Regeneration & Growth	Contribution from TESCO towards the overall cost of the A41 Expressway / A4031 All Saints Way Junction scheme.	782,000	782,000	0
Former Churchfields School, All Saints Way, West Bromwich	Regeneration & Growth	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	Regeneration & Growth	Affordable Housing	603,000	0	603,000
High St / Dartmouth St West Bromwich (was Laing but now Taylor Wimpy)	Regeneration & Growth	Affordable Housing	12,000	0	12,000
Land at Seymour Road, Oldbury	Regeneration & Growth	Affordable Housing	91,000	0	91,000
Land at Summerton Road, Oldbury	Regeneration & Growth	Affordable Housing	28,000	0	28,000
Rattlechain Oldbury DC/14/57737	Regeneration & Growth	Affordable Housing	210,000	0	210,000
Land off Mill Street Tipton - DC/15/58921	Regeneration & Growth	Affordable Housing	290,000	0	290,000
Land off spon Lane West Bromwich DC/08/49057	Regeneration & Growth	Highways Contribution	447,000	0	447,000
TESCO - West Bromwich	Regeneration & Growth	Planning / Environmental Health contribution	50,000	0	50,000
Sandwell Road West Bromwich DC/09/51649	Regeneration & Growth	Public Realm / Highways contribution	175,000	0	175,000
Ashes Road Oldbury DC/14/57470	Regeneration & Growth	Ashes Road Oldbury Contribution	336,000	0	336,000
Upper Church lane Tipton DC/09/50926	Regeneration & Growth	Planning Contribution	32,000	0	32,000
Brades Green Open Space DC/05/43995	Housing & Communities	Planting scheme to improve welcoming aspect - Oldbury	4,800	4,800	0
Barnford Park DC/07/48918	Housing & Communities	Treeworks - Oldbury	2,600	2,600	0
Mary MacArthur Gardens	Housing & Communities	Fencing, Steps & Re-Painting of Infrastructure - Rowley	27,300	27,300	0
Jubilee Park DC/04/43090 & DC/06/47114	Housing & Communities	Treeworks - Tipton	6,100	6,100	0
Farley Park DC/08/50253	Housing & Communities	Play Provision improvements - Tipton	3,500	3,500	0
Open Space - Great Bridge Ward DC/13/55558	Housing & Communities	Play Provision improvements - Tipton	15,700	15,700	0
Open Space - Great Bridge Ward DC/11/53027	Housing & Communities	Play Provision improvements - Tipton	29,700	29,700	0
Doorstep Green, Marsh Lane Public Open Space DC/04/43353	Housing & Communities	Scheme being developed with SCIPS including Mill Pool - West Bromwich	54,900	54,900	0
Charlemont Playing Fields - DC/14/56717	Housing & Communities	Improvements to Car Parking Facilities & Skate Board Park - West Bromwich	32,900	32,900	0
Redhouse Park - DC/05/45586	Housing & Communities	Scheme being developed including Entrance & Car Parking - West Bromwich	17,200	17,200	0
Yes Tree Estate - DC/13/56577	Housing & Communities	Play Provision improvements - West Bromwich	20,300	20,300	0
Total Section 106			**3,336,000**	**997,000**	**2,339,000**

Community Infrastructure Levy (CIL)

CIL Scheme	Service Area	Description of Project	Balance Available @ 01/04/19 £	Forecast Expenditure for 2019/20 £	Balance Remaining @ 31/03/20 £
Balance in CIL fund to date - not allocated to individual projects	Regeneration & Growth		1,601,400	0	1,601,400
Total Community Infrastructure Levy (CIL)			**1,601,400**	**0**	**1,601,400**

Housing Revenue Account

APPENDIX 8

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ HRA Balances/ RCCO (£000)	C/fwds Previously Approved (£000)	Projected Outturn Variance (£000)
Asset Management & Maintenance	34,854	0	**34,854**	33,435	**(1,419)**	0	0	**(1,419)**
Business Excellence	3,227	0	**3,227**	3,571	**344**	(500)	0	**(156)**
Commercial Services	4,187	0	**4,187**	4,153	**(34)**	0	0	**(34)**
Corporate HRA	19,905	0	**19,905**	19,799	**(106)**	0	0	**(106)**
Housing Management	10,850	0	**10,850**	10,459	**(391)**	0	0	**(391)**
PFI	(245)	0	**(245)**	(1,248)	**(1,003)**	750	0	**(253)**
Rents & Other Charges	(111,340)	0	**(111,340)**	(111,423)	**(83)**	0	0	**(83)**
SLA's	6,913	0	**6,913**	6,913	**0**	0	0	**0**
TOTAL	**(31,649)**	**0**	**(31,649)**	**(34,341)**	**(2,692)**	**250**	**0**	**(2,442)**

Individual Schools Budget

APPENDIX 9

Service Area	Annual Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000	Projected Variance (£000)	Use of Reserves/ Corporate Resources/ RCCO (£000)	C/fwds Previously Approved (£000)	Projected Outturn Variance (£000)
ISB High Needs	41,430	0	**41,430**	41,532	**102**	0	0	**102**
Early Years	23,933	0	**23,933**	23,788	**(145)**	0	0	**(145)**
Central Services Services Block	2,008	0	**2,008**	2,008	**0**	0	0	**0**
Schools	153,718	0	**153,718**	153,718	**0**	0	0	**0**
Dedicated Schools Grant	(220,686)	0	**(220,686)**	(220,686)	**0**	0	0	**0**
Other income	(403)	0	**(403)**	(403)	**0**	0	0	**0**
TOTAL	**0**	**0**	**0**	**(43)**	**(43)**	**0**	**0**	**(43)**

Appendix 10

Treasury Management Strategy Statement and Prudential Indicators Mid-Year Monitoring Report 2019/20

1 Background

1.1 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short-term loans or using longer term cash flow surpluses and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

> *"The management of local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks."*

2. Introduction

This report has been written in accordance with the requirements of the CiPFA Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the way the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid-year Review Report

and an Annual Report (stewardship report) covering activities during the previous year.

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specified named body. For this Council the delegated body is the Corporate Scrutiny Management Board.

This mid-year report has been prepared in compliance with CiPFA's Code of Practice on Treasury Management and covers the following:

- An economic update for the first part of 2019/20 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2019/20;
- A review of the Council's borrowing strategy for 2019/20;
- A review of any debt rescheduling undertaken during 2019/20;
- A review of compliance with Treasury and Prudential Limits for 2019/20.

3. Economics and Interest Rates

3.1 UK Summary Economic Update

The first half of 2019/20 has seen UK economic growth fall as Brexit uncertainty took a toll. The Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019 and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit. As for inflation, CPI has been hovering around the Bank of England's target of 2% during 2019 but fell to 1.7% in August. It is likely to remain close to 2% over the next two years however, if there was a no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound. With regards to the Labour market, employment has continued to rise at a slow rate in quarter 2 however, unemployment continued a 44 year low of 3.8% on the Independent Labour Organisation measure in July with a participation rate of 76.1%, achieving an all-time high. Unemployment however, has continued to fall this during quarter 2 and employers will still have difficulty filling job vacancies, despite vacancies falling for a seventh consecutive month therefore, unsurprisingly wage inflation picked up to a high point of 3.9% in June before easing back slightly to 3.8% in July. This meant in real terms wage rates were higher than CPI inflation, as earning grew by about 2.1%. GDP statistics also include a ratio from 4.1% to 6.4% which provides reassurance that consumers' balance sheets are not overstretched and so will be able to support growth going forward. This would mean that the MPC will need to consider carefully at what point to act to raise Bank Rate if there is an agreed Brexit deal, as a recent pick-up in wage costs is consistent with a rise in core services inflation to more than 4% in 2020.

A full economic update has been provided by the Council's Treasury Management advisors (Link Asset Services) and is detailed in section 8 of this report.

3.2 Interest Rate Movements and Expectations

The table below shows interest rate forecasts provided by Link Asset Services, as the Council's advisor for treasury management, incorporating the Public Works Loans Board (PWLB) certainty rates:

Link Asset Services Interest Rate View	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

The above forecasts have assumed, that there is some sort of muddle through to an agreed deal on Brexit at some point in time. Given the current level of uncertainties, this is a huge assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. That's shown in the policy statement, based on an assumption that there is an agreed deal on Brexit, where the suggestion that rates would need to rise at a "gradual pace and to a limited extent" is now also conditional on "some recovery in global growth." Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth. The September MPC meeting sounded even more concern about world growth and the effect that prolonged Brexit uncertainty is likely to have on growth.

The balance of risks to the UK

- The overall balance of risks to the economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.

One risk that is both an upside and downside risk is that all central banks are now working in very different economic conditions than before the 2008 financial crash. There has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rate that have prevailed for eleven years since 2008. This means that the neutral rate of interest in an economy i.e. the rate that is neither expansionary nor deflationary, is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore, over or under-do increases in central interest rates (See section 8 for more information with regards to UK Gilt and PWLB rates).

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2019/20 was approved by this Council on 20 February 2019.

The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below:

	2019/20	
	Original Estimate £'m	**Revised Prudential Indicator £'m**
Authorised Limit	782.761	782.051
Operational Boundary	636.240	628.702
Capital Financing Requirement	782.761	782.051

5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity

5.1. Prudential Indicator for Capital Expenditure

This table shows the projected outturn for capital expenditure based on projections at period 6, along with the expected financing arrangements against the original indicators set at the time the capital programme was agreed in March 2019.

	2019/20	
	Original Estimate £'m	**Projected Outturn £'m**
Capital Expenditure		
General Fund	64.858	56.612
HRA	70.706	81.303
Total	**135.564**	**137.915**
Resourced by:		
Capital Receipts	12.202	12.316
Capital Grants & Contributions	41.463	43.013
Revenue	22.149	16.383
Capital Expenditure Financed from Borrowing	**59.750**	**66.203**

There has been an overall increase in the level of expenditure to be financed by borrowing. This is mainly due to an increase on the housing capital expenditure added to the capital programme and a reduction in expected revenue contributions, in line with the Council's vision for 2030.

The borrowing need increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt known as the Minimum Revenue Provision (MRP). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

5.2. Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed as the Operational Boundary.

	2019/20					
	Original Estimate			**Projected Outturn**		
	HRA	**General Fund**	**Total**	**HRA**	**General Fund**	**Total**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Opening Capital Financing Requirement	**421.501**	**319.611**	**741.112**	**423.325**	**318.588**	**741.913**
add: Capital Expenditure funded from Borrowing	44.327	15.423	59.750	59.326	6.877	66.203
less: MRP	-1.974	-10.351	-12.325	-10.000	-10.289	-20.289
add: Movement on Other Long Term Liabilities	-1.768	-4.008	-5.776	-1.768	-4.008	-5.776
Closing Capital Financing Requirement	**462.086**	**320.675**	**782.761**	**470.883**	**311.168**	**782.051**
External Debt / Operational Boundary						
Borrowing			558.556			551.018
Other Long Term Liabilities*			77.684			77.684
Total Debt at 31 March (Operational Boundary)			**636.240**			**628.702**

* - Represents the estimated finance lease creditors liability as at 31 March 2020 in relation to 'on balance sheet' PFI schemes and the assets included within the Serco waste contract which have been included on the balance sheet in accordance with International Financial Reporting Standards.

5.3. Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2019/20	
	Original Estimate £'m	**Projected Outturn £'m**
Gross Borrowing	558.556	551.018
add: Other Long Term Liabilities*	77.684	77.684
less: Investments	-25.000	-25.000
Net Borrowing	**611.240**	**603.702**
CFR (Year end position)	**782.761**	**782.051**

* Includes on balance sheet PFI schemes and finance leases etc.

The Section 151 Officer can report that there are no difficulties envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while note desired, could be afforded in the short term but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	2019/20	
	Original Estimate £'m	Projected Outturn £'m
Borrowing	705.077	704.367
add: Other Long Term Liabilities*	77.684	77.684
Total Authorised Limit	**782.761**	**782.051**

* Includes on balance sheet PFI schemes and finance leases etc.

6. Borrowing / Debt Activity during 2019/20

This table shows the Council's actual external debt and anticipated need against the underlying capital borrowing need (the CFR), highlighting any under or over borrowing.

	2019/20	
	Original Estimate £'m	Projected Outturn £'m
External Debt as at 1 April	558.556	551.018
Expected need to 31 March	0.000	0.000
Other Long Term Liabilities*	77.684	77.684
Estimated Debt as at 31 March	**636.240**	**628.702**
Capital Financing Requirement	**782.761**	**782.051**
(-)Under / (+)Borrowed	-146.521	-153.349
Investment as at 31 March	-25.000	-25.000
Net Debt Position as at 31 March	**611.240**	**603.702**

* - Includes on balance sheet PFI schemes and finance leases etc.

No new long-term loans have been taken out during the first six months of 2019/20. Officers will continue to consider the Council's borrowing requirement during the remainder of the year to ensure it has adequate resources to maintain its capital programme.

The Council is currently under borrowed to address investment counterparty risk and the cost of carry on investments (investment yield up to 0.75%, long term borrowing rates are approximately 2.95%). There is interest rate risk, as longer term borrowing rates may rise; this position is being carefully monitored.

The revised budget position for debt charges is shown in the table below:

	2019/20	
	Original Estimate £'m	Projected Outturn £'m
Debt Charges	50.298	46.511

The reduction in debt charges is due to a reduction in MRP costs within the HRA.

6.1. Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate given the consequence structure of interest rates and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010 and with the recent increase in October 2019. No debt rescheduling has, therefore, been undertaken to date in the current financial year.

7. Investment Strategy 2019/20 – 2023/24

Key Objectives

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by forecasts in section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis and its impact on banks, prompts a low risk and short-term strategy. Given this risk environment and the fact that increase in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

Current Investment Position

The Council held £75.304m of investments at 30 September 2019 with the structure of the portfolio being detailed below and in line with IFRS9. This table also highlights the 'historic risk of default' on these investments. As at 30 September 2019 the Council is reporting a risk of default percentage of 0.003%:

	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
	MMF CCLA	10,000,000	0.73%		MMF	AAA	0.000%
	MMF Federated Investors (UK)	10,000,000	0.74%		MMF	AAA	0.000%
	MMF Aviva	9,200,000	0.72%		MMF	AAA	0.000%
	MMF Aberdeen Standard Investments	10,000,000	0.74%		MMF	AAA	0.000%
	The Royal Bank of Scotland Plc (RFB)	854,402	0.20%		Call	A	0.000%
	Australia and New Zealand Banking Group Ltd	10,000,000	0.82%	16/07/2019	25/10/2019	AA-	0.002%
	DBS Bank Ltd	10,000,000	0.82%	31/07/2019	26/11/2019	AA-	0.004%
	DBS Bank Ltd	5,000,000	0.80%	27/09/2019	19/12/2019	AA-	0.005%
	Lloyds Bank Plc (RFB)	10,000,000	1.10%		Call95	A+	0.014%
*	6 Towns Credit Union	250,000	1.49%	13/11/2017	14/11/2022	Not Rated	
	Total Investments	**£75,304,402**	**0.81%**				0.003%

The revised budget position for investment income is shown in the table below:

	2019/20	
	Original Estimate £'m	**Projected Outturn £'m**
Interest Receivable	2.640	3.226

Risk Benchmarking
A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to Member reporting, although the application of these is more subjective in nature.

The current position against the originally approved benchmarks is reported below;

% Benchmarks	7 Day	1 Month	3 Month	6 Month	12 Month
Benchmark Return (LIBID Uncompounded)	0.57%	0.59%	0.63%	0.70%	0.76%

Liquidity
In respect of this area, the Council set liquidity facilities / benchmarks to maintain:

- Bank overdraft - £2m
- Liquid short-term deposits of at least £21m available within a week's notice.

The Section 151 Officer can report that liquidity arrangements have been adequate during the year to date.

Yield
Local measures of yield benchmarks are:

- Investments – Internal returns to be above the 7-day LIBID rate

The Executive Director of Resources can report that the return to date has averaged 0.78%, against an average 7-day LIBID at 30 September 2019 of 0.57%.

8. Other

8.1 Full Economic Update

UK. This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October, with or without a deal. However, in September, his proroguing of Parliament was overturned by the Supreme Court and Parliament carried a bill to delay Brexit until 31 January 2020 if there is no deal by 31 October. MP's also voted down holding a general election before 31 October, though one is likely before the end of 2019. So far, there has been no majority of MP's for any one option to move forward on enabling Brexit to be implemented. At the time of writing the whole Brexit situation is highly fluid and could change radically by the day. Given these circumstances and the likelihood of an imminent general election, any interest rate forecasts are subject to material change as the situation evolves. If the UK does soon achieve a deal on Brexit agreed with the EU, then it is possible that growth could recover relatively quickly. The MPC would then need to address the issue of whether to raise Bank Rate at some point in the coming year when there is little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could weaken even further than currently and the MPC would be likely to cut Bank Rate to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by e.g. tax cuts, increases in the annual expenditure budgets of government departments and services and expenditure on infrastructure projects, to boost the economy.

The first half of 2019/20 has seen UK economic growth fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. The MPC meeting of 19 September reemphasised their concern about the downturn in world growth and expressed concern that the prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy, especially in the context of a downturn in world growth. This mirrored investor concerns around the world which are now expecting a significant downturn or possibly even a recession in some major developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit. However, it is also worth noting that the new Prime Minister is making some significant promises on various spending commitments and a relaxation in the austerity programme. This will provide some support to the economy and conversely, take some pressure off the MPC to cut Bank Rate to support growth.

As for inflation itself, CPI has been hovering around the Bank of England's target of 2% during 2019 but fell to 1.7% in August. It is likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. However, if there was a no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the labour market, despite the contraction in quarterly GDP growth of -0.2%q/q, (+1.3% y/y), in quarter 2, employment continued to rise, but at only a muted rate of 31,000 in the three months to July after having risen by no less than 115,000 in quarter 2 itself: the latter figure, in particular, suggests that firms are preparing to expand output and suggests there could be a return to positive growth in quarter 3. Unemployment continued at a 44 year low of 3.8% on the Independent Labour Organisation measure in July and the participation rate of 76.1% achieved a new all-time high. Job vacancies fell for a seventh consecutive month after having previously hit record levels. However, with unemployment continuing to fall, this month by 11,000, employers will still be having difficulty filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to a high point of 3.9% in June before easing back slightly to 3.8% in July (3-month average regular pay, excluding bonuses). This meant that in real terms (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%. As 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. The latest GDP statistics also included a revision of the savings ratio from 4.1% to 6.4% which provides reassurance that consumers' balance sheets are not over stretched and so will be able to support growth going forward. This would then mean that the MPC will need to consider carefully at what point to act to raise Bank Rate if there is an agreed Brexit deal, as the recent pick-up in wage costs is consistent with a rise in core services inflation to more than 4% in 2020.
In the political arena, if there is a general election soon, 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 although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1% (annualised rate) to 2.0% in quarter 2. Quarter 3 is expected to fall further. The strong growth in employment numbers during 2018 has reversed into a falling trend during 2019, indicating that the economy is cooling, while inflationary pressures are also weakening. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August (reducing its holdings of treasuries etc). It then cut rates again in September to 1.75% - 2.00% and is thought likely to cut another 25 bps in December. Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

EUROZONE. Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1 and then fell to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, 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%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels "at least through to the end of 2019" but that was of little help to boosting growth in the near term. Consequently, it 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. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a resumption of quantitative easing purchases of debt. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and unsurprisingly, the ECB stated that governments will need to help stimulate growth by fiscal policy. On the political front, Austria, Spain and Italy are in the throes of forming coalition governments with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

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. Progress also still needs to be made to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. The trade war with the US does not appear currently to have had a significant effect on GDP growth as some of the impact of tariffs has been offset by falls in the exchange rate and by transhipping exports through other countries, rather than directly to the US.

JAPAN. It 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.

WORLD GROWTH. The trade war between the US and China is a major concern to financial markets and is depressing worldwide growth, as any downturn in China will spill over into impacting countries supplying raw materials to China. Concern's are focused on the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns have resulted in government bond yields in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries (apart from the US) and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been sub 50 which gives a forward indication of a downturn in growth; this confirms investor sentiment that the outlook for growth during the rest of this financial year is weak.

8.2 UK Gilts and PWLB Rates

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Brexit – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- Bank of England takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Brexit – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.