

Appendix A Revenue Outturn Summary

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	RCCO	Revised Outturn	Variance (Under) / Over Spend	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Corporate Management Resources	915	0	915	990	(29)	(46)	0	915	0	
Adult Social Care	14,815	2,159	16,974	19,616	(504)	(3,154)	1,009	16,967	(7)	
Regeneration & Growth	81,281	6,738	88,019	87,468	(107)	0	0	87,361	(658)	
Housing & Communities	21,200	1,206	22,406	22,629	190	(400)	0	22,419	13	
Children's Services	17,954	428	18,382	17,876	146	(207)	0	17,815	(567)	
	97,628	30	97,658	97,680	(76)	(275)	0	97,329	(329)	
Total Net Service Expenditure (excluding Public Health)	233,793	10,561	244,354	246,259	(380)	(4,082)	1,009	242,806	(1,548)	
Public Health - Ringfenced Grant	97	0	97	(85)	(3)	(106)	0	(195)	(292)	
Total Net Expenditure (including Public Health)	233,890	10,561	244,451	246,174	(383)	(4,189)	1,009	242,611	(1,840)	
Non Service Income & Expenditure:										
Central Items	26,154	0	26,154	13,721	12,723	(263)	0	26,181	27	
Total Net Expenditure (including Public Health & Central Items)	260,044	10,561	270,605	259,895	12,340	(4,452)	1,009	268,792	(1,813)	
Individual Schools Budgets (ISB)	0	0	0	2,702	681	0	0	3,383	3,383	
Housing Revenue Account (HRA)	(31,062)	0	(31,062)	(33,581)	1,077	(918)	669	(32,753)	(1,691)	
Total Net Expenditure (including Public Health, Central Items, ISB & HRA)	228,982	10,561	239,543	229,016	14,098	(5,370)	1,678	239,422	(121)	

Appendix B Central Items Summary

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	186	0	0	(114)
Total	300	186	0	0	(114)

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	0	0
Total	400	400	0	0	0

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	26,700	25,296	1,385	0	(19)
Total	26,700	25,296	1,385	0	(19)

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 Subscriptions	104	107	0	0	3
W'ton: WMCC & WMRE	45	37	0	0	(8)
Joint Committee Servicing	0	0	0	0	0
External Audit Fee	144	227	0	0	83
New Homes Bonus Grant	(2,923)	(2,923)	0	0	0
Business Rates Compensation Grant	(14,827)	(15,336)	0	0	(509)
Savings Target	(425)	0	0	0	425
Insurance	(395)	819	(1,031)	0	183
Bank Charges	225	250	0	0	25
Airport Rent Income	(100)	(106)	0	0	(6)
Apprenticeship Levy	480	439	0	0	(41)
No Recourse to Public Funds	231	296	0	(65)	0
Past Service Pension Costs	8,600	8,012	0	0	(588)
Local Welfare Provision	0	198	0	(198)	0
Housing Benefits	1,361	1,361	0	0	0
Pensions General	4,559	4,579	0	0	20
Coroners	336	428	0	0	92
Members Allowances	1,377	1,351	0	0	(26)
Public Law Fees	366	957	0	0	591
Special Events	25	17	0	0	(8)
Templink	(429)	(505)	0	0	(76)
COVID 19 Grant	0	(12,369)	12,369	0	0
Total	(1,246)	(12,161)	11,338	(263)	160

GRAND TOTAL	26,154	13,721	12,723	(263)	27
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Appendix C Earmarked Reserves

Earmarked Reserve	Balance as at 31 March 2019 £000	Use of / (Contribution to) Reserves in 2019/20 £000	Remaining Balance 31 March 2020 £000
<u>Corporate Management</u>			
Brexit Funding	105	29	76
<u>Adult Social Care</u>			
Taxi Licensing Operational	105	0	105
Adult Social Care Reserve	1,047	0	1,047
Integrated Care Record	301	107	194
<u>Children's Services/ISB</u>			
Regeneration and Economy	186	76	110
BSF FM Sinking Fund	2,506	(195)	2,701
BSF PFI Sinking Fund	3,745	(485)	4,230
<u>Housing & Communities</u>			
Physical Activity Board	48	24	24
Sinking Fund - Portway Lifestyle Centre	516	(70)	586
Private Sector Landlord	142	0	142
Dartmouth Park HLF	318	0	318
Commonwealth Games - UoW	0	(100)	100
Serco Waste	0	(1,385)	1,385
<u>Public Health</u>			
Learning for Public Health	320	3	317
Public Health Grant Reserve	0	(4,842)	4,842
<u>Regeneration & Growth</u>			
West Midlands Regional Research	287	0	287
Sinking Fund RBC Building	432	(40)	472
Sinking Fund Central 6th Building	770	(150)	920
<u>Resources</u>			
Insurance Reserve	8,091	1,031	7,060
Grants Irregularities Reserve	1,031	0	1,031
E-Business Financial Suite	2,625	441	2,184
P.O.C.A. (Proceeds of Crime)	29	0	29
Sandwell Children's Trust	770	63	707
COVID Emergency Funding	0	(12,369)	12,369
<u>Housing Revenue Account</u>			
Welfare Reform Reserve	3,701	(1,077)	4,778
Total	27,075	(18,939)	46,014

SANDWELL METROPOLITAN BOROUGH COUNCIL

CAPITAL MONITORING 2019/2020 - PERIOD 12 MARCH

SUMMARY	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
MARCH 2019/20	£	£	£	£	£	£	£	£	£	£
Corporate Management	9,000	0	(5,477)	3,523	0	3,523	3,523.00	0	3,523	0
Resources	1,751,000	0	434,707	2,185,707	0	2,185,707	2,185,707.38	0	2,185,707	0
Adults Social Care	11,261,000	0	(10,881,527)	379,473	4,347,143	4,726,617	4,726,616.56	0	4,726,617	0
Regeneration & Growth	2,434,000	4,538,502	(2,650,497)	4,322,005	7,925,488	12,247,494	12,247,493.78	0	12,247,494	0
Housing & Communities	6,452,000	(359,272)	(3,365,717)	2,727,011	10,262,034	12,989,045	12,989,045.17	0	12,989,045	0
Childrens Services	81,000	0	(81,000)	0	39,075,855	39,075,855	39,075,854.95	0	39,075,855	0
Housing Revenue Account (HRA)	70,250,000	14,529,600	(39,092,000)	45,687,600	5,117,500	50,805,100	50,769,284.23	0	50,769,284	(35,816)
GRAND TOTAL	92,238,000	18,708,830	(55,641,510)	55,305,320	66,728,021	122,033,341	121,997,525.07	0	121,997,525	(35,816)

	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Corporate Management										
Thematic Pots										
3rd Floor Providence Place	9,000	0	(5,477)	3,523	0	3,523	3,523.00	0	3,523	0
Total Corporate Management	9,000	0	(5,477)	3,523	0	3,523	3,523.00	0	3,523	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Resources										
Main Programme										
Sandwell Business Services : Development	44,000	0	(27,668)	16,332	0	16,332	16,332.16	0	16,332	0
ICT End User Computing 2	1,640,000	0	529,375	2,169,375	0	2,169,375	2,169,375.22	0	2,169,375	0
Sandwell Valley Catering Facility	2,000	0	(2,000)	0	0	0	-	0	0	0
Prudential Borrowing										
Public Realm - Living Landscapes - Dartmouth Park	15,000	0	(15,000)	0	0	0	-	0	0	0
Thematic Pot Allocations										
Health & Safety	50,000	0	(50,000)	0	0	0	-	0	0	0
Grants / Self Financing										
Public Realm - General	0	0	0	0	0	0	-	0	0	0
Total Resources	1,751,000	0	434,707	2,185,707	0	2,185,707	2,185,707.38	0	2,185,707	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Adult Social Care										
Main Programme										
New Social Care & Health Centre - Rowley Regis	662,000	0	(317,884)	344,116	0	344,116	344,116.01	0	344,116	0
Vulnerable Home Owners Improvements - HMRA Receipts	384,000	0	(372,806)	11,194	0	11,194	11,194.03	0	11,194	0
Empty Properties	712,000	0	(703,797)	8,203	0	8,203	8,203.12	0	8,203	0
Housing Stock Condition Survey - Private Sector	29,000	0	(29,000)	0	0	0	-	0	0	0
Swift Impress System (Earmarked Revenue Balance)	287,000	0	(271,040)	15,960	0	15,960	15,960.00	0	15,960	0
New Social Care & Health Centre - Rowley Regis	6,000,000	0	(6,000,000)	0	0	0	-	0	0	0
Prudential Borrowing										
New Social Care & Health Centre - Rowley Regis	3,177,000	0	(3,177,000)	0	0	0	-	0	0	0
Thematic Pot Allocations										
Thematic - Disability Day	9,000	0	(9,000)	0	0	0	-	0	0	0
10 St Michaels Street	1,000	0	(1,000)	0	0	0	-	0	0	0
Grants / Self Financing										
AIS Implementation	0	0	0	0	0	0	-	0	0	0
Non Residential Assessments (NRCS)	0	0	0	0	0	0	-	0	0	0
Webrosta Replacement	0	0	0	0	0	0	-	0	0	0
Mobile & Agile Working	0	0	0	0	0	0	-	0	0	0
NHS Number Integration (Upload to SWIFT)	0	0	0	0	0	0	-	0	0	0
Lone Worker Alert & Monitoring	0	0	0	0	0	0	-	0	0	0
Information Point	0	0	0	0	0	0	-	0	0	0
ASC System Development	0	0	0	0	0	0	-	0	0	0

Mental Health Integration	0	0	0	0	0	0	-	0	0	0
ILC Alterations	0	0	0	0	0	0	-	0	0	0
Campus Closure	0	0	0	0	0	0	-	0	0	0
New Social Care & Health Centre - Rowley Regis	0	0	0	0	0	0	-	0	0	0
Autism Innovation Fund Capital Grant	0	0	0	0	0	0	-	0	0	0
ASC Community Capacity Grant	0	0	0	0	0	0	-	0	0	0
ASC Capital Grant 2015/16	0	0	0	0	0	0	-	0	0	0
Grants: Private Sector (Disabled Facilities Grant) Mandatory	0	0	0	0	4,313,231	4,313,231	4,313,230.61	0	4,313,231	0
Contaminated Land - Landfill Gas	0	0	0	0	4,277	4,277	4,277.00	0	4,277	0
Air Quality Monitoring	0	0	0	0	21,486	21,486	21,485.79	0	21,486	0
Warm Homes Healthy People	0	0	0	0	0	0	-	0	0	0
Vulnerable Home Owners Improvements - Kick Start	0	0	0	0	8,150	8,150	8,150.00	0	8,150	0
Total Adult Social Care	11,261,000	0	(10,881,527)	379,473	4,347,143	4,726,617	4,726,616.56	0	4,726,617	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Regeneration & Growth										
Main Programme										
West Bromwich Car Parking	581,000	0	(581,000)	0	0	0	-	0	0	0
Section 106 Monies - Lyng Lane	15,000	0	(1,504)	13,496	0	13,496	13,495.69	0	13,496	0
Reservoirs Act	31,000	0	(22,377)	8,623	0	8,623	8,622.93	0	8,623	0
Birchley Island - 10% Local Contribution	0	0	0	0	0	0	-	0	0	0
College Relocation of Car Parking Costs	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
SOHO Foundary	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
Living Landscapes - Green Bridge P2	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	105,000.00	0	105,000	0
Property Refurbishment - WPV	739,000	0	0	739,000	0	739,000	739,000.00	0	739,000	0
Access Fund	508,000	0	(40,847)	467,153	0	467,153	467,153.10	0	467,153	0
Birchley Island - (Corporate RCCO)	138,000	0	0	138,000	100,000	238,000	238,000.00	0	238,000	0
Bear Junction Upgrade (Earmarked balances)	10,000	0	(10,000)	0	0	0	-	0	0	0
Brindley II - (Earmarked Reserve)	21,000	0	(21,000)	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
Smethwick Council House Boiler Replacement (Theme PMA)	4,000	0	(4,000)	0	0	0	-	0	0	0
Street Lighting SOX to LED Conversion	185,000	1,015,000	(416,656)	783,344	0	783,344	783,344.25	0	783,344	0
Multi Storey Car Park Demolition	0	9,712	0	9,712	0	9,712	9,711.99	0	9,712	0
Shafesbury House Demolition	0	21,078	0	21,078	0	21,078	21,077.94	0	21,078	0
Crosswells Road Demolition	0	300,268	0	300,268	0	300,268	300,268.34	0	300,268	0
Smethwick Sports Hall Demolition	0	309,444	0	309,444	0	309,444	309,443.84	0	309,444	0
RCCO										
Property Refurbishment -WPV	0	2,888,000	(1,461,113)	1,426,887	0	1,426,887	1,426,887.26	0	1,426,887	0
Prudential Borrowing										
Hill Top Demolition	3,000	(3,000)	0	0	0	0	-	0	0	0
1 Providence Place	2,000	(2,000)	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
H&S Compliance with Construction	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	220,000.00	0	220,000	0
Major Route Signing	0	0	0	0	60,000	60,000	60,000.00	0	60,000	0
Local Safety Schemes	0	0	0	0	150,000	150,000	150,000.00	0	150,000	0
Local Area Safety Schemes	0	0	0	0	115,000	115,000	115,000.00	0	115,000	0
Traffic Initiated Schemes (Traffic Calming)	0	0	0	0	100,000	100,000	100,000.00	0	100,000	0
Measures to encourage Cycling	0	0	0	0	125,000	125,000	125,000.00	0	125,000	0
Measures to encourage Walking	0	0	0	0	125,000	125,000	125,000.00	0	125,000	0
Child Safety - Safe Routes to School	0	0	0	0	125,000	125,000	125,000.00	0	125,000	0
Traffic & Demand Management Measures	0	0	0	0	100,000	100,000	100,000.00	0	100,000	0
Major Scheme Contributions	0	0	0	0	357,000	357,000	357,000.00	0	357,000	0
Estimated & Provisional	0	0	0	0	0	0	-	0	0	0
Structural Maintenance Roads	0	0	0	0	2,474,000	2,474,000	2,474,000.00	0	2,474,000	0
Structural Maintenance Bridges	0	0	0	0	516,000	516,000	516,000.00	0	516,000	0
Street Lighting - Maintenance Block	0	0	0	0	130,000	130,000	130,000.00	0	130,000	0
Incentive Fund	0	0	0	0	0	0	-	0	0	0
Pothole Fund	0	0	0	0	158,300	158,300	158,300.00	0	158,300	0
Additional Highway Maintenance Funding	0	0	0	0	1,422,000	1,422,000	1,422,000.00	0	1,422,000	0
Flood & Coastal Erosion Risk Management Grant - Thimblemill Broo	0	0	0	0	0	0	-	0	0	0
Woods Lane Re-Development	0	0	0	0	110,699	110,699	110,699.00	0	110,699	0
Children's Trust Accommodation Works (DFE Funded)	0	0	0	0	0	0	-	0	0	0
BSF Schools for the Future	0	0	0	0	0	0	-	0	0	0
Mobile Working	0	0	0	0	0	0	-	0	0	0

Section 106										
Roway Lane Development	0	0	0	0	0	0	-	0	0	0
A41 Expressway / A4031 All Saints Way Junction - Tesco 106	0	0	0	0	865,702	865,702	865,702.21	0	865,702	0
Carters Green Public Realm	0	0	0	0	671,787	671,787	671,787.23	0	671,787	0
Construction of homes and sports facilities - Churchfields school	0	0	0	0	0	0	-	0	0	0
Affordable Housing	0	0	0	0	0	0	-	0	0	0
Spon Lane, West Bromwich - Highways Contribution	0	0	0	0	0	0	-	0	0	0
TESCO - Planning / Env. Health Contribution	0	0	0	0	0	0	-	0	0	0
Sandwell Rd - Public Realm / Highways Contribution	0	0	0	0	0	0	-	0	0	0
Ashes Road Oldbury Contribution	0	0	0	0	0	0	-	0	0	0
Upper Church Lane Tipton Contribution	0	0	0	0	0	0	-	0	0	0
Regional Housing Board Allocations										
General - Carrington Road Shops Demolition	0	0	0	0	0	0	-	0	0	0
School / Carrington Road	0	0	0	0	0	0	-	0	0	0
Queslade Bungalows Demolition	0	0	0	0	0	0	-	0	0	0
New Build / Supported Housing	0	0	0	0	0	0	-	0	0	0
Total Regeneration & Growth	2,434,000	4,538,502	(2,650,497)	4,322,005	7,925,488	12,247,494	12,247,493.78	0	12,247,494	0

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							Actual Spend to Date	Remaining Spend £	Total Forecast Expenditure £	
	£	£	£	£	£	£	£	£	£	£
Housing & Communities										
Main Programme										
Environmental Improvements To Neighbourhoods (Grot Spots)	105,000	0	(91,901)	13,099	0	13,099	13,098.86	0	13,099	0
Charlemont Community Centre Wigmore	37,000	0	(37,000)	0	0	0	-	0	0	0
Public Access Computers - Libraries	196,000	0	(129,944)	66,056	0	66,056	66,056.39	0	66,056	0
Libraries Management System	4,000	0	(4,000)	0	0	0	-	0	0	0
Blackheath Library - Fit Out Costs	0	293,000	(267,899)	25,101	0	25,101	25,101.17	0	25,101	0
Manor House - Phase 2	12,000	0	(12,000)	0	0	0	-	0	0	0
Lightwoods House & Park (16/17 outturn report)	40,000	0	0	40,000	0	40,000	40,000.00	0	40,000	0
Sandwell Aquatic's Centre - Main Programme	300,000	0	(59,930)	240,070	0	240,070	240,069.76	0	240,070	0
Self Service Customer Portal (Corporate £600k / HRA £440k)	382,000	0	(298,606)	83,394	0	83,394	83,394.25	0	83,394	0
West Smethwick Park (HLF Match Funding) - centrally earmarked by	491,000	0	(271,769)	219,231	0	219,231	219,231.39	0	219,231	0
Aquatic Centre - Commonwealth Games 2022 (RTB Receipts)	0	0	0	0	0	0	-	0	0	0
Oak House Museum Roof Repairs (Earmarked Balances 16/17 outturn)	10,000	0	(10,000)	0	0	0	-	0	0	0
Prudential Borrowing										
The Public - conversion to college	341,000	0	(341,000)	0	0	0	-	0	0	0
Lightwoods Park	85,000	0	(43,764)	41,236	0	41,236	41,236.28	0	41,236	0
Aquatic Centre - Commonwealth Games 2022	2,912,000	0	(1,760,905)	1,151,095	0	1,151,095	1,151,094.96	0	1,151,095	0
Acquisition of Vehicles - Prudential	1,500,000	(652,272)	0	847,728	0	847,728	847,727.72	0	847,728	0
Thematic Pot Allocations										
Forge Mill Farm	2,000	0	(2,000)	0	0	0	-	0	0	0
Lightwoods House Roof Works	35,000	0	(35,000)	0	0	0	-	0	0	0
Grants / Self Financing										
Haden Hill Leisure Centre - Roofing	0	0	0	0	60,000	60,000	60,000.00	0	60,000	0
Libraries Management System	0	0	0	0	4,000	4,000	4,000.00	0	4,000	0
Manor House Conservation Plan	0	0	0	0	7,081	7,081	7,080.86	0	7,081	0
Dartmouth Park - HLF	0	0	0	0	0	0	-	0	0	0
West Smethwick Park HLF	0	0	0	0	0	0	-	0	0	0
Oakhouse Barns Restoration Project	0	0	0	0	0	0	-	0	0	0
Sandwell Valley High Ropes (Insurance Receipt £169k)	0	0	0	0	5,137	5,137	5,137.40	0	5,137	0
Youth Centre, Queens Way, Oldbury	0	0	0	0	0	0	-	0	0	0
Sandwell Aquatics Centre (DCMS)	0	0	0	0	2,992,972	2,992,972	2,992,972.39	0	2,992,972	0
Sandwell Aquatics Centre (LEP Funding)	0	0	0	0	5,000,000	5,000,000	5,000,000.00	0	5,000,000	0
Sandwell Aquatics Centre (Sport England)	0	0	0	0	1,940,000	1,940,000	1,940,000.00	0	1,940,000	0
Sandwell Aquatics Centre (Sandwell Leisure Trust)	0	0	0	0	0	0	-	0	0	0
Section 106										
Section 106 Accounts - Cultural	0	0	0	0	252,844	252,844	252,843.74	0	252,844	0
Total Housing & Communities	6,452,000	(359,272)	(3,365,717)	2,727,011	10,262,034	12,989,045	12,989,045.17	0	12,989,045	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend £	Total Forecast Expenditure £	
	£	£	£	£	£	£	£	£	£	£
Childrens Services										
Supported Borrowing										
BSF ICT Element	80,000	0	(80,000)	0	0	0	-	0	0	0
Thematic Allocations										
Edmond Cottage Extension	1,000	0	(1,000)	0	0	0	-	0	0	0
FCC Refurbishment of cottages	0	0	0	0	0	0	-	-	-	0
Grants / Self Financing										
Playpathfinder	0	0	0	0	0	0	-	0	0	0
Plas Gwynant (OFGEM Energy)	0	0	0	0	18,022	18,022	18,021.87	0	18,022	0

Schools Capital Programme Schemes (Basic Need Grant/Maintenance)										
New School Kelvin Way - West Bromwich Collegiate Academy	0	0	0	0	5,620,165	5,620,165	5,620,164.70	0	5,620,165	0
West Bromwich Collegiate Academy - Phase 2	0	0	0	0	120,000	120,000	120,000.00	0	120,000	0
Q3 Langley Phase 2	0	0	0	0	3,953,361	3,953,361	3,953,361.46	0	3,953,361	0
Q3 Langley Phase 3	0	0	0	0	131,000	131,000	131,000.00	0	131,000	0
Shireland Collegiate Academy	0	0	0	0	2,019,352	2,019,352	2,019,352.23	0	2,019,352	0
George Salter Academy	0	0	0	0	3,007,375	3,007,375	3,007,375.10	0	3,007,375	0
St Matthews CE	0	0	0	0	3,690,604	3,690,604	3,690,603.66	0	3,690,604	0
School Condition - LifeCycle property maintenance	0	0	0	0	5,789,768	5,789,768	5,789,767.97	0	5,789,768	0
Priory Primary Expansion	0	0	0	0	40,530	40,530	40,530.38	0	40,530	0
Annie Lennard Infant	0	0	0	0	7,707	7,707	7,707.21	0	7,707	0
Ormiston Sandwell Community Academy - retention	0	0	0	0	225	225	224.55	0	225	0
New Oldbury Primary - Lightwoods	0	0	0	0	94,080	94,080	94,079.78	0	94,080	0
Hargate Primary	0	0	0	0	7,440	7,440	7,439.60	0	7,440	0
RSA Academy	0	0	0	0	373,000	373,000	372,999.53	0	373,000	0
Victoria Park Academy	0	0	0	0	30,357	30,357	30,357.12	0	30,357	0
All Saints CE Primary	0	0	0	0	24	24	23.57	0	24	0
Great Bridge Primary	0	0	0	0	332	332	331.84	0	332	0
Shireland Hall Primary - PCP	0	0	0	0	0	0	-	0	0	0
Feasibility Work Expansion of Secondary	0	0	0	0	43,606	43,606	43,606.28	0	43,606	0
Tipton Green Junior School - Flood	0	0	0	0	15,636	15,636	15,636.20	0	15,636	0
Bristnall Hall Academy	0	0	0	0	206,911	206,911	206,911.16	0	206,911	0
St Michaels	0	0	0	0	30,655	30,655	30,655.09	0	30,655	0
Old Park/Wood Green Junior	0	0	0	0	19,984	19,984	19,983.75	0	19,984	0
Rood End Bulge Class	0	0	0	0	58,139	58,139	58,139.45	0	58,139	0
St Gregorys	0	0	0	0	3,183	3,183	3,182.57	0	3,183	0
Moorlands	0	0	0	0	11,394	11,394	11,394.33	0	11,394	0
Joseph Turner	0	0	0	0	12,444	12,444	12,443.69	0	12,444	0
Temporary Expansions	0	0	0	0	1,038	1,038	1,037.80	0	1,038	0
Perryfields - Purchase Mobile Classrooms - Portakabin	0	0	0	0	738,750	738,750	738,750.00	0	738,750	0
School Kitchen Repairs	0	0	0	0	196	196	196.17	0	196	0
Hollies Refurbishment	0	0	0	0	50,000	50,000	50,000.00	0	50,000	0
Ingestre Hall - Boiler Replacement	0	0	0	0	6,685	6,685	6,685.17	0	6,685	0
SRES Development Plan	0	0	0	0	6,052	6,052	6,051.81	0	6,052	0
Shireland High Tech Primary	0	0	0	0	5,790	5,790	5,789.92	0	5,790	0
Crocketts Community Primary	0	0	0	0	3,938	3,938	3,938.27	0	3,938	0
Shenstone Lodge School	0	0	0	0	3,456	3,456	3,456.29	0	3,456	0
Sacred Heart Primary	0	0	0	0	3,331	3,331	3,330.93	0	3,331	0
Yew Tree Primary	0	0	0	0	2,509	2,509	2,508.87	0	2,509	0
Christ Church CE Primary	0	0	0	0	2,506	2,506	2,505.91	0	2,506	0
School Demolition Thorne Road	0	0	0	0	977	977	977.19	0	977	0
Schools Capital Feasibility Works	0	0	0	0	503	503	502.95	0	503	0
Additional Secondary Places 2020	0	0	0	0	175	175	175.45	0	175	0
Blackheath Primary	0	0	0	0	101	101	101.44	0	101	0
Primary Bulge Class - Rowley	0	0	0	0	90	90	90.12	0	90	0
Holy Trinity CE Primary	0	0	0	0	20	20	19.91	0	20	0
Causeway Green Primary Flooding	0	0	0	0	16	16	16.25	0	16	0
Other Self-Financing schemes										
Devolved Formula Capital	0	0	0	0	1,231,896	1,231,896	1,231,896.25	0	1,231,896	0
Devolved Formula Capital - School Contribution	0	0	0	0	927,703	927,703	927,702.60	0	927,703	0
Devolved Formula Capital - PRU's	0	0	0	0	41,562	41,562	41,562.01	0	41,562	0
BSF Oldbury	0	0	0	0	0	0	-	0	0	0
Two Years Old Entitlement - Early Years Capital	0	0	0	0	0	0	-	0	0	0
Orchard Building Work/ Primrose Caretaker House	0	0	0	0	39,573	39,573	39,572.54	0	39,573	0
EVOLVE Funding	0	0	0	0	816,919	816,919	816,918.92	0	816,919	0
Healthy Pupils Capital Fund	0	0	0	0	39,024	39,024	39,024.44	0	39,024	0
PSBP - Abbey Infants School (DfE Funded)	0	0	0	0	3,797,751	3,797,751	3,797,750.65	0	3,797,751	0
PSBP - Yew Tree Primary School (DfE Funded)	0	0	0	0	6,050,000	6,050,000	6,050,000.00	0	6,050,000	0
Total Childrens Services	81,000	0	(81,000)	0	39,075,855	39,075,855	39,075,854.95	0	39,075,855	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			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Housing Revenue Account (HRA)										
Prudential Borrowing - New Build (inc. HCA Grant)	0	0	0	0	0	0	-	0	0	0
Moor Lane Extra Care	6,110,000	0	(5,193,000)	917,000	2,936,250	3,853,250	3,853,000.21	0	3,853,000	(250)
Carrisbrooke Close	1,001,000	0	(172,000)	829,000	456,250	1,285,250	1,284,862.29	0	1,284,862	(388)
West Road	7,981,000	0	(3,576,000)	4,405,000	12,000	4,417,000	4,416,799.80	0	4,416,800	(200)
Strathmore Road	7,661,000	0	(2,705,000)	4,956,000	1,713,000	6,669,000	6,668,707.14	0	6,668,707	(293)
Reservoir Road	0	354,000	0	354,000	0	354,000	354,600.17	0	354,600	600
Bull Street / Albion Road	0	14,000	0	14,000	0	14,000	13,900.50	0	13,901	(100)
Prudential Borrowing - New Build (1-4-1 Receipts)	3,543,000	(3,543,000)	0	0	0	0	-	0	0	0
Metis Developments	0	112,000	0	112,000	0	112,000	112,053.47	0	112,053	53
1-4-1 Replacement Professional Fees	0	0	0	0	0	0	0	0	0	0

Kier Housing - Kent Close, Tibbington	25,000	0	(25,000)	0	0	0	-	0	0	0
Oxford Road Extra Care - New Build	1,138,000	(356,000)	(514,000)	268,000	0	268,000	267,770.18	0	267,770	(230)
Brindley 2	121,000	(117,000)	0	4,000	0	4,000	4,787.28	0	4,787	787
Churchvale	521,000	3,329,000	(3,716,000)	134,000	0	134,000	133,961.36	0	133,961	(39)
Friardale Close Bungalows	0	1,540,000	(1,442,000)	98,000	0	98,000	97,505.31	0	97,505	(495)
Brittania	0	1,330,000	(1,203,000)	127,000	0	127,000	126,766.04	0	126,766	(234)
RTB Buy Backs	0	1,332,000	0	1,332,000	0	1,332,000	1,332,338.94	0	1,332,339	339
1-4-1 Property Purchases	0	3,328,000	0	3,328,000	0	3,328,000	3,328,723.97	0	3,328,724	724
Prudential Borrowing - High Rise										
High Rise	5,321,000	0	(5,321,000)	0	0	0	-	0	0	0
The Crofts	83,000	0	(83,000)	0	0	0	-	0	0	0
Charlemont Farm	14,000	0	(14,000)	0	0	0	-	0	0	0
Kynaston House	132,000	0	(132,000)	0	0	0	-	0	0	0
Lion Farm	394,000	192,000	(37,000)	549,000	0	549,000	548,341.28	0	548,341	(659)
Beaconview	46,000	0	(46,000)	0	0	0	-	0	0	0
Nelson House	308,000	0	(304,000)	4,000	0	4,000	3,488.46	0	3,488	(512)
Darley House	16,000	50,000	0	66,000	0	66,000	66,743.00	0	66,743	743
Alfred Gunn House	6,068,000	0	(5,760,000)	308,000	0	308,000	308,118.31	0	308,118	118
Emergency Cladding Works	0	191,000	0	191,000	0	191,000	191,616.55	0	191,617	617
Mountford House (Lifts)	65,000	0	(51,000)	14,000	0	14,000	13,929.54	0	13,930	(70)
High Rise General	1,882,000	(433,000)	(1,312,000)	137,000	0	137,000	137,171.61	0	137,172	172
Prudential Borrowing - Other										
Internal Refurbishment	852,000	(852,000)	0	0	0	0	-	0	0	0
Boiler Replacement	743,000	3,004,000	(1,605,000)	2,142,000	0	2,142,000	2,141,161.30	0	2,141,161	(839)
Sandfield House	52,000	100,000	(10,000)	142,000	0	142,000	141,705.21	0	141,705	(295)
ECO Projects	250,000	1,000,000	(1,250,000)	0	0	0	-	0	0	0
Adaptations for Disabled	0	3,926,000	(385,000)	3,541,000	0	3,541,000	3,541,028.78	0	3,541,029	29
Estate Improvements	0	362,000	(100,000)	262,000	0	262,000	261,799.34	0	261,799	(201)
Property Conversions	0	307,000	0	307,000	0	307,000	307,335.97	0	307,336	336
Replacement of CO2 and Smoke Detectors	0	255,000	0	255,000	0	255,000	254,612.64	0	254,613	(387)
RTB Receipts - Allowable Debt										
Boiler Replacement	1,500,000	(1,500,000)	0	0	0	0	-	0	0	0
RTB Receipts - 1-4-1 Replacement										
Brindley 2	0	0	0	0	0	0	-	0	0	0
1-4-1 Replacement Professional Fees	0	48,000	0	48,000	0	48,000	48,022.91	0	48,023	23
Oxford Road Extra Care - New Build	50,000	356,000	(291,000)	115,000	0	115,000	114,758.65	0	114,759	(241)
Churchvale	224,000	1,426,000	(1,593,000)	57,000	0	57,000	57,412.01	0	57,412	412
Friardale Close Bungalows	0	660,000	(618,000)	42,000	0	42,000	41,787.99	0	41,788	(212)
Brittania	0	570,000	(516,000)	54,000	0	54,000	54,328.30	0	54,328	328
RTB Buy Backs	0	571,000	0	571,000	0	571,000	571,002.41	0	571,002	2
Alfred Gunn House	0	41,000	0	41,000	0	41,000	40,832.10	0	40,832	(168)
1-4-1 Property Purchases	0	1,426,600	0	1,426,600	0	1,426,600	1,426,595.99	0	1,426,596	(4)
RCCO : MRA/Ringfenced Approvals										
Internal Refurbishment	12,184,000	951,000	0	13,135,000	0	13,135,000	13,135,341.39	0	13,135,341	341
Single to Double Glazing & Composite Doors	0	499,000	0	499,000	0	499,000	499,071.47	0	499,071	71
Boiler Replacement	2,000,000	(4,000)	0	1,996,000	0	1,996,000	1,995,871.42	0	1,995,871	(129)
RCCO - Other										
Adaptions for Disabled	3,926,000	(3,926,000)	0	0	0	0	-	0	0	0
Boiler Replacement	1,500,000	(1,500,000)	0	0	0	0	-	0	0	0
ECO Projects	1,000,000	(1,000,000)	0	0	0	0	-	0	0	0
Estate Improvements	400,000	(400,000)	0	0	0	0	-	0	0	0
Property Conversions	122,000	(122,000)	0	0	0	0	-	0	0	0
Replacement of CO2 & Smoke Detectors	267,000	(267,000)	0	0	0	0	-	0	0	0
Applewood Grove Conversion	0	1,076,000	0	1,076,000	0	1,076,000	1,076,612.99	0	1,076,613	613
Greenwood Avenue Conversion	0	250,000	(233,000)	17,000	0	17,000	17,262.61	0	17,263	263
Greenford House (additional flats)	0	100,000	(97,000)	3,000	0	3,000	2,656.90	0	2,657	(343)
Kenrick House (additional flats)	0	40,000	(38,000)	2,000	0	2,000	2,184.30	0	2,184	184
Ex Neighbourhood Offices New Build - Hilton Road	0	0	0	0	0	0	(8,584.68)	0	(8,585)	(8,585)
Ex Neighbourhood Offices New Build - Monmouth Drive	0	0	0	0	0	0	(28,170.81)	0	(28,171)	(28,171)
Riverside PFI	0	669,000	0	669,000	0	669,000	669,068.72	0	669,069	69
Workplace Vision	0	573,000	0	573,000	0	573,000	573,400.91	0	573,401	401
ICT Strategy Costs	0	567,000	0	567,000	0	567,000	567,000.00	0	567,000	0
CCTV Expansions	750,000	0	(750,000)	0	0	0	-	0	0	0
Total Housing Revenue Account (HRA)	70,250,000	14,529,600	(39,092,000)	45,687,600	5,117,500	50,805,100	50,769,284.23	0	50,769,284	(35,816)

Key Financial Outturn Performance Indicators at Quarter 4 2019/20

Appendix E

Key Performance Indicator		2019/20	Change from 2018/19	2018/19	Commentary
1	Revenue Collection Performance				
1.1	Council Tax Collection Rate	98%	↓	99%	Estimated - A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. Awaiting Out-turn of QRC 4
1.2	Business Rates Collection Rate	98%	↔	98%	Estimated - A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. Awaiting Out-turn of QRC 4
1.3	General Debtors				
	1.3.2 Collection Rate	86%	↑	85%	
	1.3.3 Average No. of Days to receive payment	73	↓	72	A lower figure is beneficial to the Council in relation to improved cash flow and reduced administration costs.
	1.3.4 Credit Notes Raised as a % of Total Customers	5%	↑	4%	A lower figure helps to save time in dealing with customer queries and reduces the cost of administration.
	1.3.5 Proportion of Debt > 90 days old from income	53%	↑	54%	A lower figure helps to improve the council's cash flow.
1.4	Housing Rents				
	1.4.1 Value of Rent Debit to Date (£m)	118	↔	118	The annual rent debit remained the same as the previous year.
	1.4.2 Collection Rate	95%	↓	96%	The cumulative impact of Welfare Reform, specifically the roll out of Universal Credit continues to hamper collection rates. This is further compounded by the current restrictions placed on social housing landlords on taking enforcement action to recover rent arrears. Although the Coronavirus Act 2020 did not come into force until 26 March 2020, Sandwell was one of the first Local Authorities adopting the stance of no enforcement action, on 13 March 2020.
2	Accounts Payable				
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.

Corporate Management Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Corporate Management is breakeven position, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	1,535	0	1,535	2,158	(285)	1,873	338
Gross Income	(620)	0	(620)	(1,168)	210	(958)	(338)
Net Expenditure	915	0	915	990	(75)	915	0
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							0

Further details of the outturn position can be found in Appendices F1 & F2.

2. Available Resources

The total budget available to the directorate was £0.915m. 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	954
Target Adjustments -	
Capital Charges Adjustment	(39)
Revised Target Budget Resources	915

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

- £0.341m was received from MHCLG as there had been a surplus balance on the Central Government Business Rate Levy, which was redistributed to Local Authorities.

3. Virements within the Directorate

There have been no virements over £0.250m between sub divisions of the directorate 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 directorate was an over spend of £0.810m, the variance between this and the actual outturn is an under spend of £0.810m. The table below explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
Unanticipated income received from MHCLG due to surplus on Central Government Business Rates Levy Account	(341)
Reduction in write off of prior year balances held on SMBC Balance Sheet	(438)
Call on Earmarked Balances	(31)
Total	(810)

The 2020/21 budgets were approved by Cabinet on 19 February 2020 no adjustments are needed to reflect the 2019/20 outturn.

5. Central Items

The directorate has no responsibility for the management of Central Items therefore, there is no Appendix F2 for this service.

6. Earmarked Reserves

The directorate has set aside sums totalling £0.105m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has used £0.029m of earmarked reserves during the current year leaving the following balance remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Brexit Funding	105	29	76
Total	105	29	76

7. Severance Payments

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

8. Use of Corporate Resources

Expenditure of £0.046m incurred by Corporate Management will be met from corporate resources. This is to cover the cost of termination costs for former SMBC staff transferred to SIPS (£0.015m) and the overspend resulting from prior year write offs (£0.031m).

Capital

9. Overview

Corporate Management is responsible for the delivery of one capital scheme which is detailed in Appendix F5. The projected 2019/20 outturn for this scheme was £0.009m as reported within the Period 9 monitoring to Cabinet on 26 February 2020. The actual outturn is £0.004m resulting in a surplus variance of £0.005m. This £0.005m will be carried forward into 2020/21 to be spent on office improvement works.

Virements

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

Section 106 Monies

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

Contact

Clare Sandland
Service Manager - Finance
0121 569 8464

Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	190	0	190	244	0	(15)	229	39
Premises	0	0	0	0	0	0	0	0
Transport	10	0	10	4	0	0	4	(6)
Supplies & Services	1,287	0	1,287	1,704	(81)	(31)	1,592	305
Third Party Payments	0	0	0	158	(158)	0	0	0
Transfer Payments	0	0	0	0	0	0	0	0
Capital Charges	48	0	48	48	0	0	48	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	1,535	0	1,535	2,158	(239)	(46)	1,873	338
Specific Grants	0	0	0	(551)	210	0	(341)	(341)
Other Grants & Contributions	0	0	0	0	0	0	0	0
Fees & Charges	0	0	0	0	0	0	0	0
Recharges in Target	(620)	0	(620)	(617)	0	0	(617)	3
Other Income	0	0	0	0	0	0	0	0
Gross Income	(620)	0	(620)	(1,168)	210	0	(958)	(338)
Total Net Expenditure	915	0	915	990	(29)	(46)	915	0

Corporate Management		Appendix F2 Directorate Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	Employees	190	0	190	244		(15)	229	39
This service area covers the salary and costs associated with the role of Chief Executive	Premises	0	0	0	0			0	0
	Transport	10	0	10	4			4	(6)
	Supplies & Services	65	0	65	124	(81)		43	(22)
	Third Party Payments	0	0	0	158	(158)		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	265	0	265	530	(239)	(15)	276	11
	Specific Grants	0	0	0	(210)	210		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	(210)	210	0	0	0	
Net Expenditure	265	0	265	320	(29)	(15)	276	11	
Combined Authority	Employees	0	0	0	0			0	0
This service is responsible for the costs associated with the West Midlands Combined Authority.	Premises	0	0	0	0			0	0
	Transport	0	0	0	0			0	0
	Supplies & Services	1,222	0	1,222	1,210			1,210	(12)
	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	1,222	0	1,222	1,210	0	0	1,210	(12)
	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	0	0	
Net Expenditure	1,222	0	1,222	1,210	0	0	1,210	(12)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management	Employees	0	0	0	0			0	0
This service is responsible for the functions of the Council that do not specifically align to any individual directorate.	Premises	0	0	0	0			0	0
	Transport	0	0	0	0			0	0
	Supplies & Services	0	0	0	370		(31)	339	339
	Third Party Payments	0	0	0	0			0	0
	Transfer Payments	0	0	0	0			0	0
	Capital Charges	48	0	48	48			48	0
	Capital Financing	0	0	0	0			0	0
	Total Gross Expenditure	48	0	48	418	0	(31)	387	339
	Specific Grants	0	0	0	(341)			(341)	(341)
	Other Grants & Contributions	0	0	0	0			0	0
	Fees & Charges	0	0	0	0			0	0
	Recharge Income	(620)	0	(620)	(617)			(617)	3
	Other Income	0	0	0	0			0	0
	Total Gross Income	(620)	0	(620)	(958)	0	0	(958)	(338)
	Net Expenditure	(572)	0	(572)	(540)	0	(31)	(571)	1

Corporate Management	Appendix F3 - Sub Analysis		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Sandwell Contribution to Combined Authority	611	611	0
Sandwell Contribution to Business Rates	599	611	(12)
Growth of the Combined Authority			
Operational Services	18	18	0
Catering	8	8	0
Conference Expense	14	37	(23)
Subscriptions	3	2	1
Grant Payments	81	0	81
Other Supplies & Services	370	0	370
Total Supplies & Services	1,704	1,287	417
Specific Grants			
Levy Account Surplus Grant	(341)	0	(341)
Brexit Funding	(210)	0	(210)
Total Specific Grants	(551)	0	(551)

Corporate Management				Appendix F5 - Capital				
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20 £'000	(Surplus) / Deficit for the Year £'000	Variance Analysis		
	Main Programme £'000	Self Financing £'000	Total £'000			New Approvals / Adjustments £'000	Re-Profiling £'000	Over / (Under) Spending £'000
	Thematic Capital Pot							
3rd Floor Providence Place	9	0	9	4	(5)	0	(5)	0
Total Corporate Management	9	0	9	4	(5)	0	(5)	0

Resources Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Resources before the Revenue Contribution to Capital Outlay (RCCO) is an under spend of £1.016m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	37,382	2,159	39,541	44,096	(3,658)	40,438	897
Gross Income	(22,567)	0	(22,567)	(24,480)	0	(24,480)	(1,913)
Net Expenditure	14,815	2,159	16,974	19,616	(3,658)	15,958	(1,016)
Revenue Contribution to Capital (RCCO)							1,009
Adjusted Net Variance After RCCO							(7)

Further details of the outturn position can be found in Appendices G1 & G2.

The following table outlines the main reasons for the variance of £1.016m:

Reasons for (Under) / Over Spend	£'000
Directorate - Unachievable income target and additional spend for LGA HR Consultant off set by additional HRA contribution.	54
Service Improvement & Communications - Severance provision for 2020/21 and additional capital sums offset by savings against part time staff in full time posts, maternity leave and an additional HRA contribution.	470
Finance - Cost of review of SLaP audit, review of PFI accounting, severance provision for 2020/21 and reduction in PRU income offset by a delay in appointments, lower insurance recharge and additional contributions from HRA and apprenticeship levy.	(81)
Revenue & Benefits & ICT - Savings from vacant posts being held by services as they plan for future restructure due to UC introduction and future savings, the delay to the TMP programme (agreed at Cabinet to transfer to RCCO), contract savings in ICT and unutilised carry forward from 2018/19 offset by pressures in additional support required from Northgate due to vacancies not being filled, increase in provision for HB Debt held in IWorld and a reduction in Managed Print recharges.	(1,382)
Law & Governance - Additional income from burials & cremations, unplanned European & General Elections and external legal recharges used to offset pressures to the legal traded income shortfall, use of external counsel fees, use of agency staff until permanent staff were recruited into the new Legal structure and essential maintenance / repair work within Cemeteries & Crematoria.	544
Human Resources - Over achievement of fees & charges including Payroll Services, Occupational Health & SEBS (Sandwell Employee Benefits Service), Learning & Development training put on hold including the council wide Management Training programme and vacancies relating to the Transactional Team restructure (payroll) offset by costs for severance payments and additional capital sums.	(621)
Total	(1,016)

It is requested that the Resources directorate make a £1.009m Revenue Contribution to Capital Outlay for the implementation of Sandwell's Technology Modernisation Programme (TMP).

The remaining net under spend of £0.007m is requested to be carried forward to financial year 2020/21.

2. Available Resources

The total budget available to the directorate was £16.974m. 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	17,623
Target Adjustments -	
Capital Charges Adjustment	211
Transfer of Budget to Resources Central Items	(860)
Revised Target Budget Resources	16,974

There have been five additional specific grants received by the directorate since the previously reported monitoring;

- DWP new burdens income for pensions strategy computer system upgrading £0.001m;
- DWP new burdens income for verifying earnings and pensions £0.002m;
- DWP UC Severe Disability Premium £0.008m;
- DWP new burdens income for Brownfield register and PIP LA/SMBC £0.002m;
- COVID Emergency Funding (Tranche 1) from MHCLG of £12.495m, the balance of which has been moved into an earmarked reserve.

3. Virements within the Directorate

There has been one virement of over £0.250m between sub divisions within the directorate since the previously reported monitoring:

Q4 budget virements	Debit £'000	Credit £'000
Housing Benefits - Central Item	860	
Revenues & Benefits & ICT Supplies and Services		860
Total	860	860

4. Variation to projected outturn at Quarter 3

In the Quarter 3 monitoring reported to Cabinet, the projected outturn for the directorate was an overspend of £0.685m, the variance between this and the

actual outturn is an under spend of £1.701m. The following table explains the reasons for this variance:

Reasons for variation from projected outturn @ Q3	£000
Directorate - Additional contribution from HRA	(36)
Service Improvement & Communications - Severance provision and additional capital costs partially offset by additional income for advertising	466
Finance - Additional spend on SLaP, Audit & VAT support	23
Revenue & Benefits & ICT - Additional income received from Housing Benefit recovered costs for outstanding Council Tax, NNDR and Housing Benefits, additional contract savings within ICT, unutilised c/fwd for Agilisys TMP (RCCO) and the delay in the purchase of kiosks offsets an increase in Provision for HB Debt held in lworld	(859)
Law & Governance - Additional counsel fees and the digitalisation of records offset by additional IER grant money, less work carried out in cemeteries and Q3 projected over spend to be funded (approved by cabinet)	(1,007)
Human Resources - Severance provision offset by a reduction in the training & development plan, an over achievement of income within Sandwell Employee Benefits Scheme and additional contribution from HRA	(288)
Total	(1,701)

The 2020/21 budgets were approved by Cabinet on 19 February 2020, these now need to be adjusted to reflect the 2019/20 outturn. The 2020/21 budget for Resources therefore needs to be increased by £0.007m.

5. Central Items

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

The actual outturn for these items is an over spend of £0.160m.

The main reasons for this variance are as follows:

Reasons for (Under) / Over spend - Central Items	£'000
Savings target not achieved	429
New auditor fees are higher and additional audits have been carried out (SLaP and Housing Benefit)	83
Actual grant higher than provisional budget after 2018/19 accounts submitted	(509)
Increase in insurance reserve	183
Unused Apprenticeship Levy	(41)
Pension costs estimated / calculated 3 yrs ago and discount applied. Has been recalculated for next 3 yrs.	(588)
More autopsies/investigations completed	92
Court costs / tests in relation to Looked After Children	591
Over achieved income from agency staff	(76)
Other minor variations	(4)
Total	160

6. Earmarked Reserves

The directorate has set aside sums totalling £12.546m in previous years as earmarked reserves for use on specific activities in current and future years. In 2019/20 it is requested that a new earmarked reserve is created following the receipt of the COVID Emergency Funding from MHCLG. The amount received for this in 2019/20 is £12.495m with a sum of £0.126m being called upon before the end of the financial year. The directorate has used £1.535m of other earmarked reserves during the year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Insurance Reserve	8,091	1,031	7,060
Grants Irregularities Reserve	1,031	0	1,031
E-Business Financial Suite	2,625	441	2,184
P.O.C.A (Proceeds of Crime)	29	0	29
Sandwell Children's Trust	770	63	707
COVID Emergency Funding	0	(12,369)	12,369
Total	12,546	(10,834)	23,380

7. Severance Payments

In 2018/19 a provision of £1.092m was created for severance payment costs, of which £0.953m has been utilised during 2019/20.

Severance payment costs of £1.229m, not included in the provision, have been incurred with further net costs of £1.067m expected. £0.885m of these costs will be met from corporate resources, with the remaining £1.404m being funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2019/20 £'000	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20 £'000
		Utilised £'000	Unutilised £'000	Outstanding Severance Payments £'000	Future Severance Payments £'000	
Costs provided for in 2018/19	953	953	139	132		(7)
Costs not provided for in 2018/19	1,229			170	897	2,296
Total	2,182	953	139	302	897	2,289
Funded by:						
Directorate						1,404
Corporate Resources						885

8. Use of Corporate Resources

Expenditure of £3.154m incurred by Resources will be met from corporate resources. This is to cover the cost of:

- the second year of the Microsoft Enterprise Agreement (£0.818m);
- Fraud Investigations (£0.024m);
- Redundancy costs relating to the Legal Services restructure (£0.885m);
- Additional costs of a second monitoring officer (£0.112m);
- The Quarter 3 overspend projected by the Directorate as approved by Cabinet (£0.685m);
- The Digital Transformation team (£0.270m) and;
- The Graduate Leader Scheme (£0.360m).

Further expenditure of £0.263m incurred within central items will be funded by corporate resources, this relates to NRPF (0.065m) and the Local Welfare Provision (£0.198m)

Capital

Overview

Resources is responsible for the delivery of a number of capital schemes which are detailed in Appendix G5. The projected 2019/20 outturn for these schemes was £1.886m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £2.186m resulting in a deficit variance of £0.300m. The main reason for the variance above £0.100m is detailed below:

- ICT End User Computing 2 – £0.330m deficit – This relates to End User Computing and the replacement of laptop, tablet & thin client devices, including works associated with Agilysys the Cloud and IT digital transformation. Rollout will continue in 2020-21.

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

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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	27,163	607	27,770	30,321	0	(1,603)	28,718	948
Premises	630	0	630	693	0	0	693	63
Transport	122	0	122	99	0	(2)	97	(25)
Supplies & Services	6,744	1,552	8,296	10,175	(504)	(1,519)	8,152	(144)
Third Party Payments	1,043	0	1,043	1,127	0	(30)	1,097	54
Transfer Payments	0	0	0	1	0	0	1	1
Capital Charges	1,680	0	1,680	1,680	0	0	1,680	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	37,382	2,159	39,541	44,096	(504)	(3,154)	40,438	897
Specific Grants	(2,598)	0	(2,598)	(2,667)	0	0	(2,667)	(69)
Other Grants & Contributions	(918)	0	(918)	(1,228)	0	0	(1,228)	(310)
Fees & Charges	(10,457)	0	(10,457)	(12,101)	0	0	(12,101)	(1,644)
Recharges in Target	(8,594)	0	(8,594)	(8,484)	0	0	(8,484)	110
Other Income	0	0	0	0	0	0	0	0
Gross Income	(22,567)	0	(22,567)	(24,480)	0	0	(24,480)	(1,913)
Total Net Expenditure	14,815	2,159	16,974	19,616	(504)	(3,154)	15,958	(1,016)

Resources		Appendix G2 Directorate Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Directorate	Employees	487	97	584	568	0	0	568	(16)
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 • Law and Governance • Human Resources	Premises	0	0	0	0	0	0	0	0
	Transport	3	0	3	0	0	0	0	(3)
	Supplies & Services	13	0	13	59	0	0	59	46
	Third Party Payments	0	0	0	3	0	0	3	3
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0	0	0
	Capital Financing	0	0	0	0	0	0	0	0
	Total Gross Expenditure	503	97	600	630	0	0	630	30
	Specific Grants	0	0	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	0	0	0	0	0
	Fees & Charges	(44)	0	(44)	(8)	0	0	(8)	36
	Recharge Income	(114)	0	(114)	(126)	0	0	(126)	(12)
	Other Income	0	0	0	0	0	0	0	0
Total Gross Income	(158)	0	(158)	(134)	0	0	(134)	24	
Net Expenditure	345	97	442	496	0	0	496	54	
Communications & Service Improvement	Employees	1,385	37	1,422	1,901	0	0	1,901	479
The Communications team is made up of two divisions, who deliver a wide range of excellent services to all the communities of Sandwell: • Communications • Service Improvements	Premises	0	0	0	0	0	0	0	0
	Transport	4	0	4	1	0	0	1	(3)
	Supplies & Services	160	0	160	162	0	0	162	2
	Third Party Payments	0	0	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	1	0	1	1	0	0	1	0
	Capital Financing	0	0	0	0	0	0	0	0
	Total Gross Expenditure	1,550	37	1,587	2,065	0	0	2,065	478
	Specific Grants	0	0	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	0	0	0	0	0
	Fees & Charges	(24)	0	(24)	(27)	0	0	(27)	(3)
	Recharge Income	(343)	0	(343)	(348)	0	0	(348)	(5)
	Other Income	0	0	0	0	0	0	0	0
Total Gross Income	(367)	0	(367)	(375)	0	0	(375)	(8)	
Net Expenditure	1,183	37	1,220	1,690	0	0	1,690	470	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance Finance Services comprises three areas, all of which are vital in ensuring the financial stability of the council. The three areas are : - • Finance, incorporating (1) Financial Reporting & Systems and (2) Financial Management • Audit, Fraud and Risk • Procurement	Employees	4,748	105	4,853	4,743	0	0	4,743	(110)
	Premises	0	0	0	(1)	0	0	(1)	(1)
	Transport	11	0	11	5	0	0	5	(6)
	Supplies & Services	432	0	432	1,036	(504)	(25)	507	75
	Third Party Payments	0	0	0	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0	0	0
	Capital Financing	0	0	0	0	0	0	0	0
	Total Gross Expenditure	5,191	105	5,296	5,783	(504)	(25)	5,254	(42)
	Specific Grants	0	0	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	(1)	0	0	(1)	(1)
	Fees & Charges	(519)	0	(519)	(502)	0	0	(502)	17
	Recharge Income	(1,302)	0	(1,302)	(1,357)	0	0	(1,357)	(55)
	Other Income	0	0	0	0	0	0	0	0
Total Gross Income	(1,821)	0	(1,821)	(1,860)	0	0	(1,860)	(39)	
Net Expenditure	3,370	105	3,475	3,923	(504)	(25)	3,394	(81)	
Revenues & Benefits & ICT Revenues and Benefits provide the following services: • 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	Employees	9,843	101	9,944	10,238	0	(247)	9,991	47
	Premises	10	0	10	14	0	0	14	4
	Transport	19	0	19	17	0	(2)	15	(4)
	Supplies & Services	2,885	1,407	4,292	4,397	0	(809)	3,588	(704)
	Third Party Payments	1,031	0	1,031	1,130	0	(30)	1,100	69
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	1,545	0	1,545	1,545	0	0	1,545	0
	Capital Financing	0	0	0	0	0	0	0	0
	Total Gross Expenditure	15,333	1,508	16,841	17,341	0	(1,088)	16,253	(588)
	Specific Grants	(2,598)	0	(2,598)	(2,667)	0	0	(2,667)	(69)
	Other Grants & Contributions	(918)	0	(918)	(1,210)	0	0	(1,210)	(292)
	Fees & Charges	(2,076)	0	(2,076)	(2,365)	0	0	(2,365)	(289)
	Recharge Income	(3,114)	0	(3,114)	(3,258)	0	0	(3,258)	(144)
	Other Income	0	0	0	0	0	0	0	0
Total Gross Income	(8,706)	0	(8,706)	(9,500)	0	0	(9,500)	(794)	
Net Expenditure	6,627	1,508	8,135	7,841	0	(1,088)	6,753	(1,382)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contributio n to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Law and Governance	Employees	6,349	70	6,419	7,872	0	(996)	6,876	457
The Law and Governance Directorate comprises of three thematic areas, delivering a wide range of excellent services to Elected Members and all Council services.	Premises	620	0	620	679	0	0	679	59
	Transport	84	0	84	65	0	0	65	(19)
	Supplies & Services	1,175	145	1,320	2,695	0	(685)	2,010	690
	Third Party Payments	12	0	12	(6)	0	0	(6)	(18)
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	134	0	134	134	0	0	134	0
	Capital Financing	0	0	0	0	0	0	0	0
Thematic areas:	Total Gross Expenditure	8,374	215	8,589	11,439	0	(1,681)	9,758	1,169
Legal and Assurance Services,	Specific Grants	0	0	0	0	0	0	0	0
Registration Services	Other Grants & Contributions	0	0	0	0	0	0	0	0
Democracy Services	Fees & Charges	(6,226)	0	(6,226)	(7,396)	0	0	(7,396)	(1,170)
	Recharge Income	(2,326)	0	(2,326)	(1,781)	0	0	(1,781)	545
	Other Income	0	0	0	0	0	0	0	0
	Total Gross Income	(8,552)	0	(8,552)	(9,177)	0	0	(9,177)	(625)
	Net Expenditure	(178)	215	37	2,262	0	(1,681)	581	544
Human Resources	Employees	4,351	197	4,548	4,999	0	(360)	4,639	91
Human Resources comprise three divisions, delivering a wide range of excellent services to the council:	Premises	0	0	0	1	0	0	1	1
	Transport	1	0	1	11	0	0	11	10
	Supplies & Services	2,079	0	2,079	1,826	0	0	1,826	(253)
	Third Party Payments	0	0	0	0	0	0	0	0
	Transfer Payments	0	0	0	1	0	0	1	1
• Head of Service which comprises, Learning & Development, Advisory and Resourcing/OH & Employee Benefits Scheme	Capital Charges	0	0	0	0	0	0	0	0
	Capital Financing	0	0	0	0	0	0	0	0
	Total Gross Expenditure	6,431	197	6,628	6,838	0	(360)	6,478	(150)
	Specific Grants	0	0	0	0	0	0	0	0
	Other Grants & Contributions	0	0	0	(17)	0	0	(17)	(17)
• Business partners & Policy	Fees & Charges	(1,568)	0	(1,568)	(1,803)	0	0	(1,803)	(235)
	Recharge Income	(1,395)	0	(1,395)	(1,614)	0	0	(1,614)	(219)
• Transactional (payroll and all its functions)	Other Income	0	0	0	0	0	0	0	0
	Total Gross Income	(2,963)	0	(2,963)	(3,434)	0	0	(3,434)	(471)
	Net Expenditure	3,468	197	3,665	3,404	0	(360)	3,044	(621)

Resources	Appendix G3 - Sub Analysis		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Equipment and Furniture	53	58	(5)
Materials & Consumables	180	205	(25)
Catering	44	51	(7)
Protective Clothing	8	5	3
Printing/Stationery	736	444	292
Operational Charges	11	13	(2)
Professional Fees & Charges	1,351	765	586
ICT	4,447	4,464	(17)
Legal	923	134	789
Architects	10	0	10
Cash Collections	29	36	(7)
Waste Disposal	5	44	(39)
Maintenance Work	54	0	54
Telephone/Postage	274	377	(103)
Advertising	191	228	(37)
Conferences/Seminar Expenses	22	23	(1)
Facilities	18	8	10
Licences	119	97	22
Insurance - Premiums	5	0	5
Civic Events	22	11	11
Grants	53	51	2
Subscriptions	154	93	61
Bereavement Services	337	212	125
Consultancy	88	30	58
Contribution to Internal Services	48	0	48
General Recharges	45	19	26
Highways Consultancy/Works	35	0	35
Occupational Health	83	92	(9)
Employee Benefit Scheme	820	801	19
Council Tax	8	32	(24)
Other Supplies & Services	2	3	(1)
Total Supplies & Services	10,175	8,296	1,879
Specific Grants			
Housing Subsidy - Benefit Administration Grant	(1,297)	(1,294)	(3)
Council Tax Administration Grant	(565)	(565)	0
NNDR Admin grant for cost of collection 2018-19	(434)	(434)	0
New Burdens Verify Earnings and Pension ale	(46)	0	(46)
UC Funding - Management Activities 19-20	(29)	(29)	(0)
UC Funding - Hsg expertise & Complex cases	(13)	(13)	0
UC Funding - Natural Migration 19-20	(53)	(53)	0
UC Funding - Debt Migration 19-20	(20)	(20)	0
Administering Welfare Reform	(183)	(183)	(0)
Admin of Housing Benefit Fraud Referrals 19-20	(4)	(4)	(0)
Business Rates Relief - New Burdens	(9)	0	(9)
Pensions Strategy Computer System Uprating	(1)	(1)	(0)
Verify Earnings and Pension 2a	(2)	(2)	(0)
UC Severe Disability Premium	(8)	0	(8)
Brownfield register and PIP LA/SMBC	(2)	0	(2)
Total Specific Grants	(2,667)	(2,598)	(69)
Other Income			
Total Other Income	0	0	0

Resources			Appendix G4 Central Items		
Central Item Description	Annual Budget £'000	Actual Outturn £'000	(Use of) / Contribution to £'000	(Use of) Corporate Resources £'000	Variance (Under) / Over Spend £'000
Local Authority Subscriptions	104	107			3
W'ton: WMCC & WMRE	45	37			(8)
Joint Committee Servicing	0	0			0
External Audit Fee	144	227			83
New Homes Bonus Grant	(2,923)	(2,923)			0
Business Rates Compensation Grant	(14,827)	(15,336)			(509)
Savings Target	(425)	0			425
Insurance	(395)	819	(1,031)		183
Bank Charges	225	250			25
Airport Rent Income	(100)	(106)			(6)
Apprenticeship Levy	480	439			(41)
No Recourse to Public Funds	231	296		(65)	0
Past Service Pension Costs	8,600	8,012			(588)
Local Welfare Provision	0	198		(198)	0
Housing Benefits	1,361	1,361			0
Pensions General	4,559	4,579			20
Coroners	336	428			92
Members Allowances	1,377	1,351			(26)
Public Law Fees	366	957			591
Special Events	25	17			(8)
Templink	(429)	(505)			(76)
Coronavirus	0	(12,369)	12,369		0
Total	(1,246)	(12,161)	11,338	(263)	160
Subjective Analysis					
Employees	21,530	19,406			(2,124)
Premises	221	228			7
Transport	1	10			9
Supplies & Services	5,300	7,147	(1,157)	(198)	492
Third Party Payments	0	249			249
Transfer Payments	121,084	96,086		(65)	(25,063)
Capital Charges	0	0			0
Gross Expenditure	148,136	123,126	(1,157)	(263)	(26,430)
Specific Grants	(138,287)	(126,030)	12,495		24,752
Other Grants & Contributions	(4,156)	(4,861)			(705)
Fees & Charges	(1,760)	(1,568)			192
Recharges in Target	(5,164)	(2,779)			2,385
Other Income	(15)	(49)			(34)
Gross Income	(149,382)	(135,287)	12,495	0	26,590
Total Net Expenditure	(1,246)	(12,161)	11,338	(263)	160

Resources				Appendix G5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
<u>Main Programme</u>					
Sandwell Business Services - Development	44	0	44	16	(28)
ICT End User Computing 2	1,840	0	1,840	2,170	330
Sandwell Valley Catering Facility	2	0	2	0	(2)
Total Resources	1,886	0	1,886	2,186	300

Adult Social Care Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Adult Social Care is an under spend of £0.658m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	195,174	6,738	201,912	202,497	(107)	202,390	478
Gross Income	(113,893)	0	(113,893)	(115,029)	0	(115,029)	(1,136)
Net Expenditure	81,281	6,738	88,019	87,468	(107)	87,361	(658)
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							(658)

Further details of the outturn position can be found in Appendices H1 & H2. The table below outlines the main reasons for the variance of £0.658m:

Reasons for (Under) / Over Spend	£'000
Management Team - historic underspends brought forward to defer savings in 2019/20 and reduced employee costs from a vacant directors post for part of the year	(749)
Business Management - vacancies, income from the CCG to fund Health Direct payments and increased income from Appointeeship services.	(380)
Social Work & Therapy - vacancies partially off set by pressures on safeguarding assessments (Dols)	(365)
External Placements - additional expenditure on placements which is partly offset by additional income from social care charging.	2,338
Integrated Hub - Employee vacancies and associate reduction in transport and supplies and services costs	(1,073)
Direct Services - vacancies, increased partner income for complex support within LD day services and the resolution of a historic utilities dispute	(415)
Commissioning - cost of a time limited best value review team, offset by net under spends on a range of contracted services.	(78)
Regulatory Services & Transformation - reduced Taxi licensing income partially offset by vacancies within the service	64
Total	(658)

The net under spend is requested to be treated as follows:

Requested Treatment	£'000
Carry forward to 2021/22 to assist in the management of financial risks associated with potential slippage in the delivery of savings reflected within the approved 2020-23 budget strategy.	658
Total	658

2. Available Resources

The total budget available to the directorate was £88.019m. 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	89,023
Target Adjustments -	
Capital Charges Adjustment	(1,004)
Revised Target Budget Resources	88,019

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 directorate 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 directorate was a deficit of £0.427m, the variance between this and the actual outturn is an under spend of £1.085m. The following table explains the reasons for this variance:

Reasons for variation from projected outturn @ Q3	£000
Direct Services - ongoing vacancies, a reduction in costs associated with the relocation of the community equipment stores and increase continuing health care funding of LD day service users.	(389)
Regulatory Services - ongoing vacancies anticipated to be filled by year end, increase in income and general lower than anticipated supplies and services spend across the service	(515)
Business Management - Increase in Appointeeship income	(81)
Commissioning - Reduced activity levels within Supporting People contracts and reduction in the forecast over spend on carers services.	(381)
External Placements - reduction in anticipated income from service users.	92
Social Work & Therapy - Increase in Dols expenditure, purchase of PPE and increased telephone charges.	184
other	5
Total	(1,085)

The 2020/21 budgets were approved by Cabinet on 19 February 2020 and there are no adjustments required to reflect the 2019/20 outturn.

5. Central Items

The directorate has no responsibility for the management of Central Items and therefore there is no Appendix H4 for Adult Social Care.

6. Earmarked Reserves

The directorate has set aside sums totalling £1.453m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has used £0.107m of earmarked reserves during the current year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Taxi Licensing Operational	105	0	105
Adult Social Care Reserve	1,047	0	1,047
Integrated Care Record	301	107	194
Total	1,453	107	1,346

7. Severance Payments

In 2018/19 a provision of £0.147m was created for severance payment costs, of which £0.098m has been utilised during 2019/20.

Severance payment costs of £0.036m, not included in the provision, have been incurred with no further costs expected. The £0.036m is being funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2019/20 £'000	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20 £'000
		Utilised £'000	Unutilised £'000	Outstanding Severance Payments £'000	Future Severance Payments £'000	
Costs provided for in 2018/19	98	98	49	49		0
Costs not provided for in 2018/19	36			0	0	36
Total	134	98	49	49	0	36
Funded by:						
Directorate						36
Corporate Resources						0

8. Use of Corporate Resources

Adult Social Care is not utilising corporate resources in 2019/20.

Capital

Overview

Adult Social Care is responsible for the delivery of a number of capital schemes which are detailed in Appendix H5. The projected 2019/20 outturn for these schemes was £6.110m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £4.727m resulting in a surplus variance of £1.383m. The main reasons for the variances above £0.100m are detailed below:

- Vulnerable Home Owners Improvements HMRA Receipts - £0.373m surplus – slippage of resources into 2020/21 to continue works, more focus on disabled adaptations below in 2019/20.
- New Social Care & Health Centre, Rowley Regis - £1.427m surplus – slippage of resources into 2020/21 to continue the scheme. The submitted tenders for the project were significantly higher than

anticipated and the project was paused for a refresh of the project appraisal and the identification of alternative funding sources.

- Empty Properties - £0.192m surplus – slippage of resources into 2020/21 to continue works associated with Empty Properties, mainly in relation to Barclay Road.
- Swift Impress System - £0.271m surplus – slippage of resources into 2020/21 to continue works on Swift. The implementation of phase 3 (mobile working / customer portal) was paused pending a service restructure and the refresh of IT equipment.
- Grants Private Sector (Disabled Facilities Grant) Mandatory - £1.313m deficit – the programme of works associated with disabled adaptations at various private premises within the Borough has been accelerated in 2019/20, more disabled adaptations were completed than originally planned at Period 9.
- Vulnerable Home Owners Improvements – Kick Start - £0.386m surplus – slippage of resources into 2020/21 to continue works, more focus on disabled adaptations above 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 H6 for this service.

Contact

Charlie Davey

Business Partner – Financial Management

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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	32,064	0	32,064	35,074	0	0	35,074	3,010
Premises	1,441	0	1,441	565	0	0	565	(876)
Transport	717	0	717	626	0	0	626	(91)
Supplies & Services	41,697	6,738	48,435	47,425	(107)	0	47,318	(1,117)
Third Party Payments	103,077	0	103,077	104,718	0	0	104,718	1,641
Transfer Payments	10,926	0	10,926	8,837	0	0	8,837	(2,089)
Capital Charges	5,252	0	5,252	5,252	0	0	5,252	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	195,174	6,738	201,912	202,497	(107)	0	202,390	478
Specific Grants	(24,935)	0	(24,935)	(24,907)	0	0	(24,907)	28
Other Grants & Contributions	(30,389)	0	(30,389)	(32,122)	0	0	(32,122)	(1,733)
Fees & Charges	(16,513)	0	(16,513)	(16,636)	0	0	(16,636)	(123)
Recharges in Target	(37,717)	0	(37,717)	(37,025)	0	0	(37,025)	692
Other Income	(4,339)	0	(4,339)	(4,339)	0	0	(4,339)	0
Gross Income	(113,893)	0	(113,893)	(115,029)	0	0	(115,029)	(1,136)
Total Net Expenditure	81,281	6,738	88,019	87,468	(107)	0	87,361	(658)

Adult Social Care		Appendix H2 Adult Social Care Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management Team	Employees	(4,208)		(4,208)	1,068			1,068	5,276
The management teams includes the staffing budgets for Directors and Service Mangers. The service is faced with a significant funding gap which is being partly managed by the application of time-limited resources from historic under spends; the budgetary impact of these issues are reflected within this area.	Premises				1			1	1
	Transport	2		2	3			3	1
	Supplies & Services	208	6,028	6,236	209			209	(6,027)
	Third Party Payments				0			0	0
	Transfer Payments				0			0	0
	Capital Charges	435		435	435			435	0
	Capital Financing				0			0	0
	Total Gross Expenditure	(3,563)	6,028	2,465	1,716	0	0	1,716	(749)
	Specific Grants				0			0	0
	Other Grants & Contributions	(160)		(160)	(160)			(160)	0
	Fees & Charges			0	0			0	0
	Recharge Income			0	0			0	0
	Other Income			0	0			0	0
Total Gross Income	(160)	0	(160)	(160)	0	0	(160)	0	
Net Expenditure	(3,723)	6,028	2,305	1,556	0	0	1,556	(749)	
Business Management	Employees	3,727		3,727	3,597			3,597	(130)
Business Management includes service wide business support, the ASC system administration and a range of financially orientated services which deal with payments, social care charging and safeguarding vulnerable people's assets.	Premises			0	2			2	2
	Transport	9		9	3			3	(6)
	Supplies & Services	488	60	548	561			561	13
	Third Party Payments			0	4			4	4
	Transfer Payments			0	0			0	0
	Capital Charges			0	0			0	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	4,224	60	4,284	4,167	0	0	4,167	(117)
	Specific Grants	(112)		(112)	(115)			(115)	(3)
	Other Grants & Contributions			0	(106)			(106)	(106)
	Fees & Charges	(249)		(249)	(430)			(430)	(181)
	Recharge Income	(166)		(166)	(139)			(139)	27
	Other Income			0	0			0	0
Total Gross Income	(527)	0	(527)	(790)	0	0	(790)	(263)	
Net Expenditure	3,697	60	3,757	3,377	0	0	3,377	(380)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Work & Therapy	Employees	10,140		10,140	9,276			9,276	(864)
The community and mental health social work teams, the ASC enquiry service, therapy services and private sector housing improvement team.	Premises	488		488	59			59	(429)
	Transport	86		86	52			52	(34)
	Supplies & Services	545	500	1,045	1,247			1,247	202
	Third Party Payments			0	0			0	0
	Transfer Payments			0	2			2	2
	Capital Charges	4,621		4,621	4,621			4,621	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	15,880	500	16,380	15,257	0	0	15,257	(1,123)
	Specific Grants	(39)		(39)	(39)			(39)	0
	Other Grants & Contributions	(58)		(58)	(29)			(29)	29
	Fees & Charges	(72)		(72)	(101)			(101)	(29)
	Recharge Income	(7,075)		(7,075)	(6,317)			(6,317)	758
	Other Income	(4,318)		(4,318)	(4,318)			(4,318)	0
Total Gross Income	(11,562)	0	(11,562)	(10,804)	0	0	(10,804)	758	
Net Expenditure	4,318	500	4,818	4,453	0	0	4,453	(365)	
External Placements	Employees			0	0			0	0
Externally commissioned packages of care and support for adults with assessed care needs and income from social care charging	Premises			0	0			0	0
	Transport	61		61	131			131	70
	Supplies & Services	238		238	267			267	29
	Third Party Payments	82,646		82,646	88,522			88,522	5,876
	Transfer Payments	10,786		10,786	8,514			8,514	(2,272)
	Capital Charges			0	0			0	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	93,731	0	93,731	97,434	0	0	97,434	3,703
	Specific Grants	(2,249)		(2,249)	(2,217)			(2,217)	32
	Other Grants & Contributions	(4,668)		(4,668)	(5,975)			(5,975)	(1,307)
	Fees & Charges	(13,561)		(13,561)	(13,625)			(13,625)	(64)
	Recharge Income	(10,435)		(10,435)	(10,461)			(10,461)	(26)
	Other Income			0	0			0	0
Total Gross Income	(30,913)	0	(30,913)	(32,278)	0	0	(32,278)	(1,365)	
Net Expenditure	62,818	0	62,818	65,156	0	0	65,156	2,338	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Integrated Hub	Employees	7,060		7,060	6,229			6,229	(831)
The social work team 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	150		150	149			149	(1)
	Transport	114		114	52			52	(62)
	Supplies & Services	224		224	134			134	(90)
	Third Party Payments			0	0			0	0
	Transfer Payments			0	3			3	3
	Capital Charges			0	0			0	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	7,548	0	7,548	6,567	0	0	6,567	(981)
	Specific Grants			0	0			0	0
	Other Grants & Contributions			0	(92)			(92)	(92)
	Fees & Charges			0	0			0	0
	Recharge Income	(6,344)		(6,344)	(6,344)			(6,344)	0
	Other Income			0	0			0	0
Total Gross Income	(6,344)	0	(6,344)	(6,436)	0	0	(6,436)	(92)	
Net Expenditure	1,204	0	1,204	131	0	0	131	(1,073)	
Direct Services	Employees	8,039		8,039	7,888			7,888	(151)
A range of directly provided care services, community meals and the prevention equipment store.	Premises	692		692	256			256	(436)
	Transport	161		161	122			122	(39)
	Supplies & Services	1,740		1,740	2,220			2,220	480
	Third Party Payments	48		48	53			53	5
	Transfer Payments			0	0			0	0
	Capital Charges	150		150	150			150	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	10,830	0	10,830	10,689	0	0	10,689	(141)
	Specific Grants			0	0			0	0
	Other Grants & Contributions	(135)		(135)	(315)			(315)	(180)
	Fees & Charges	(860)		(860)	(964)			(964)	(104)
	Recharge Income	(4,120)		(4,120)	(4,110)			(4,110)	10
	Other Income			0	0			0	0
Total Gross Income	(5,115)	0	(5,115)	(5,389)	0	0	(5,389)	(274)	
Net Expenditure	5,715	0	5,715	5,300	0	0	5,300	(415)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning The commissioning team and the budgets for a range of commissioned activity including carers and voluntary sector grants.	Employees	1,373		1,373	1,555			1,555	182
	Premises			0	2			2	2
	Transport	6		6	1			1	(5)
	Supplies & Services	2,956		2,956	2,840			2,840	(116)
	Third Party Payments	2,060		2,060	1,855			1,855	(205)
	Transfer Payments	140		140	318			318	178
	Capital Charges	9		9	9			9	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	6,544	0	6,544	6,580	0	0	6,580	36
	Specific Grants	(106)		(106)	(107)			(107)	(1)
	Other Grants & Contributions			0	(74)			(74)	(74)
	Fees & Charges	(7)		(7)	(9)			(9)	(2)
	Recharge Income	(2,365)		(2,365)	(2,402)			(2,402)	(37)
	Other Income			0	0			0	0
Total Gross Income	(2,478)	0	(2,478)	(2,592)	0	0	(2,592)	(114)	
Net Expenditure	4,066	0	4,066	3,988	0	0	3,988	(78)	
Better Care Fund A Pool Budget hosted by the local authority and managed in partnership with the Sandwell & West Birmingham CCG. The main focus is the management of patient flow through the promotion of independence, hospital avoidance and timely discharge.	Employees	875		875	518			518	(357)
	Premises	28		28	10			10	(18)
	Transport			0	1			1	1
	Supplies & Services	34,771	0	34,771	39,292	(107)		39,185	4,414
	Third Party Payments	18,323		18,323	14,284			14,284	(4,039)
	Transfer Payments			0	0			0	0
	Capital Charges			0	0			0	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	53,997	0	53,997	54,105	(107)	0	53,998	1
	Specific Grants	(22,345)		(22,345)	(22,345)			(22,345)	0
	Other Grants & Contributions	(25,368)		(25,368)	(25,369)			(25,369)	(1)
	Fees & Charges			0	0			0	0
	Recharge Income	(6,284)		(6,284)	(6,284)			(6,284)	0
	Other Income			0	0			0	0
Total Gross Income	(53,997)	0	(53,997)	(53,998)	0	0	(53,998)	(1)	
Net Expenditure	0	0	0	107	(107)	0	0	0	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Regulated Services & Transformation Support to service transformation projects throughout the directorate and a range of advice, inspection and enforcement services to maintain and improve the safety of people who live and work within Sandwell.	Employees	5,058		5,058	4,943			4,943	(115)
	Premises	83		83	86			86	3
	Transport	278		278	261			261	(17)
	Supplies & Services	527	150	677	655			655	(22)
	Third Party Payments			0	0			0	0
	Transfer Payments			0	0			0	0
	Capital Charges	37		37	37			37	0
	Capital Financing			0	0			0	0
	Total Gross Expenditure	5,983	150	6,133	5,982	0	0	5,982	(151)
	Specific Grants	(84)		(84)	(84)			(84)	0
	Other Grants & Contributions			0	(2)			(2)	(2)
	Fees & Charges	(1,764)		(1,764)	(1,507)			(1,507)	257
	Recharge Income	(928)		(928)	(968)			(968)	(40)
	Other Income	(21)		(21)	(21)			(21)	0
	Total Gross Income	(2,797)	0	(2,797)	(2,582)	0	0	(2,582)	215
Net Expenditure	3,186	150	3,336	3,400	0	0	3,400	64	

Adult Social Care	Appendix H3 - Sub Analysis		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Better Care Fund Pool Budget	39,165	34,771	4,394
Budget reprofiling between years	0	6,238	(6,238)
Voluntary Sector Grants	2,691	2,892	(201)
Purchase of Equipment (including Community Equipment store)	1,857	1,455	402
Depreciation of Liberty Safeguarding (Dols)	802	608	194
ICT	660	416	244
Professional Services (Medical, Legal, Architects, Training)	749	578	171
Printing & Stationery	256	366	(110)
Internal recharging within ASC	463	354	109
Phones & Postage	205	274	(70)
Catering (including Community meals)	226	233	(7)
Cleaning & Medical Waste Removal	115	133	(18)
Advertising & Publicity	11	41	(29)
Hire of community venues	36	34	1
Subscriptions	51	25	25
Conference Expenses	8	12	(4)
Translation Services	15	3	12
Other supplies & services	9	1	8
Integrated Care Records funded by reserves	107	0	107
Total Supplies & Services	47,425	48,435	(1,010)
Specific Grants			
Improved Better Care Fund (iBCF)	(20,497)	(20,497)	0
Winter Pressures Grant	(1,848)	(1,848)	0
Adult Social Care Support Grant	(1,155)	(1,155)	0
Independent Living Fund	(1,025)	(1,058)	33
Local Reform & Community Voices Grant	(261)	(256)	(5)
Controlling Migration Funding	(84)	(84)	0
War pensions Scheme disregards	(37)	(37)	0
Total Specific Grants	(24,907)	(24,935)	28
Other Income			
Deferred Charges	(4,339)	(4,339)	0
Total Other Income	(4,339)	(4,339)	0

Adult Social Care				Appendix H5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
<u>Main Programme</u>					
Vulnerable Home Owners Improvements - HMRA Receipts	384	0	384	11	(373)
New Social Care & Health Centre - Rowley Regis	1,662	0	1,662	344	(1,318)
Empty Properties	200	0	200	8	(192)
Housing Stock Condition Survey - Private Sector	29	0	29	0	(29)
Swift Impress System (Earmarked Revenue Balance)	287	0	287	16	(271)
<u>Grants / Self Financing</u>					
New Social Care & Health Centre - Rowley Regis	0	109	109	0	(109)
Grants Private Sector (Disabled Facilities Grant) Mandatory	0	3,000	3,000	4,313	1,313
Contaminated Land Grant	0	15	15	5	(10)
Air Quality Monitoring Grant	0	22	22	22	0
Warm Homes Healthy People	0	8	8	0	(8)
Vulnerable Home Owners Improvements - Kick Start	0	394	394	8	(386)
Total Adult Social Care	2,562	3,548	6,110	4,727	(1,383)

Regeneration and Growth Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Regeneration and Growth is an over spend of £0.013m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	51,554	1,206	52,760	52,910	(210)	52,700	(60)
Gross Income	(30,354)	0	(30,354)	(30,282)	0	(30,282)	72
Net Expenditure	21,200	1,206	22,406	22,629	(210)	22,419	13
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							13

Further details of the outturn position can be found in Appendices I1 and I2. The following table outlines the main reasons for the variance:

Reasons for (Under) / Over Spend	£'000
Economic Regeneration - lower than anticipated spend against professional services for projects	(80)
Strategic Policy and transportation - vacancies within area and lower than anticipated spend against projects	(100)
Strategic Policy and transportation - additional income relating to contribution towards the Joint data team and Section 106 interest	(48)
Planning Regeneration - slippage on spend relating to Site investigations and Sandwell Housing Zone	(263)
Development Management - costs associated with digitisation and planning appeals	130
Development Management - vacancies within area	(77)
Development Management & Building Consultancy - additional income from planning applications	(154)
Facilities Management - renegotiated lease and higher than anticipated rental income	(451)
Urban Design and Building Services - higher than anticipated spend relating to PMA	1,222
Markets and Street Trading - loss of income due to lower stall rentals and higher security costs	272
Corporate Landlord - slippage on high priority works that require completion	(168)
Highways Maintenance - higher than anticipated operational costs associated with high priority infrastructure works and red risk routes	770
Engineers and Highways Consultancy - higher than expected income relating to internal rechargeable jobs	(140)
Car Parking Services inc Bus Lane -higher than anticipated income relating to new initiatives	(160)
Flood Protection	(121)
Management - Contingency held to manage directorate pressures	(451)
Management - vacancies within area	(170)
Other minor issues	2
Total	13

The net over spend is requested to be treated as follows: -

Requested Treatment	£'000
Fund the 2019/20 over spend from the Housing & Communities under spend	(13)
Total	(13)

2. Available Resources

The total budget available to the directorate was £22.406m. 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	22,523
Target Adjustments -	
Capital Charges Adjustment	(117)
Revised Target Budget Resources	22,406

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 over £0.250m between sub divisions within the directorate 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 directorate was an under spend of £0.501m, the variance between this and the actual outturn is an over spend of £0.514m. The table below explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
Economic Regeneration -unanticipated receipt of Growing Priority Sectors (Local Growth Deal Funding) and slippage on projects	(69)
Planning Regeneration - delayed completion of planned works for site investigation	(83)
Development Management - increased income from internal building regulation fees	(61)
Building Consultancy - higher planning applications received	(47)
Facilities Management - lower costs associated with Utility bills, building maintenance and expected business rates	(441)
Estate Management and Managed Workspace	109
Urban Design and Building Services - PMA expenditure, including work in progress, was significantly higher in quarter 4	1,418
Corporate Landlord - slippage on high priority works that require completion	(168)
Engineers and Highways Consultancy - higher than expected income relating to internal rechargeable jobs	(152)
Highways Maintenance - increased spend relating to high priority infrastructure work and red risk routes	558
Car Parking Services inc Bus Lane -higher than anticipated income relating to new initiatives was expected to reduce towards end of financial year	(215)
Highways Planning and Development - fewer section 38 schemes adopted than anticipated	99
Management - contingency to manage directorate financial pressures	(435)
Total	514

5. Central Items

The directorate has responsibility for the management of Central Items that are detailed in Appendix I4. The actual outturn for these items is an under spend of £0.114m.

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

Reasons for (Under) / Over spend - Central Items	£'000
Delay in completion of projects relating to carbon reduction & energy efficiency	(114)
Total	(114)

6. Earmarked Reserves

The directorate has set aside sums totalling £1.489m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has contributed £0.190m of earmarked reserves during the current year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
West Midlands Regional Research	287	0	287
Sinking Fund RBC Building	432	(40)	472
Sinking Fund Central 6th Building	770	(150)	920
Total	1,489	(190)	1,679

7. Severance Payments

In 2018/19 a provision of £1.029m was created for severance payment costs, of which £0.928m has been utilised during 2019/20.

Severance payment costs of £0.144m, not included in the provision, have been incurred with further costs of £0.210m expected. £0.345m of these costs will be met from corporate resources.

The table below summarises the position:

	Actual Costs Incurred 2019/20 £'000	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20 £'000
		Utilised £'000	Unutilised £'000	Outstanding Severance Payments £'000	Future Severance Payments £'000	
Costs provided for in 2018/19	928	928	101	92		(9)
Costs not provided for in 2018/19	144			157	53	354
Total	1,072	928	101	249	53	345
Funded by:						
Directorate						0
Corporate Resources						345

8. Use of Corporate Resources

Expenditure of £0.400m incurred by Regeneration and Growth will be met from corporate resources. This is to cover the cost of severance payments £0.345m and £0.055m for Land Regeneration projects.

9. Housing Revenue Account

Regeneration and Growth has responsibility for managing functions that are required to be charged to the Housing Revenue Account rather than the Council's General Fund. The outturn position on these HRA related directorates are shown within the separate HRA report. Any cross subsidisation between the General Fund and HRA is not permitted.

Capital

Overview

Regeneration & Growth is responsible for the delivery of a number of capital schemes which are detailed in Appendix I5. The projected 2019/20 outturn for these schemes was £11.046m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £12.247m resulting in a deficit variance of £1.201m. The main reasons for the main variances above £0.100m are detailed below:

- Property Refurbishment - £0.611m surplus – slippage of resources into 2020/21 to continue refurbishment works in relation to the agile working areas mainly at the Sandwell Council House.
- Street Lighting SOX to LED Conversion - £0.417m surplus – slippage of resources into 2020/21 to continue Phase 2 of the SOX to LED conversion scheme across the borough.
- Crosswells Road Depot Demolition - £0.300m deficit – a decision in 2019/20 to capitalise the demolition costs associated with Crosswells Road Depot.
- Smethwick Sports Hall Demolition - £0.309m deficit – a decision in 2019/20 to capitalise the demolition costs associated with Smethwick Sports Hall.

- Additional Highways Maintenance Funding - £1.420m deficit – utilisation of the Department for Transport (DFT) additional monies for Highways Maintenance works in 2019/20.
- Children’s Trust Accommodation Works (DFE) - £0.249m surplus – slippage of resources into 2020/21 to continue any capital works associated with the Children’s Trust.
- Section 106 – A41 Expressway / Carters Green Public Realm - £0.755m deficit – additional S106 monies made available since Period 9 monitoring towards the successful completion of the Carters Green Public Realm scheme.
- Carrington Road Shops Demolition - £0.112m surplus – slippage of resources into 2020/21 to continue works at the Carrington Rd / School Rd site.

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

Charlie Davey

Business Partner - Finance

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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	13,607	0	13,607	12,911	0	(345)	12,566	(1,041)
Premises	11,175	0	11,175	12,313	190	0	12,503	1,328
Transport	248	0	248	227	0	0	227	(21)
Supplies & Services	16,421	1,206	17,627	17,333	0	(55)	17,278	(349)
Third Party Payments	15	0	15	39	0	0	39	24
Transfer Payments	1	0	1	0	0	0	0	(1)
Capital Charges	10,087	0	10,087	10,087	0	0	10,087	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	51,554	1,206	52,760	52,910	190	(400)	52,700	(60)
Specific Grants	(174)	0	(174)	(82)	0	0	(82)	92
Other Grants & Contributions	(920)	0	(920)	(1,109)	0	0	(1,109)	(189)
Fees & Charges	(18,159)	0	(18,159)	(18,089)	0	0	(18,089)	70
Recharges in Target	(11,102)	0	(11,102)	(11,002)	0	0	(11,002)	100
Other Income	0	0	0	0	0	0	0	0
Gross Income	(30,354)	0	(30,354)	(30,282)	0	0	(30,282)	72
Total Net Expenditure	21,200	1,206	22,406	22,629	190	(400)	22,419	13

Regeneration & Growth		Appendix I2 Regeneration & Growth Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Growth and Spatial Planning Service This includes regeneration, strategic policy, transportation, housing and partnerships.	Employees	1,906		1,906	1,690		(25)	1,665	(241)
	Premises	0		0	1			1	1
	Transport	10		10	5			5	(4)
	Supplies & Services	885	214	1,099	758		(55)	703	(395)
	Third Party Payments	0		0	17			17	17
	Transfer Payments	0		0	0			0	0
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	2,801	214	3,015	2,471	0	(80)	2,391	(624)
	Specific Grants	(135)		(135)	(18)			(18)	117
	Other Grants & Contributions	(338)		(338)	(359)			(359)	(21)
	Fees & Charges	(65)		(65)	(89)			(89)	(23)
	Recharge Income	(419)		(419)	(326)			(326)	93
	Other Income	0		0	0			0	0
Total Gross Income	(957)	0	(957)	(791)	0	0	(791)	166	
Net Expenditure	1,844	214	2,058	1,680	0	(80)	1,600	(458)	
Development Planning and Building Control This includes development management, building consultancy, systems and services and land charges.	Employees	1,949		1,949	1,980		(119)	1,861	(87)
	Premises	2		2	11			11	9
	Transport	10		10	11			11	1
	Supplies & Services	249		249	363			363	114
	Third Party Payments	0		0	5			5	5
	Transfer Payments	0		0	0			0	0
	Capital Charges	3		3	3			3	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	2,213	0	2,213	2,372	0	(119)	2,253	40
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(1,577)		(1,577)	(1,653)			(1,653)	(76)
	Recharge Income	(97)		(97)	(176)			(176)	(79)
	Other Income	0		0	0			0	0
Total Gross Income	(1,674)	0	(1,674)	(1,829)	0	0	(1,829)	(155)	
Net Expenditure	539	0	539	543	0	(119)	424	(114)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Assets and Land Service This includes asset management, facilities management, urban design and building services, development and commercial property and markets.	Employees	6,443		6,443	6,373		(201)	6,172	(271)
	Premises	10,387		10,387	11,493	190		11,683	1,297
	Transport	49		49	36			36	(12)
	Supplies & Services	4,064	255	4,319	3,692			3,692	(627)
	Third Party Payments	5		5	17			17	13
	Transfer Payments	1		1	0			0	(1)
	Capital Charges	1,332		1,332	1,332			1,332	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	22,279	255	22,534	22,944	190	(201)	22,933	399
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	(567)		(567)	(751)			(751)	(184)
	Fees & Charges	(11,512)		(11,512)	(10,724)			(10,724)	788
	Recharge Income	(6,566)		(6,566)	(6,706)			(6,706)	(139)
	Other Income	0		0	0			0	0
Total Gross Income	(18,645)	0	(18,645)	(18,181)	0	0	(18,181)	465	
Net Expenditure	3,634	255	3,889	4,763	190	(201)	4,752	863	
Highways Services									
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.	Employees	3,003		3,003	2,687			2,687	(316)
	Premises	786		786	808			808	22
	Transport	179		179	173			173	(6)
	Supplies & Services	10,883	337	11,220	12,265			12,265	1,046
	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	0			0	0
	Capital Charges	8,753		8,753	8,752			8,752	(0)
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	23,603	337	23,940	24,686	0	0	24,686	746
	Specific Grants	(39)		(39)	(64)			(64)	(25)
	Other Grants & Contributions	(15)		(15)	0			0	15
	Fees & Charges	(5,004)		(5,004)	(5,623)			(5,623)	(618)
	Recharge Income	(4,020)		(4,020)	(3,794)			(3,794)	226
	Other Income	0		0	0			0	0
Total Gross Income	(9,078)	0	(9,078)	(9,481)	0	0	(9,481)	(403)	
Net Expenditure	14,526	337	14,863	15,205	0	0	15,205	342	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management	Employees	307		307	181			181	(125)
	Premises	0		0	0			0	0
This relates to budgets directly controlled by the Regeneration & Growth director including the contribution to the Black Country Consortium	Transport	0		0	1			1	1
	Supplies & Services	342	400	742	255			255	(487)
	Third Party Payments	10		10	0			0	(10)
	Transfer Payments	0		0	0			0	0
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	659	400	1,059	437	0	0	437	(621)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	0		0	0			0	0
Recharge Income	0		0	0			0	0	
Other Income	0		0	0			0	0	
	Total Gross Income	0	0	0	0	0	0	0	0
	Net Expenditure	659	400	1,059	437	0	0	437	(621)

Regeneration & Growth		Appendix I3 - Sub Analysis	
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Operational Services	6,708	4,859	1,849
Highways Maintenance	1,783	2,087	(304)
Architects & Building Services	1,708	2,022	(314)
Engineers Fees	1,546	1,005	541
Consultancy	1,217	1,499	(282)
Car Parking Contract	1,190	1,106	83
Professional Services	953	1,070	(117)
Equipment & Furniture	501	402	98
Postages	350	322	29
Subscriptions	215	101	114
Waste Disposal & Hygiene Services	211	133	78
ICT	151	408	(257)
Provision for Bad Debts	126	0	126
Grounds Maintenance	107	100	7
Legal	94	56	38
Materials & Consumable	89	667	(578)
Printing & Stationery	70	95	(25)
Advertising & Publicit	69	130	(61)
Telephones	60	47	13
Other internal recharges	46	66	(20)
Highways Consultancy	37	20	17
Pest Control	23	6	17
Licences	19	16	2
Protective Clothing & Uniforms	15	19	(4)
Catering Provisions	14	21	(7)
Civic Events	13	14	(1)
Grant Payments	4	107	(103)
Conference Expenses	3	6	(2)
Cash Collections	3	2	2
Catering Equipment	3	2	1
Bank Charges & Commiss	2	5	(3)
Hire of Facilities	1	11	(11)
Under spend Brought Forward	0	1,206	(1,206)
Other Supplies & Services	4	17	(13)
Total Supplies & Services	17,333	17,627	(294)
Specific Grants			
Growing Priority Sectors (Local Growth Deal Funding)	(15)	0	(15)
Sandwell Housing Zone- Capacity Funding	(3)	(135)	133
Section 31 Flood Prevention)	(16)	(15)	(1)
Bikeabilty Grant	(48)	(24)	(24)
Total Specific Grants	(82)	(174)	92

Regeneration & Growth				Appendix I4 Central Items	
Central Item Description	Annual Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Variance (Under) / Over Spend £'000
Carbon Reduction - Energy Efficiency	300	186			(114) 0
Total	300	186	0	0	(114)
Subjective Analysis					
Employees					0
Premises		55			55
Transport					0
Supplies & Services	300	131			(169)
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	300	186	0	0	(114)
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	186	0	0	(114)

Regeneration & Growth				Appendix I5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
<u>Main Programme</u>					
West Bromwich Car Parking	1	0	1	0	(1)
Section 106 Monies - Lyng Lane	14	0	14	13	(1)
Reservoirs Act	31	0	31	9	(22)
BSF - Schools for the Future	105	0	105	105	0
Property Refurbishment	2,777	0	2,777	2,166	(611)
Access Fund	508	0	508	467	(41)
Birchley Island	238	0	238	238	0
Street Lighting SOX to LED Conversion	1,200	0	1,200	783	(417)
Multi Storey Car Park Demolition	0	0	0	10	10
Shaftesbury House Demolition	0	0	0	21	21
Crosswells Road Depot Demolition	0	0	0	300	300
Smethwick Sports Hall Demolition	0	0	0	309	309
Brindley II	21	0	21	0	(21)
<u>Grants / Self Financing</u>					
Local Transport Plan - Direct Grant	0	4,756	4,756	4,756	0
Additional Highways Maintenance Funding	0	2	2	1,422	1,420
Woods Lane Re-Development - Growth Fund	0	120	120	111	(9)
Children's Trust Accomodation Works (DFE)	0	249	249	0	(249)
BSF Schools for the Future	0	74	74	0	(74)
<u>Section 106</u>					
A41 Expressway / A4031 All Saints Way Junction - Carters Green Public Real	0	782	782	1,537	755
<u>Regional Housing Board Allocations</u>					
Carrington Rd Shops Demolition	0	112	112	0	(112)
School / Carrington Road	0	35	35	0	(35)
Queslade Bungalows Demolition	0	6	6	0	(6)
New Build / Siupported Housing	0	15	15	0	(15)
Total Regeneration & Growth	4,895	6,151	11,046	12,247	1,201

Regeneration & Growth		Appendix I6 Section 106 Monitoring		
Scheme	Description of Project	Balance Available @ 01/04/19 £	Outturn for 2019/20 £	Balance Remaining @ 31/03/20 £
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 - Carters Green Public Realm.	866,000	865,702	298
Carters Green Public Realm	Highways Contributions towards Carters Green Public Realm	672,000	671,787	213
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		3,877,000	1,537,489	2,339,511

Housing and Communities Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Housing and Communities is an under spend of £0.567m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	36,796	428	37,224	36,217	(161)	36,056	(1,168)
Gross Income	(18,842)	0	(18,842)	(18,341)	100	(18,241)	601
Net Expenditure	17,954	428	18,382	17,876	(61)	17,815	(567)
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							(567)

Further details of the outturn position can be found in Appendices J1 and J2. The following table outlines the main reasons for the variance:

Reasons for (Under) / Over Spend	£'000
Homelessness - Rise in number of people needing temporary accommodation and reductions in housing benefit for those in privately rented accommodation	525
Increased use of the Homelessness Grant to fund temporary accommodation	(397)
Housing Management - slippage on delivery of savings for the service area	205
Severance costs funded by the directorate	129
Housing Management Staff vacancies and reduction in hours within service	(258)
Voluntary Sector & Management - insurance costs lower than anticipated	(40)
Garages - lower than anticipated costs relating to repairs and maintenance	(35)
Shop mobility - vacancies within area	(38)
CCTV - contribution from Morrisons Wednesbury towards premises costs	(22)
Travellers - additional rent collected from sites	(20)
Sandwell Valley - additional premises related costs (rates & insurances) and a shortfall in income	290
Lightwoods House - additional income generated from services particularly room hire	(55)
Museums - lower than anticipated costs on equipment and operational services	(47)
Fleet - additional income particularly from Serco maintained vehicles	(185)
Parks mainline - relating to staff vacancies within area	(67)
Green services - income shortfall from rechargeable jobs	39
Customer Services - Staff turnover and vacancies within area	(255)
Contingency held for directorate priorities	(283)
Libraries - pressures against premise costs and income offset by underspend against supplies and services budget	(28)
Other minor issues	(25)
Total	(567)

The net under spend is requested to be treated as follows:

Requested Treatment	£'000
Offset the over spend within Regeneration & Growth	13
Carried forward to 2020/21 to manage the financial risks of slippage against the savings reflected within the approved budget strategy	554
Total	567

2. Available Resources

The total budget available to the directorate was £18.382m. 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	18,609
Target Adjustments -	
Capital Charges Adjustment	(227)
Revised Target Budget Resources	18,382

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 Housing and Communities 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 directorate was an under spend of £0.090m, the variance between this and the actual outturn is £0.477m. The table below explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
Voluntary Sector & Management - insurance/fire safety renewal costs lower than anticipated and increased contribution from Public Health	(110)
Sandwell Valley - projected income pressure higher than initially anticipated	140
Fleet services - higher income due to increased repair costs relating to Serco fleet of vehicles; slippage on work required for repairs on site	(73)
Ancillary Services - rechargeable internal jobs exceeded initial projections	(116)
Directorate contingency not applied	(283)
Green Services - unfilled vacancies and delay in completion of repair works required on site	(89)
Severance Payments funded by the directorate	129
Parks Mainline - lower than anticipated spend against equipment and premises insurance	(74)
Total	(477)

The 2020/21 budgets were approved by Cabinet on 19 February 2020 and these now need to be adjusted to reflect the 2019/20 outturn; the following changes are therefore required:

Changes to 2020/21 Budget	£'000
2019/20 underspend brought forward and held as a directorate contingency	554
Total	554

5. Central Items

The directorate has responsibility for the management of Central Items that are detailed in Appendix J4.

The actual outturn for these items is an under spend of £0.019.

The main reasons for this variance are outlined below:

Reasons for (Under) / Over spend - Central Items	£'000
Contractual rebate on pure recycling volumes	(479)
Performance reductions on contract resulting in lower payments	(700)
Rebate for non SMBC tonnage from Serco for use of W2R	(492)
Increase in the waste tonnage (+1.55%) were lower than initial projections used in the budget.	(208)
Income from third party use of W2R less than expected	347
Lower than anticipated income from bulky waste	128
Creation of reserve to manage future contract fluctuations	1,385
Total	(19)

6. Earmarked Reserves

The directorate has set aside sums totalling £1.024m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has contributed £1.531m of earmarked reserves during the current year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019	Use of / (Contribution to) in 2019/20	Remaining Balance 31 March 2020
	£'000	£'000	£'000
Physical Activity Board	48	24	24
Sinking Fund - Portway Lifestyle Centre	516	(70)	586
Private Sector Landlord	142	0	142
Dartmouth Park HLF	318	0	318
Commonwealth Games - UoW	0	(100)	100
Serco Waste	0	(1,385)	1,385
Total	1,024	(1,531)	2,555

7. Severance Payments

In 2018/19 a provision of £0.416m was created for severance payment costs, of which £0.326m has been utilised during 2019/20.

Severance payment costs of £0.148m, not included in the provision, have been incurred with no further costs expected. £0.128m of these costs will be met from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2019/20	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2018/19	326	326	90	70		(20)
Costs not provided for in 2018/19	148			0	0	148
Total	474	326	90	70	0	128
Funded by:						
Directorate						128
Corporate Resources						0

8. Use of Corporate Resources

Expenditure of £0.207m incurred by Housing and Communities will be met from corporate resources. This is to cover the cost of Commonwealth Project Team £0.127m and project costs of £0.080 associated with Land Regeneration.

9. Housing Revenue Account

Housing and Communities has responsibility for managing functions that are required to be charged to the Housing Revenue Account rather than the Council's General Fund. The outturn position on these HRA related directorates are shown within the separate HRA report. Any cross subsidisation between the General Fund and HRA is not permitted.

Capital

Overview

Housing & Communities is responsible for the delivery of a number of capital schemes which are detailed in Appendix J5. The projected 2019/20 outturn for these schemes was £15.975m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £12.989m resulting in a surplus variance of £2.986m. The main reasons for the main variances above £0.100m are as follows:

- Public Access Computers – Libraries - £0.130m surplus – slippage of resources into 2020/21 to improve public access to computers across the whole library service.
- Self Service Customer Portal - £0.298m surplus – slippage of resources into 2020/21 to continue with works at local council offices around customer self-service.
- West Smethwick Park – HLF Match Funding - £0.272m surplus – slippage of resources into 2020/21 to continue to develop the West Smethwick Park Restoration scheme along with HLF funding secured.
- The Public Conversion to College - £0.341m surplus – slippage of resources into 2020/21 and held in the capital programme for potential future roofing works at the college.
- Aquatic Centre – Commonwealth Games 2022 - £1.761m surplus – a decision by the Department of Culture Media & Sports (DCMS) / Birmingham CC to fund an element of the costs in 2019/20 has allowed us to carry forward more of our own resources into 2020/21 to continue to develop the Sandwell Aquatic Centre ready for the 2022 Commonwealth Games.

- Acquisition of Vehicles - £0.352m surplus – The overall costs in 2019/20 reflects the Council's current vehicle replacement programme.
- Sandwell Aquatic's Centre – DCMS/Birmingham CC - £0.493m deficit – a decision by the Department of Culture Media & Sports (DCMS) / Birmingham CC to fund an element of the costs associated with the Sandwell Aquatic's Centre in 2019/20.

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

Charlie Davey
Business Partner - Finance
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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	15,094	0	15,094	14,322	0	0	14,322	(772)
Premises	2,950	0	2,950	4,013	70	0	4,083	1,132
Transport	2,008	0	2,008	2,177	0	0	2,177	169
Supplies & Services	7,060	428	7,488	5,983	(24)	(207)	5,752	(1,736)
Third Party Payments	4,402	0	4,402	4,440	0	0	4,440	38
Transfer Payments	0	0	0	0	0	0	0	0
Capital Charges	5,282	0	5,282	5,282	0	0	5,282	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	36,796	428	37,224	36,217	46	(207)	36,056	(1,168)
Specific Grants	(4,023)	0	(4,023)	(2,870)	0	0	(2,870)	1,153
Other Grants & Contributions	(1,167)	0	(1,167)	(1,541)	100	0	(1,441)	(274)
Fees & Charges	(5,295)	0	(5,295)	(5,183)	0	0	(5,183)	111
Recharges in Target	(8,358)	0	(8,358)	(8,747)	0	0	(8,747)	(389)
Other Income	0	0	0	0	0	0	0	0
Gross Income	(18,842)	0	(18,842)	(18,341)	100	0	(18,241)	601
Total Net Expenditure	17,954	428	18,382	17,876	146	(207)	17,815	(567)

Housing & Communities		Appendix J2 Housing & Communities Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Management	Employees	3,469		3,469	3,388			3,388	(81)
This includes homelessness support, the Welfare Rights Team and the development of relationships with the voluntary and community sector.	Premises	1,279		1,279	2,194			2,194	915
	Transport	23		23	9			9	(14)
	Supplies & Services	3,992	115	4,107	2,360			2,360	(1,746)
	Third Party Payments	0		0	2			2	2
	Transfer Payments	0		0	0			0	0
	Capital Charges	257		257	257			257	(0)
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	9,020	115	9,135	8,210	0	0	8,210	(925)
	Specific Grants	(2,815)		(2,815)	(1,676)			(1,676)	1,139
	Other Grants & Contributions	(1,134)		(1,134)	(1,395)			(1,395)	(261)
	Fees & Charges	(1,318)		(1,318)	(1,155)			(1,155)	164
	Recharge Income	(1,178)		(1,178)	(1,271)			(1,271)	(94)
	Other Income	0		0	0			0	0
Total Gross Income	(6,445)	0	(6,445)	(5,496)	0	0	(5,496)	949	
Net Expenditure	2,575	115	2,690	2,714	0	0	2,714	23	
Tourism, Culture & Leisure	Employees	4,504		4,504	4,480			4,480	(24)
This includes libraries, museums, Sandwell Valley and PE & Sports including the contractual payments to leisure providers.	Premises	1,177		1,177	1,375	70		1,445	268
	Transport	55		55	44			44	(11)
	Supplies & Services	1,589	48	1,637	1,816	(24)	(207)	1,585	(52)
	Third Party Payments	4,402		4,402	4,438			4,438	36
	Transfer Payments	0		0	(0)			(0)	(0)
	Capital Charges	2,322		2,322	2,322			2,322	(0)
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	14,050	48	14,098	14,475	46	(207)	14,314	216
	Specific Grants	(1,208)		(1,208)	(1,194)			(1,194)	14
	Other Grants & Contributions	(33)		(33)	(106)	100		(6)	27
	Fees & Charges	(1,823)		(1,823)	(1,816)			(1,816)	7
	Recharge Income	(853)		(853)	(905)			(905)	(52)
	Other Income	0		0	0			0	0
Total Gross Income	(3,918)	0	(3,918)	(4,021)	100	0	(3,921)	(4)	
Net Expenditure	10,132	48	10,180	10,454	146	(207)	10,393	213	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Commercial Services	Employees	4,737		4,737	4,401			4,401	(336)	
	Premises	419		419	359			359	(60)	
	This service maintains the public parks and green spaces, it delivers the grounds maintenance service for the borough, includes the centralised costs of the fleet service for the council and the client side for the waste contract with Serco.	Transport	1,928		1,928	2,120			2,120	192
		Supplies & Services	920	128	1,048	1,213			1,213	166
		Third Party Payments	0		0	0			0	0
		Transfer Payments	0		0	0			0	0
		Capital Charges	2,660		2,660	2,660			2,660	0
		Capital Financing	0		0	0			0	0
		Total Gross Expenditure	10,664	128	10,792	10,754	0	0	10,754	(38)
		Specific Grants	0		0	0			0	0
		Other Grants & Contributions	(0)		(0)	(41)			(41)	(40)
		Fees & Charges	(2,030)		(2,030)	(2,093)			(2,093)	(62)
	Recharge Income	(4,662)		(4,662)	(4,758)			(4,758)	(96)	
Other Income	0		0	0			0	0		
Total Gross Income	(6,693)	0	(6,693)	(6,891)	0	0	(6,891)	(199)		
Net Expenditure	3,971	128	4,099	3,863	0	0	3,863	(236)		
Business Excellence										
This includes the corporate contact centre and the provision of the One Stop Shop reception service at Oldbury. It includes the local managed town grants and director managed budgets.	Employees	2,384		2,384	2,052			2,052	(331)	
	Premises	75		75	85			85	10	
	Transport	2		2	4			4	2	
	Supplies & Services	560	137	697	593			593	(103)	
	Third Party Payments	0		0	0			0	0	
	Transfer Payments	0		0	0			0	0	
	Capital Charges	43		43	43			43	0	
	Capital Financing	0		0	0			0	0	
	Total Gross Expenditure	3,063	137	3,200	2,778	0	0	2,778	(422)	
	Specific Grants	0		0	0			0	0	
	Other Grants & Contributions	0		0	0			0	0	
	Fees & Charges	(122)		(122)	(120)			(120)	2	
	Recharge Income	(1,665)		(1,665)	(1,813)			(1,813)	(147)	
Other Income	0		0	0			0	0		
Total Gross Income	(1,788)	0	(1,788)	(1,933)	0	0	(1,933)	(145)		
Net Expenditure	1,276	137	1,413	846	0	0	846	(567)		

Housing & Communities	Appendix J3 - Housing & Communities		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Grants	2,429	3,790	(1,361)
Tree Works	445	255	190
Professional Services	505	283	221
Project costs for Commonwealth Games	205	0	205
Materials & Consumable	583	734	(151)
HRA recharges	248	299	(51)
Other Internal Recharges	103	50	53
Operational Services	219	342	(123)
ICT	231	58	172
Equipment & Furniture	177	373	(196)
Legal	169	101	68
Waste Disposal Charge	175	56	119
Civic Events	105	184	(79)
Catering Provisions	99	90	9
Architects	92	32	60
Subscriptions	73	20	53
Consultancy	64	21	43
Telephones	51	77	(25)
Printing & Stationery	100	89	11
Hire of Facilities	22	35	(13)
Protective Clothing & Uniforms	19	32	(13)
Licences	18	0	17
Contract Payments	16	0	16
Bank Charges & Commiss	12	5	7
Tenants expenses	12	0	12
Laundry	12	0	12
Engineers	8	0	8
Cash Collections	8	4	4
Pest Control	5	6	(1)
Catering Equipment	5	5	0
Advertising & Publicity	7	66	(59)
Bereavement Expenses	4	0	4
Conference Expenses	3	6	(3)
Refuse Collection	2	12	(9)
Postages	1	13	(12)
Office Accomodation	0	17	(17)
Surplus brought forward from previous year	0	428	(428)
Provision for Bad Debts	(244)	0	(244)
Other Supplies & Services	0	5	(5)
Total Supplies & Services	5,983	7,488	(1,505)
Specific Grants			
DCLG - Flexible Homelessness Support Grant / New Burdens	(779)	(1,649)	870
DCLG - Controlling Migration	(76)	(76)	(0)
DCLG -Controlling Migration Fund - Sandwell Language Network	(381)	(381)	(0)
DCLG - Controlling Migration Fund - Settling Well	(199)	(199)	0
DEFRA - Natural England Stewardship Grant	(32)	(46)	14
DCLG - Supporting Families Against Youth Crime	(125)	(373)	248
DCLG - Portway Lifestyle Centre - PFI	(1,162)	(1,162)	0
Home Office - Prevent Grant	(115)	(137)	22
Total Specific Grants	(2,870)	(4,023)	1,153

Housing & Communities			Appendix J4 Central Items		
Central Item Description	Annual Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Variance (Under) / Over Spend £'000
Waste Partnership	26,700	25,296	1,385		(19) 0
Total	26,700	25,296	1,385	0	(19)
Subjective Analysis					
Employees					0
Premises					0
Transport					0
Supplies & Services	29,155	27,328	1,385		(442)
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	29,155	27,328	1,385	0	(442)
Specific Grants					0
Other Grants & Contributions	(1,235)	(1,241)			(5)
Fees & Charges	(552)	(77)			476
Recharges in Target	(668)	(714)			(47)
Other Income					0
Gross Income	(2,455)	(2,032)	0	0	423
Total Net Expenditure	26,700	25,296	1,385	0	(19)

Housing & Communities				Appendix J5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20 £'000	(Surplus) / Deficit for the Year £'000
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
<u>Main Programme</u>					
Environmental Improvements to Neighbourhoods (Gro	105	0	105	13	(92)
Charlemont Community Centre Wigmore	37	0	37	0	(37)
Public Access Computers - Libraries	196	0	196	66	(130)
Blackheath Library - fit out costs	0	0	0	25	25
Libraries Management System	4	0	4	0	(4)
Manor House - Phase 2	12	0	12	0	(12)
Lightwoods House & Park	40	0	40	40	0
Sandwell Aquatic's Centre	300	0	300	240	(60)
Self Service Customer Portal	382	0	382	84	(298)
West Smethwick Park - HLF Match Funding	491	0	491	219	(272)
Oak House Museum Roof Repairs	10	0	10	0	(10)
<u>Prudential Borrowing</u>					
The Public - Conversion to College	341	0	341	0	(341)
Lightwoods Park	85	0	85	41	(44)
Aquatic Centre - Commonwealth Games 2022	2,912	0	2,912	1,151	(1,761)
Acquisition of Vehicles	1,200	0	1,200	848	(352)
<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>					
Haden Hill Leisure Centre Roofing	0	0	0	60	60
Libraries Management System	0	4	4	4	0
Manor House Conservation Plan	0	48	48	7	(41)
Dartmouth Park - HLF	0	2	2	0	(2)
West Smethwick Park - HLF	0	80	80	0	(80)
Oak House Barns Restoration Project	0	10	10	0	(10)
Sandwell Valley High Ropes	0	6	6	5	(1)
Youth Centre, Queens Way, Oldbury	0	5	5	0	(5)
Sandwell Aquatic's Centre - DCMS / Birmingham CC	0	2,500	2,500	2,993	493
Sandwell Aquatic's Centre - LEP Funding	0	5,000	5,000	5,000	0
Sandwell Aquatic's Centre - Sport England	0	2,000	2,000	1,940	(60)
<u>Section 106</u>					
Section 106 accounts - Cultural	0	168	168	253	85
Total Housing & Communities	6,152	9,823	15,975	12,989	(2,986)

Housing & Communities		Appendix J6 Section 106 Monitoring		
Scheme	Description of Project	Balance Available @ 01/04/19 £	Outturn for 2019/20 £	Balance Remaining @ 31/03/20 £
Section 106 - Oldbury	Planting scheme to improve welcoming aspect - Oldbury	4,800	4,800	0
Section 106 - Oldbury	Treeworks - Oldbury	2,600	2,600	0
Section 106 - Rowley	Fencing, Steps & Re-Painting of Infrastructure - Rowley	27,300	27,300	0
Section 106 - Tipton	Treeworks - Tipton	6,100	6,100	0
Section 106 - Tipton	Play Provision improvements - Tipton	3,500	3,500	0
Section 106 - Tipton	Play Provision improvements - Tipton	15,700	15,700	0
Section 106 - Tipton	Play Provision improvements - Tipton	29,700	29,700	0
Section 106 - West Bromwich	Scheme being developed with SCIPS including Mill Pool - West Bromwich	54,900	39,044	15,856
Section 106 - West Bromwich	Play Provision Improvements - West Bromwich	14,000	14,000	0
Section 106 - West Bromwich	Improvements to Car Parking Facilities & Skate Board Park - West Bromwich	32,900	32,900	0
Section 106 - West Bromwich	Scheme developed including Entrance & Car Parking - West Bromwich	17,200	17,200	0
Section 106 - West Bromwich	Play Provision improvements - West Bromwich	60,000	60,000	0
Grand Total		268,700	252,844	15,856

Children's Services Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Children's Services is an under spend of £0.329m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	121,038	30	121,068	125,601	(351)	125,250	4,183
Gross Income	(23,409)	0	(23,409)	(27,921)	0	(27,921)	(4,512)
Net Expenditure	97,629	30	97,659	97,681	(351)	97,330	(329)
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							(329)

Further details of the outturn position can be found in Appendices K1 and K2. The table below outlines the main reasons for the variance of £0.329m:

Reasons for Under Spend	£'000
SEN Transport overspend	2,723
DSG - Early Years grant funding	(2,200)
Fees & Charges income generation	(523)
Unexpected Regional Adoption Agency Refund	(110)
Children's Trust Legal Costs	(89)
Saving on Childrens Centres Contract	(70)
Youth Service - Project delay	(30)
Replacement of SAFL Computer Suite delayed	(30)
Total	(329)

The net under spend is requested to be treated as follows:

Requested Treatment	£'000
Request to Carry Forward to 2020-21 to meet future Directorate needs	329
Total	329

2. Available Resources

The total budget available to the directorate was £85.779m. 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	85,779
Target Adjustments -	
Capital Charges Adjustment	11,880
Revised Target Budget Resources	97,659

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 between sub divisions within the directorate 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 the directorate was an underspend of £0.030m, the variance between this and the actual outturn is an under spend of £0.299m. The following table explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
SEN Transport increased overspend	92
DSG - Previous years	(92)
Residential Services - reduced income	59
Prior Year prudential borrowing costs	55
ESF YEI - grant income from previous years has been received	(71)
Connexions Service - Salary underspend & increased income	(84)
Insurance costs	45
School Improvement - Staffing Savings, additional income	(51)
Children's Centres Contract Less than Anticipated	(70)
Unexpected Regional Adoption Agency Refund	(110)
Historical Cases legal Cost	(89)
Youth Services: Delays in projects	(30)
Attendance service - reduced income	30
Other	17
Total	(299)

The 2020/21 budgets were approved by Cabinet on 19 February 2020 and these now need to be adjusted to reflect the 2019/20 outturn; the following changes are therefore required:

Changes to 2020/21 Budget	£'000
Request for 2019-20 outturn balance to be carried forward	329
Total	329

This carry forward will be used to continue with the projects that have been delayed such as the SAFL computer suite and the Youth Services projects, as well as to utilise some of the budget as part of the Supporting Families against Youth Crime Programme.

Whilst Children's Services balanced SEN transport overspends during 2019/20 by using unspent DSG to support other areas, this won't be possible for 2020/21 onwards as the funding has now been fully allocated. It's therefore important to note that a budget pressure is expected for SEN transport, which will be quantified and identified through quarterly budget monitoring processes.

5. Central Items

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

The actual outturn for these items is breakeven.

6. Earmarked Reserves

The directorate has set aside sums totalling £0.186m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has decreased this by £0.076m during the current year and the following balances remain:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Regeration and Economy	186	76	110
Total	186	76	110

7. Severance Payments

In 2018/19 a provision of £0.236m was created for severance payment costs, of which all have been utilised during 2019/20.

Severance payment costs of £0.101m, not included in the provision, have been incurred with further costs of £0.098m expected. £0.098m of these costs will be met from corporate resources, with the remaining £0.101m being funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2019/20 £'000	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20 £'000
		Utilised £'000	Unutilised £'000	Outstanding Severance Payments £'000	Future Severance Payments £'000	
Costs provided for in 2018/19	236	236	0	0		0
Costs not provided for in 2018/19	101			0	98	199
Total	337	236	0	0	98	199
Funded by:						
Directorate						101
Corporate Resources						98

8. Use of Corporate Resources

Expenditure of £0.275m incurred by Children's Services will be met from corporate resources. This is to cover the cost of Severance payments (£0.098m) and Sandwell Guarantee (£0.178m).

9. Housing Revenue Account

Children's Services does not have responsibility for managing functions that are required to be charged to the Housing Revenue Account rather than the Council's General Fund. The outturn position on these HRA related directorates are shown within the separate HRA report. Any cross subsidisation between the General Fund and HRA is not permitted.

Capital

Overview

Children's Services is responsible for the delivery of a number of capital schemes which are detailed in Appendix K5.

The projected 2019/20 outturn for these schemes was £25.899m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £39.076m resulting in a deficit variance of £13.177m. The main reasons for the variances above £0.100m are detailed below:

- West Bromwich Collegiate Academy - £0.140m deficit – at P9 it was unclear whether pre-construction fees would be incurred due to earlier delays with the award of the contract through the framework. Additional costs associated to fees were incurred up to the end March 2020.
- Q3 Langley Phase 2 - £0.168m deficit - at P9 it was unclear whether pre-construction fees would be incurred due to earlier delays with the award of the contract through the framework. Additional costs associated to fees incurred up to end March 2020.
- Shireland Collegiate Academy - £0.469m surplus – funding was retained to meet future retention payments and planning contributions to enhancement works at Hadley Stadium to support the new Shireland Technology Primary School.
- School Condition Lifecycle Property Maintenance - £1.290m deficit - the outturn reflects the current rolling programme of works associated with property maintenance at various schools across the Borough, the main increase is associated with cost attributable Shireland Technology Primary until we receive free school capital funding released from the Department for Education (DfE) to compensate.
- Bristnall Hall Academy - £0.107m deficit – at P9 it was unclear whether pre-construction fees would be incurred due to earlier delays with the award of the contract through the framework. Additional costs associated to fees incurred up to end March 2020.
- Devolved Formula Capital (DFC) - £1.232m deficit - A number of schools have made the decision to incur additional capital expenditure from the DFC budget,
- Devolved Formula Capital – School Contribution - £0.928m deficit - a number of schools have made the decision to incur additional capital expenditure, individual schools have made contributions to cover this expenditure.
- Building Schools for the Future (BSF) Oldbury - £0.171m surplus - monies carried forward into 2020/21 to continue works on various schools in the borough.

- Evolve Funding - £0.222m deficit - a higher level of work was completed than originally forecast at Period 9, ensuring the successful roll-out of this funding to various schools within Sandwell.
- Priority Schools Build Programme (DfE) - Abbey Infants School - £3.798m deficit - a technical adjustment was required to bring Priority Schools Building Programme expenditure into the Councils financial statements.
- Priority Schools Build Programme (DfE) - Yew Tree Primary School - £6.050m deficit - a technical adjustment was required to bring Priority Schools Building Programme expenditure into the Councils financial statements.

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

Steve Lilly

Children's Service – Finance Business Partner

0121 569 3863

Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	12,897	0	12,897	13,371	(76)	(98)	13,197	300
Premises	1,011	0	1,011	1,089	0	0	1,089	79
Transport	3,093	0	3,093	5,816	0	0	5,816	2,723
Supplies & Services	6,868	30	6,898	7,552	0	(177)	7,375	476
Third Party Payments	69,472	0	69,472	69,975	0	0	69,975	503
Transfer Payments	0	0	0	100	0	0	100	100
Capital Charges	27,697	0	27,697	27,697	0	0	27,697	(0)
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	121,038	30	121,068	125,601	(76)	(275)	125,250	4,183
Specific Grants	(8,578)	0	(8,578)	(8,771)	0	0	(8,771)	(193)
Other Grants & Contributions	0	0	0	(302)	0	0	(302)	(302)
Fees & Charges	(1,664)	0	(1,664)	(2,403)	0	0	(2,403)	(739)
Recharges in Target	(6,711)	0	(6,711)	(10,275)	0	0	(10,275)	(3,564)
Other Income	(6,455)	0	(6,455)	(6,169)	0	0	(6,169)	286
Gross Income	(23,409)	0	(23,409)	(27,921)	0	0	(27,921)	(4,512)
Total Net Expenditure	97,629	30	97,659	97,681	(76)	(275)	97,330	(329)

Children's Services		Appendix K2 Directorate Outturn							
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director of Education and Employment	Employees	238		238	173			173	(65)
The Director of Education & Employment is responsible for the delivery of Central Recharges including Capital and Long service awards	Premises	0		0	0			0	0
	Transport	1		1	1			1	0
	Supplies & Services	11		11	71			71	60
	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	0			0	0
	Capital Charges	27,373		27,373	27,373			27,373	(0)
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	27,622	0	27,622	27,617	0	0	27,617	(5)
	Specific Grants	(138)		(138)	(184)			(184)	(46)
	Other Grants & Contributions	0		0	(68)			(68)	(68)
	Fees & Charges	0		0	0			0	0
	Recharge Income	(1,536)		(1,536)	(1,476)			(1,476)	60
	Other Income	(4,526)		(4,526)	(4,526)			(4,526)	(0)
	Total Gross Income	(6,201)	0	(6,201)	(6,255)	0	0	(6,255)	(54)
	Net Expenditure	21,422	0	21,422	21,362	0	0	21,362	(59)
Education Support Services	Employees	3,962		3,962	3,995			3,995	33
Education Support Services across Sandwell encompass:	Premises	237		237	369			369	132
	Transport	503		503	503			503	(0)
	Supplies & Services	1,117		1,117	1,117			1,117	0
• School Organisation & Development	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	0			0	0
• Attendance & Prosecution	Capital Charges	188		188	188			188	0
• School Admissions & Appeals	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	6,007	0	6,007	6,172	0	0	6,172	165
• Education Benefits	Specific Grants	(32)		(32)	(29)			(29)	2
• Residential Centres	Other Grants & Contributions	0		0	(1)			(1)	(1)
• Passenger Transport Unit	Fees & Charges	(498)		(498)	(721)			(721)	(224)
	Recharge Income	(1,979)		(1,979)	(2,174)			(2,174)	(194)
	Other Income	(1,929)		(1,929)	(1,643)			(1,643)	286
	Total Gross Income	(4,438)	0	(4,438)	(4,568)	0	0	(4,568)	(130)
	Net Expenditure	1,569	0	1,569	1,604	0	0	1,604	35

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Learning Improvement	Employees	6,538		6,538	6,944	(76)	(98)	6,770	232
Learning Improvement provides challenge and support for all phase learning including	Premises	46		46	79	0	0	79	33
	Transport	58		58	60	0	0	60	2
	Supplies & Services	1,754		1,754	2,121	0	(177)	1,944	190
	Third Party Payments	0		0	3	0	0	3	3
• Connexions	Transfer Payments	0		0	100	0	0	100	100
• Adult Learning Services	Capital Charges	47		47	47	0	0	47	0
• Parent Support and On Line Learning	Capital Financing	0		0	0	0	0	0	0
	Total Gross Expenditure	8,443	0	8,443	9,353	(76)	(275)	9,002	560
• School improvement Advisers	Specific Grants	(1,944)		(1,944)	(1,706)			(1,706)	237
	Other Grants & Contributions	0		0	0			0	0
• Early Years & Workplace Nursery	Fees & Charges	(905)		(905)	(852)			(852)	53
	Recharge Income	(2,509)		(2,509)	(3,589)			(3,589)	(1,080)
	Other Income	0		0	0			0	0
	Total Gross Income	(5,358)	0	(5,358)	(6,147)	0	0	(6,147)	(790)
	Net Expenditure	3,085	0	3,085	3,206	(76)	(275)	2,855	(230)
Inclusive Learning									
	Employees	902	0	902	914	0	0	914	13
Inclusive Learning supports vulnerable children and young people to achieve positive outcomes and engage in learning. Services include:	Premises	63	0	63	65	0	0	65	2
	Transport	2,521	0	2,521	5,244	0	0	5,244	2,723
	Supplies & Services	175	0	175	252	0	0	252	77
	Third Party Payments	0	0	0	365	0	0	365	365
	Transfer Payments	0	0	0	0	0	0	0	0
	Capital Charges	0	0	0	0	0	0	0	0
• Inclusion Support	Capital Financing	0	0	0	0	0	0	0	0
• Exclusions Service	Total Gross Expenditure	3,661	0	3,661	6,839	0	0	6,839	3,179
• SEN Home to School Transport	Specific Grants	0		0	(365)			(365)	(365)
	Other Grants & Contributions	0		0	(97)			(97)	(97)
	Fees & Charges	0		0	(34)			(34)	(34)
	Recharge Income	(457)		(457)	(564)			(564)	(107)
	Other Income	0		0	0			0	0
	Total Gross Income	(457)	0	(457)	(1,060)	0	0	(1,060)	(603)
	Net Expenditure	3,204	0	3,204	5,779	0	0	5,779	2,576

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director of Children's Services								
Employees	1,050	0	1,050	1,137	0	0	1,137	88
The Director of Childrens Services is responsible for the delivery of the following key services:	664	0	664	576	0	0	576	(88)
Transport	11	0	11	8	0	0	8	(2)
Supplies & Services	3,811	30	3,841	3,989	0	0	3,989	148
Third Party Payments	4,463	0	4,463	4,701	0	0	4,701	238
Transfer Payments	0	0	0	0	0	0	0	0
Capital Charges	89	0	89	89	0	0	89	0
Capital Financing	0	0	0	0	0	0	0	0
Total Gross Expenditure	10,088	30	10,118	10,502	0	0	10,502	384
Specific Grants	(4,463)		(4,463)	(4,463)			(4,463)	0
Other Grants & Contributions	0		0	(136)			(136)	(136)
Fees & Charges	(54)		(54)	(578)			(578)	(524)
Recharge Income	(229)		(229)	(2,472)			(2,472)	(2,243)
Other Income	0		0	0			0	0
Total Gross Income	(4,746)	0	(4,746)	(7,649)	0	0	(7,649)	(2,903)
Net Expenditure	5,342	30	5,372	2,853	0	0	2,853	(2,519)
Childrens Trust								
Employees	0		0	0			0	0
Contract payments to Sandwell Childrens Trust including Connected Carers	0		0	0			0	0
Premises	0		0	0			0	0
Transport	0		0	0			0	0
Supplies & Services	0		0	0			0	0
Third Party Payments	65,009		65,009	64,906			64,906	(103)
Transfer Payments	0		0	0			0	0
Capital Charges	0		0	0			0	0
Capital Financing	0		0	0			0	0
Total Gross Expenditure	65,009	0	65,009	64,906	0	0	64,906	(103)
Specific Grants	(2,002)		(2,002)	(2,002)			(2,002)	0
Other Grants & Contributions	0		0	0			0	0
Fees & Charges	0		0	0			0	0
Recharge Income	0		0	0			0	0
Other Income	0		0	0			0	0
Total Gross Income	(2,002)	0	(2,002)	(2,002)	0	0	(2,002)	0
Net Expenditure	63,007	0	63,007	62,904	0	0	62,904	(103)

Children's Services	Appendix K3 - Sub Analysis		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Equipment & Furniture	35	65	(30)
Materials & Consumables	47	37	10
Catering	171	159	12
Protective Equipment & Laundry	55	74	(19)
Printing & Stationery	176	191	(15)
Professional Services (including Legal)	1,277	899	378
Contract Payments	3,332	3,512	(180)
Telephones & Postage	43	60	(17)
ICT	323	119	204
Advertising & Publicity	59	63	(4)
Room Hire & Conferences	108	34	74
Waste Disposal	18	12	6
Compensation Payments	32	0	32
Grant Payments	1,636	1,520	116
Subscriptions	38	26	12
Architects	15	0	15
Contribution to Internal Services	117	111	6
Licences	22	10	12
Moderation Payments	34	0	34
Other	14	7	7
			0
Total Supplies & Services	7,552	6,899	653
Specific Grants			
Youth Justice Dev. Fund (Secure Remand Grant)	(227)	(227)	0
Extended Personal Advisor Duty Implementation Grant (EPADI)	(37)	(37)	(0)
RSS Grant from DFE Rough Sleepers	(48)	(48)	0
ASC support grant	(2,002)	(2,002)	0
HOPE Grant	(365)	0	(365)
Reducing Parental Conflict Grant	(24)	0	(24)
Adult Education Grant	(1,288)	(1,524)	236
Adoption Support	(103)	(103)	(0)
Controlling Migration Fund	(281)	(283)	1
Troubled Families	(1,884)	(1,884)	0
Youth Justice Board	(486)	(486)	0
Unaccompanied Asylum Seeker Children (UASC)	(1,544)	(1,544)	(0)
School Improvement Grant	(321)	(275)	(46)
Extended Rights to Free Travel	(29)	(32)	2
Staying Put Grant	(133)	(134)	1
Total Specific Grants	(8,771)	(8,578)	(193)
Other Income			
REFCUS Section 5 - Unapplied Receipts B/F (no Conditions)	(4,526)	(4,526)	(0)
Residential Centres	(1,643)	(1,929)	286
Total Other Income	(6,169)	(6,455)	286

Children's Services		Appendix K4 Central Items			
Central Item Description	Annual Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Variance (Under) / Over Spend £'000
BSF Central Item	400	400			0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
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					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
Total	400	400	0	0	0
Subjective Analysis					
Employees					0
Premises					0
Transport					0
Supplies & Services	400	400			0
Third Party Payments					0
Transfer Payments					0
Capital Charges					0
Gross Expenditure	400	400	0	0	0
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	400	0	0	0

Childrens Services				Appendix K5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
<u>Supported Borrowing</u>					
BSF ICT Element	80	0	80	0	(80)
<u>Thematic Capital Pot</u>					
Edmond Cottage Extension	1	0	1	0	(1)
<u>Grants / Self Financing</u>					
Play Pathfinder	6	0	6	0	(6)
PLAS Gwynant	18	0	18	18	0
<u>Schools Capital Programme Schemes (Basic Need)</u>					
New School Kelvin Way - West Bromwich Collegiate Academy	0	5,480	5,480	5,620	140
West Bromwich Collegiate Academy - Phase 2	0	100	100	120	20
Q3 Langleigh Phase 2	0	3,785	3,785	3,953	168
Q3 Langleigh Phase 3	0	100	100	131	31
Shireland Collegiate Academy	0	2,488	2,488	2,019	(469)
George Salter Academy	0	3,003	3,003	3,007	4
St Matthews CE	0	3,612	3,612	3,691	79
School Condition - LifeCycle property maintenance	0	4,500	4,500	5,790	1,290
Priory Primary Expansion	0	100	100	41	(59)
Annie Lennard Infant	0	8	8	8	0
Ormiston Sandwell Community Academy - retention	0	1	1	0	(1)
New Oldbury Primary - Lightwoods	0	96	96	94	(2)
Grace Mary	0	0	0	7	7
Hargate Primary	0	30	30	0	(30)
RSA Academy	0	380	380	373	(7)
Victoria Park Academy	0	36	36	30	(6)
Reddall Hill Primary	0	1	1	0	(1)
All Saints CE Primary	0	1	1	0	(1)
Great Bridge Primary	0	12	12	0	(12)
Feasibility Work Expansion of Secondary	0	40	40	44	4
Tipton Green Junior - Flooding	0	0	0	16	16
Bristnall Hall Academy	0	100	100	207	107
St Michaels	0	53	53	31	(22)

Childrens Services				Appendix K5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000	£'000	£'000
Programme Contingency 19/20 5%	0	100	100	0	(100)
Old Park/Wood Green Junior	0	20	20	20	0
Rood End Bulge Class	0	57	57	57	0
St Gregorys	0	4	4	3	(1)
Moorlands	0	12	12	11	(1)
Joseph Turner	0	15	15	12	(3)
Temporary Expansions	0	2	2	1	(1)
Perryfields - Purchase Mobile Classrooms - Portakabin	0	769	769	739	(30)
School Kitchen Repairs	0	1	1	0	(1)
Hollies Refurbishment	0	0	0	50	50
Ingestre Hall - Boiler Replacement	0	0	0	7	7
SRES Development Plan	0	0	0	6	6
Shireland High Tech Primary	0	0	0	6	6
Crocketts Community Primary	0	0	0	4	4
Shenstone Lodge School	0	0	0	3	3
Sacred Heart Primary	0	0	0	3	3
Yew Tree Primary	0	0	0	3	3
Christ Church CE Primary	0	0	0	3	3
School Demolition Thorne Road	0	0	0	1	1
Schools Capital Feasibility Works	0	0	0	1	1
<u>Standards Fund Grant</u>					
Devolved Formula Capital	0	0	0	1,232	1,232
Devolved Formula Capital - School Contribution	0	0	0	928	928
Devolved Formula Capital - PRU's	0	0	0	42	42
<u>Other - Self Financing</u>					
BSF Oldbury	0	171	171	0	(171)
Two Year Old Entitlement - Early Years Capital	0	2	2	0	(2)
Orchard Building Work	0	57	57	40	(17)
EVOLVE Funding	0	595	595	817	222
Healthy Pupils Capital Fund	0	63	63	39	(24)
PSBP - Abbey Infants School (DfE Funded)	0	0	0	3,798	3,798
PSBP - Yew Tree Primary School (DfE Funded)	0	0	0	6,050	6,050
Total Childrens Services	105	25,794	25,899	39,076	13,177

Public Health Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Public Health is an under spend of £0.292m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	24,861	0	24,861	24,815	(248)	24,567	(294)
Gross Income	(24,764)	0	(24,764)	(24,900)	138	(24,761)	2
Net Expenditure	97	0	97	(85)	(110)	(195)	(292)
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							(292)

Further details of the outturn position can be found in Appendices L1 & L2. The following table outlines the main reasons for the variance:

Reasons for (Under) / Over Spend	£'000
Communicable Disease	
The overspend has mainly occurred from Genitourinary Medicine (GUM) outer area, offset by a minor underspend for the provision of domiciliary care.	259
Long Term Conditions	
The under spend predominantly relates to the reduced activity within the Health Checks contract, and posts becoming vacant during the year.	(647)
Children's	
The overspend relates to slippage in the anticipated savings from the 0 - 5 Health visiting contract with the CCG.	485
The overspend relates unplanned increase of water fluoridation costs from South Staffordshire Water	25
Underspend within the school nursing contract	(191)
The underspend relates to reduced activity for Antenatal sessions in the last quarter.	(6)
Substance Misuse & Smoking	
The underspend has mainly occurred due reduced activity of the smoking cessation contract, less than anticipated drug costs from Drugs & Alcohol Contract and posts becoming vacant during the year.	(448)
Wider Determinants	
The underspend relates to posts becoming vacant during the year, followed by a reduction in planned programme of activity for varying services in respect of mental health and wellbeing and social marketing campaigns.	(491)
The underspend relates to Social Prescribing activity.	(421)
Public Health Management	
The underspend has mainly arisen as a result of vacant management posts.	(440)
Public Health Saving Target	
The allocated budgets exceed the value of the Public Health Grant for 2019/20. For long term financial sustainability efficiencies and budget savings will need to be identified. However, in the short term services can be maintained at current levels through the application of the Public Health Reserve which has been funded from historic under spends against the PH Grant.	1,582
Total	(292)

Public Health is funded from a ring-fenced grant and the net under spend is requested to be treated as follows:

Requested Treatment	£'000
Underspend be added to the Public Health reserve created at quarter 3	292
Total	292

2. Available Resources

The total budget available to the directorate was £0.097m. There have been no amendments since the previously reported monitoring.

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 £0.250 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 the directorate was breakeven, the variance between this and the actual outturn is an under spend of £0.292million. The table below explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
Communicable Disease	
The increased overspend has mainly occurred from Genitourinary Medicine (GUM) outer area services.	91
Long Term Conditions	
The additional underspend relates to reduced activity within the Health Checks contract.	(46)
Children's	
The additional underspend relates to the 0 - 5 Health visiting contract.	(7)
The decreased underspend relates to reduced activity for Antenatal sessions in the last quarter.	(6)
Substance Misuse & Smoking	
The additional underspend has occurred from reduced activity within the smoking cessation contract, less than anticipated drug costs from Drugs & Alcohol Contract.	(106)
Wider Determinants	
The additional underspend has occurred as a result of posts becoming vacant and less than anticipated costs for Emotional Health & Wellbeing, Firmstep licences, and Social marketing campaigns, offset by Healthier Town Teams Grants Award for SCVO	(132)
The additional underspend relates less than anticipated expenditure to support Social Prescribing.	(22)
Public Health Management	
The underspend has mainly arisen as a result of ongoing vacant management posts.	(141)
Public Health Savings	76
Total	(292)

The 2020/21 budgets were approved by Cabinet on 19 February 2020 and there are no adjustments required to reflect the 2019/20 outturn.

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 Public health directorate has set aside £0.320m in previous years as an earmarked reserve held on behalf of neighbouring NHS partners for future seminars and publications relating to learning for public health.

At Quarter 3 of 2019/20 Cabinet approved the creation of a £4.550m Public Health Grant Reserve; this utilised the historic underspend brought forward to 2019/20 and the underspend previously allocated for use in 2020/21. The directorate wishes to contribute the 2019/20 under spend of £0.292m to this reserve.

As at 31 March 2020 the Public Health reserves are therefore:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Public Health Grant Reserve (created at Qtr 3)	0	(4,550)	4,550
Public Health Grant Reserve (proposed treatment of outturn variance)	0	(292)	292
Public Health Grant Reserve Total			4,842
Learning for Public Health	320	3	317
Total	320	(4,839)	5,159

7. Severance Payments

There were no severance payment costs or provisions for the Public health directorate.

8. Use of Corporate Resources

Expenditure of £0.106m 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

Charlie Davey

Business Partner - Finance

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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) Corporate Resources £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	1,308	0	1,308	2,409	(113)	(62)	2,235	926
Premises	133	0	133	130	0	0	130	(3)
Transport	7	0	7	5	(1)	(0)	4	(3)
Supplies & Services	23,385	0	23,385	22,243	(22)	(50)	22,171	(1,215)
Third Party Payments	0	0	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0	0	0
Capital Charges	28	0	28	27	0	0	27	(0)
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	24,861	0	24,861	24,815	(135)	(113)	24,567	(294)
Specific Grants	(24,061)	0	(24,061)	(24,061)	0	0	(24,061)	0
Other Grants & Contributions	(127)	0	(127)	(160)	123	2	(36)	91
Fees & Charges	0	0	0	(8)	0	1	(8)	(8)
Recharges in Target	(576)	0	(576)	(670)	9	4	(657)	(81)
Other Income	0	0	0	0	0	0	0	0
Gross Income	(24,764)	0	(24,764)	(24,900)	132	6	(24,761)	2
Total Net Expenditure	97	0	97	(85)	(3)	(106)	(195)	(292)

Public Health

Appendix L2 Directorate Outturn

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'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	128		128	130			130	2
	Premises	0		0	0			0	0
	Transport	1		1	0			0	(1)
	Supplies & Services	2,790		2,790	3,067			3,067	278
	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	2,919	0	2,919	3,198	0	0	3,198	279
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	0		0	(0)			(0)	(0)
	Recharge Income	0		0	(20)			(20)	(20)
	Other Income	0		0	0			0	0
	Total Gross Income	0	0	0	(20)	0	0	(20)	(20)
Net Expenditure	2,919	0	2,919	3,177	0	0	3,177	259	
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	535		535	486			486	(49)
	Premises	0		0	0			0	0
	Transport	2		2	2			2	(0)
	Supplies & Services	2,409		2,409	1,890			1,890	(518)
	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	2,946	0	2,946	2,378	0	0	2,378	(568)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	(8)			(8)	(8)
	Fees & Charges	0		0	(2)			(2)	(2)
	Recharge Income	0		0	(70)			(70)	(70)
	Other Income	0		0	0			0	0
	Total Gross Income	0	0	0	(80)	0	0	(80)	(80)
Net Expenditure	2,946	0	2,946	2,299	0	0	2,299	(647)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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	212		212	272		(62)	210	(2)
	Premises	82		82	82		0	82	0
	Transport	0		0	2		(0)	1	1
	Supplies & Services	9,200		9,200	9,565		(50)	9,515	315
	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	9,494	0	9,494	9,921	0	(113)	9,808	314
	Specific Grants	0		0	0		0	0	0
	Other Grants & Contributions	0		0	(2)		2	0	0
	Fees & Charges	0		0	(1)		1	0	0
	Recharge Income	0		0	(4)		4	0	0
	Other Income	0		0	0		0	0	0
Total Gross Income	0	0	0	(6)	0	6	0	0	
Net Expenditure	9,494	0	9,494	9,914	0	(106)	9,808	314	
Substance Misuse & Smoking 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.	Employees	245		245	165			165	(80)
	Premises	51		51	48			48	(3)
	Transport	1		1	0			0	(1)
	Supplies & Services	3,776		3,776	3,422			3,422	(354)
	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	0			0	0
	Capital Charges	28		28	27			27	(0)
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	4,099	0	4,099	3,663	0	0	3,663	(437)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	(11)			(11)	(11)
	Fees & Charges	0		0	0			0	0
	Recharge Income	(107)		(107)	(107)			(107)	0
	Other Income	0		0	0			0	0
Total Gross Income	(107)	0	(107)	(118)	0	0	(118)	(11)	
Net Expenditure	3,993	0	3,993	3,545	0	0	3,545	(448)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wider Determinants	Employees	558		558	503			503	(55)
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	0
	Transport	2		2	0			0	(1)
	Supplies & Services	4,124		4,124	3,284			3,284	(840)
	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	4,683	0	4,683	3,786	0	0	3,786	(897)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	(15)			(15)	(15)
	Fees & Charges	0		0	0			0	0
	Recharge Income	(460)		(460)	(460)			(460)	0
	Other Income	0		0	0			0	0
	Total Gross Income	(460)	0	(460)	(475)	0	0	(475)	(15)
Net Expenditure	4,223	0	4,223	3,311	0	0	3,311	(912)	
Public Health Management	Employees	1,212		1,212	854	(113)		741	(471)
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	0
	Transport	1		1	1	(1)		0	(1)
	Supplies & Services	1,088		1,088	1,015	(22)		993	(95)
	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	2,301	0	2,301	1,869	(135)	0	1,734	(568)
	Specific Grants	0		0	0	0		0	0
	Other Grants & Contributions	(127)		(127)	(125)	123		(2)	125
	Fees & Charges	0		0	(5)	0		(5)	(5)
	Recharge Income	(9)		(9)	(9)	9		(0)	9
	Other Income	0		0	0	0		0	0
	Total Gross Income	(136)	0	(136)	(140)	132	0	(8)	128
Net Expenditure	2,165	0	2,165	1,729	(3)	0	1,726	(440)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Health Grant Public Health Grant is used to fund the services identified on these templates and is received on an annual basis.	Employees	0		0	0			0	0
	Premises	0		0	0			0	0
	Transport	0		0	0			0	0
	Supplies & Services	0		0	0			0	0
	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	0	0	0	0	0	0	0	0
	Specific Grants	(24,061)		(24,061)	(24,061)			(24,061)	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	0		0	0			0	0
	Recharge Income	0		0	0			0	0
	Other Income	0		0	0			0	0
Total Gross Income	(24,061)	0	(24,061)	(24,061)	0	0	(24,061)	0	
Net Expenditure	(24,061)	0	(24,061)	(24,061)	0	0	(24,061)	0	
Public Health Saving Target Following annual reductions in the value of the Public Health Grant the budgets allocated to the service significantly exceed the grant value. For long term financial sustainability the service will need to deliver budget savings; however in the interim this can be managed through operational variances and the use of the Public Health Grant Reserve.	Employees	(1,582)		(1,582)	0	0		0	1,582
	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	0		0	0	0		0	0
	Capital Financing	0		0	0	0		0	0
	Total Gross Expenditure	(1,582)	0	(1,582)	0	0	0	0	1,582
	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	0	0	
Net Expenditure	(1,582)	0	(1,582)	0	0	0	0	1,582	
Total Net Expenditure									
		97	0	97	(85)	(3)	(106)	(195)	(292)

	Actual Outturn £'000	Total Budget £'000	Variance (Under) / Over Spend £'000
Supplies and Services			
External & Professional Services - Contracting Costs	15,985	16,339	(353)
Internal & Professional Services - Contracting Costs	4,874	5,680	(806)
Contribution to corporate overheads	617	617	0
Grant Payments	497	506	(9)
Advertising & Publicity	76	53	23
Printing Stationery & General Office Expenses	32	57	(25)
Conference Expenses	30	20	10
Operational Services and Materials/Consumables etc	24	42	(17)
Professional Services	24	46	(22)
Legal	21	4	17
Equipment	14	1	13
ICT	12	4	7
Catering Provisions	9	3	7
Subscriptions	8	3	5
Telephones	7	2	5
Operational Services	4	10	(6)
Postages	4	1	3
Protective Clothing & Uniforms	3	0	3
Waste Disposal & Treatment Charges	2	1	1
HR	1	0	1
Total Supplies & Services	22,243	23,385	(1,142)
Specific Grants			
Public Health Grant	(24,061)	(24,061)	0
Total Specific Grants	(24,061)	(24,061)	0
Other Income			
Total Other Income	0	0	0

Housing Revenue Account Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for Housing Revenue Account is an under spend of £2.360m, which can be further analysed as follows:

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	98,821	0	98,821	97,259	159	97,418	(1,403)
Gross Income	(129,883)	0	(129,883)	(130,840)	0	(130,840)	(957)
Net Expenditure	(31,062)	0	(31,062)	(33,581)	159	(33,422)	(2,360)
Revenue Contribution to Capital (RCCO)							669
Adjusted Net Variance After RCCO							(1,691)

Further details of the outturn position can be found in Appendices M1 & M2. The following table outlines the main reasons for the variance of £2.360m:

Reasons for (Under) / Over Spend	£'000
<u>Asset Management & Maintenance</u>	
Full establishment budgeted for. Apprentices to take on vacancies as part of aging workforce in Asset Management and succession planning. Additional apprentices are being taken on to fill these posts	(1,383)
Reduction in vehicle insurance costs	(71)
<u>Business Excellence</u>	
Vacancies following restructure of Business Excellence, recruitment in progress	(137)
Share of Microsoft Licence costs	65
<u>Corporate HRA</u>	
Insurance liability costs	430
Interest received on HRA balances	(198)
Corporate HRA printing budget no longer utilised following move to managed print services	(106)
<u>Housing Management</u>	
Vacancies within Housing options, Local centres and Income management. Recruitment is ongoing however proving difficult due to fixed term contract offers	(906)
Reduction in office accommodation rental costs	(70)
Reduced legal costs due to lack of capacity in courts to take enforcement action	(55)
Recharge of grants team no longer completed. Team now paid directly from H&C general fund budgets	287
<u>PFI</u>	
Refund of overpaid void council tax	(44)
Reduced management fee payable to Riverside PFI following reduction in property numbers	(550)
Capital expenditure payable from Riverside management fee	(669)
PFI Audit Fees	63
Contribution to Warden Service	80
Additional rental income from Riverside due to extra rent week (week 53)	(157)
<u>Rents & Other Charges</u>	
Increase in final charge for loss allowance in relation to rental income	600
<u>SLA's</u>	
Audit fees in relation to Tenant Management Organisations	
Increase in charge from GF following recalculation of recharge	546
Other minor variance	(85)
Total	(2,360)

The net under spend is requested to be treated as follows:

Requested Treatment	£'000
Transfer to HRA Balances to fund ongoing capital investment	551
Contribution towards Workplace Vision programme	573
Contribution towards ICT upgrades and equipment refresh programme	567
Total	1,691

2. Available Resources

The total budget available to the directorate was a surplus of £31.062m. 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	(31,542)
Target Adjustments -	
Transfer or budget from Capital Financing to Capital Charges	480
Revised Target Budget Resources	(31,062)

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 directorate 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 directorate was £2.805m, the variance between this and the actual outturn is an over spend of £1.114m. The following table explains the reason for this variance:

Reasons for variation from projected outturn @ Q3	£000
Change in the charge for Majors Repairs Reserve	(820)
Additional recharge from GF following recalculation of Support Services recharges	545
Share of Microsoft Licences	217
Increase in Welfare Reform Reserve	1,077
Contribution to Wardens Service	80
Other Minor Variances	15
Total	1,114

The 2020/21 budgets were approved by Cabinet on 19 February 2020 and there is no adjustment needed to reflect the 2019/20 outturn.

5. Central Items

The directorate has no responsibility for the management of Central Items

6. Earmarked Reserves

The directorate has set aside sums totalling £3.701m in previous years as earmarked reserves for use on specific activities in current and future years. The directorate has increase the earmarked reserves during the current year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
Welfare Reform	3,701	(1,077)	4,778
Total	3,701	(1,077)	4,778

7. Severance Payments

In 2018/19 a provision of £0.391m was created for severance payment costs, of which £0.262m has been utilised during 2019/20.

Severance payment costs of £0.117m, not included in the provision, have been incurred with further costs of £0.077m expected. These costs will be funded from the directorate.

The table below summarises the position:

	Actual Costs Incurred 2019/20 £'000	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2019/20 £'000
		Utilised £'000	Unutilised £'000	Outstanding Severance Payments £'000	Future Severance Payments £'000	
Costs provided for in 2018/19	262	262	129	68		(61)
Costs not provided for in 2018/19	117			10	0	127
Total	379	262	129	78	0	66
Funded by:						
Directorate						66
Corporate Resources						0

8. Use of HRA Balances

Expenditure of £0.918m incurred by Housing Revenue Account will be met from HRA Balances. This is to cover the cost of the transforming tomorrow programme (£0.455m), severance payments (£0.066m) and Discretionary Housing Payments for Week 53 (£0.397m).

Capital

Overview

Housing Revenue Account is responsible for the delivery of a number of capital schemes which are detailed in Appendix M5. The projected 2019/20 outturn for these schemes was £62.261m as reported within the Period 9 monitoring to Cabinet on 26th February 2020. The actual outturn is £50.769m resulting in a surplus variance of £11.492m. The main reasons for the main variances above £0.100m are as follows:

- Grant received from Homes England totalling £4.661m for new build housing schemes at Moor Lane, West Road and Strathmore Road
- Additional approvals for purchase of existing properties totalling £1.818m
- Spend totalling £1.140m relating to Workplace Vision and ICT Strategy Costs
- Financing adjustment of £1.099 for Refurbishment works following the calculation of the Major Repairs Reserve

- Reprofile of budgets totalling £12.851m relating to new builds schemes at Moor Lane, Carrisbrooke Close, West Road, Strathmore Road, Oxford Road, Churchvale, Friardale Close and Britannia.
- Reprofile of budgets for the refurbishment of Alfred Gunn House due to delays with starting on site of £2.692m
- Contract delays with the boiler replacement programme reprofiled £1.605m of budget into 2020/21

Contact

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Subjective Analysis	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) HRA Balances £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Employees	37,002	0	37,002	34,704	0	(66)	34,638	(2,364)
Premises	2,527	0	2,527	3,216	0	0	3,216	689
Transport	2,144	0	2,144	2,116	0	0	2,116	(28)
Supplies & Services	40,675	0	40,675	40,259	1,077	(455)	40,881	206
Third Party Payments	498	0	498	509	0	0	509	11
Transfer Payments	0	0	0	480	0	(397)	83	83
Capital Charges	15,975	0	15,975	15,975	0	0	15,975	0
Capital Financing	0	0	0	0	0	0	0	0
Gross Expenditure	98,821	0	98,821	97,259	1,077	(918)	97,418	(1,403)
Specific Grants	(5,713)	0	(5,713)	(5,713)	0	0	(5,713)	0
Other Grants & Contributions	0	0	0	(3)	0	0	(3)	(3)
Fees & Charges	(122,479)	0	(122,479)	(123,501)	0	0	(123,501)	(1,022)
Recharges in Target	(1,691)	0	(1,691)	(1,425)	0	0	(1,425)	266
Other Income	0	0	0	(198)	0	0	(198)	(198)
Gross Income	(129,883)	0	(129,883)	(130,840)	0	0	(130,840)	(957)
Total Net Expenditure	(31,062)	0	(31,062)	(33,581)	1,077	(918)	(33,422)	(2,360)

Directorate Housing Revenue Account						Appendix M2 Directorate Outturn			
		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) HRA Balances	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'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	19,590		19,590	18,206			18,206	(1,384)
	Premises	1,497		1,497	1,301			1,301	(196)
	Transport	1,953		1,953	1,881			1,881	(72)
	Supplies & Services	14,281		14,281	15,369			15,369	1,088
	Third Party Payments	0		0	3			3	3
	Transfer Payments	0		0	0			0	0
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	37,321	0	37,321	36,760	0	0	36,760	(561)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	(3)			(3)	(3)
	Fees & Charges	(2,057)		(2,057)	(2,935)			(2,935)	(878)
	Recharge Income	(411)		(411)	(435)			(435)	(24)
Other Income	0		0	0			0	0	
Total Gross Income	(2,468)	0	(2,468)	(3,373)	0	0	(3,373)	(905)	
Net Expenditure	34,853	0	34,853	33,387	0	0	33,387	(1,466)	
Business Excellence This service provides support to the HRA for strategic development, performance monitoring & customer contact	Employees	1,200		1,200	1,063			1,063	(137)
	Premises	0		0	(1)			(1)	(1)
	Transport	3		3	1			1	(2)
	Supplies & Services	2,024		2,024	2,568		(455)	2,113	89
	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	3,227	0	3,227	3,631	0	(455)	3,176	(51)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	0		0	(21)			(21)	(21)
	Recharge Income	0		0	0			0	0
Other Income	0		0	0			0	0	
Total Gross Income	0	0	0	(21)	0	0	(21)	(21)	
Net Expenditure	3,227	0	3,227	3,610	0	(455)	3,155	(72)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contributio n to Reserves	(Use of) HRA Balances	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Services This service looks after the cleaning of high rise blocks, along with the grounds maintenance on HRA services	Employees	2,651		2,651	2,657			2,657	6
	Premises	75		75	1,254			1,254	1,179
	Transport	150		150	211			211	61
	Supplies & Services	2,522		2,522	1,294			1,294	(1,228)
	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	5,398	0	5,398	5,416	0	0	5,416	18
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(1,208)		(1,208)	(1,217)			(1,217)	(9)
	Recharge Income	(3)		(3)	0			0	3
	Other Income	0		0	0			0	0
Total Gross Income	(1,211)	0	(1,211)	(1,217)	0	0	(1,217)	(6)	
Net Expenditure	4,187	0	4,187	4,199	0	0	4,199	12	
Corporate HRA									
This includes non operational costs such as capital financing charges & pension liabilities	Employees	3,796		3,796	3,920	0	(66)	3,854	58
	Premises	125		125	24			24	(101)
	Transport	3		3	0			0	(3)
	Supplies & Services	493		493	999			999	506
	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	4			4	4
	Capital Charges	15,975		15,975	15,975			15,975	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	20,392	0	20,392	20,922	0	(66)	20,856	464
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(7)		(7)	(147)			(147)	(140)
	Recharge Income	0		0	0			0	0
	Other Income	0		0	(198)			(198)	(198)
Total Gross Income	(7)	0	(7)	(345)	0	0	(345)	(338)	
Net Expenditure	20,385	0	20,385	20,577	0	(66)	20,511	126	

		Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Actual Outturn £'000	(Use of) / Contribution to Reserves £'000	(Use of) HRA Balances £'000	Revised Outturn £'000	Variance (Under) / Over Spend £'000
Housing Management 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.	Employees	9,706		9,706	8,799			8,799	(907)
	Premises	522		522	421			421	(101)
	Transport	34		34	23			23	(11)
	Supplies & Services	2,749		2,749	2,693			2,693	(56)
	Third Party Payments	498		498	504			504	6
	Transfer Payments	0		0	0			0	0
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	13,509	0	13,509	12,440	0	0	12,440	(1,069)
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(1,381)		(1,381)	(1,389)			(1,389)	(8)
	Recharge Income	(1,277)		(1,277)	(990)			(990)	287
	Other Income	0		0	0			0	0
Total Gross Income	(2,658)	0	(2,658)	(2,379)	0	0	(2,379)	279	
Net Expenditure	10,851	0	10,851	10,061	0	0	10,061	(790)	
PFI 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	Employees	59		59	59			59	0
	Premises	53		53	(45)			(45)	(98)
	Transport	1		1	0			0	(1)
	Supplies & Services	9,546		9,546	8,483			8,483	(1,063)
	Third Party Payments	0		0	2			2	2
	Transfer Payments	0		0	0			0	0
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	9,659	0	9,659	8,499	0	0	8,499	(1,160)
	Specific Grants	(5,713)		(5,713)	(5,713)			(5,713)	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(4,191)		(4,191)	(4,348)			(4,348)	(157)
	Recharge Income	0		0	0			0	0
	Other Income	0		0	0			0	0
Total Gross Income	(9,904)	0	(9,904)	(10,061)	0	0	(10,061)	(157)	
Net Expenditure	(245)	0	(245)	(1,562)	0	0	(1,562)	(1,317)	

		Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves	(Use of) HRA Balances	Revised Outturn	Variance (Under) / Over Spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rents & Other Charges This includes rental income from council properties and expenditure mainly relates to a provision for bad debts	Employees	0		0	0			0	0
	Premises	255		255	262			262	7
	Transport	0		0	0			0	0
	Supplies & Services	2,040		2,040	1,287	1,077		2,364	324
	Third Party Payments	0		0	0			0	0
	Transfer Payments	0		0	476		(397)	79	79
	Capital Charges	0		0	0			0	0
	Capital Financing	0		0	0			0	0
	Total Gross Expenditure	2,295	0	2,295	2,025	1,077	(397)	2,705	410
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	(113,635)		(113,635)	(113,444)			(113,444)	191
	Recharge Income	0		0	0			0	0
Other Income	0		0	0			0	0	
Total Gross Income	(113,635)	0	(113,635)	(113,444)	0	0	(113,444)	191	
Net Expenditure	(111,340)	0	(111,340)	(111,419)	1,077	(397)	(110,739)	601	
SLA's									
This is budgets for agreed internal support towards the HRA including ICT, Finance & HR	Employees	0		0	0			0	0
	Premises	0		0	0			0	0
	Transport	0		0	0			0	0
	Supplies & Services	7,020		7,020	7,566			7,566	546
	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	7,020	0	7,020	7,566	0	0	7,566	546
	Specific Grants	0		0	0			0	0
	Other Grants & Contributions	0		0	0			0	0
	Fees & Charges	0		0	0			0	0
	Recharge Income	0		0	0			0	0
Other Income	0		0	0			0	0	
Total Gross Income	0	0	0	0	0	0	0	0	
Net Expenditure	7,020	0	7,020	7,566	0	0	7,566	546	
Total Net Expenditure									
		(31,062)	0	(31,062)	(33,581)	1,077	(918)	(33,422)	(2,360)

Directorate Housing Revenue Account	Appendix M3 - Sub Analysis		
	Actual Outturn	Total Budget	Variance (Under) / Over Spend
	£'000	£'000	£'000
Supplies and Services			
Architects	129	2	127
Bank Charges & Commissions	108	58	50
Bi-Lingual Translation	1	16	(15)
Building Products	3,840	3,321	519
Conference Expenses	48	50	(2)
Contract Payments	10,015	9,278	737
Contributions Towards Bad Debt	925	1,700	(775)
Equipment & Furniture	96	291	(195)
General Recharges	12,086	12,259	(173)
Grants	150	180	(30)
ICT	500	500	0
Insurance	748	340	408
Legal	448	715	(267)
Licences	250	16	234
Office Expenses	238	606	(368)
Pest Control	5	18	(13)
PFI Unitary Fee	8,303	9,522	(1,219)
Professional Services	1,820	1,193	627
Protective Clothing & Uniforms	27	67	(40)
Subscriptions	57	24	33
Tenants Expenses	24	97	(73)
Waste Disposal Charge	441	423	18
Total Supplies & Services	40,259	40,676	(417)
Specific Grants			
PFI Subsidy	(5,713)	(5,713)	0
Total Specific Grants	(5,713)	(5,713)	0
Other Income			
Interest On Balances	(198)	0	(198)
Total Other Income	(198)	0	(198)

Housing Revenue Account				Appendix M5 - Capital	
	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000		
Prudential Borrowing - New build (inc HCA Grant)					
Moor Lane Extra Care	6,110	0	6,110	3,853	(2,257)
Carrisbrooke Close	1,001	456	1,457	1,285	(172)
West Road	7,981	0	7,981	4,417	(3,564)
Strathmore Road	7,661	0	7,661	6,669	(992)
Reservoir Road	250	0	250	355	105
Bull Street/Albion Road	0	0	0	14	14
Prudential Borrowing - New build (1-4-1 Receipts)					
1-4-1 Replacement Fees	0	0	0	112	112
Kier Housing - Kent Close, Tibbington	25	0	25	0	(25)
Oxford Road Extra Care - New Build	782	0	782	268	(514)
Brindley 2	121	0	121	5	(116)
Churchvale	350	0	350	134	(216)
Friardale Close Bungalows	350	0	350	98	(252)
Brittania	350	0	350	127	(223)
RTB Buy Backs	1,330	0	1,330	1,332	2
1-4-1 Property Purchases	2,170	0	2,170	3,329	1,159
Prudential Borrowing - High Rise					
The Crofts	83	0	83	0	(83)
Charlemont Farm	14	0	14	0	(14)
Kynaston House	132	0	132	0	(132)
Lion Farm	586	0	586	548	(38)
Beaconview	46	0	46	0	(46)
Nelson House	308	0	308	3	(305)
Darley House	66	0	66	67	1
Alfred Gunn House	3,000	0	3,000	308	(2,692)
Emergency Cladding Works	52	0	52	192	140
Mountford House (Lifts)	65	0	65	14	(51)
High Rise - General	300	0	300	137	(163)
Prudential Borrowing - Other					
Boiler Replacement	5,036	0	5,036	2,141	(2,895)
Sandfield House	152	0	152	142	(10)
ECO Projects	1,250	0	1,250	0	(1,250)
Adaptations for Disabled	3,350	0	3,350	3,541	191
Estate Improvements	400	0	400	262	(138)
Property Conversions	222	0	222	307	85
Replacement of CO2 and Smoke Detectors	267	0	267	255	(12)
RTB Receipts - 1-4-1 Replacement					
Brindley 2	2	0	2	0	(2)
1-4-1 Replacement Professional Fees	0	0	0	48	48
Oxford Road Extra Care - New Build	406	0	406	115	(291)
Churchvale	150	0	150	57	(93)
Friardale Close Bungalows	150	0	150	42	(108)
Brittania	150	0	150	54	(96)
RTB Buy Backs	570	0	570	571	1
Alfred Gunn House	0	0	0	41	41
1-4-1 Property Purchases	930	0	930	1,427	497

	Revised 2019/20 Budget as @ Period 9			Actual Outturn 2019/20	(Surplus) / Deficit for the Year
	Main Programme	Self Financing	Total		
	£'000	£'000	£'000	£'000	£'000
<u>RCCO : MRA/Ringfenced Approvals</u>					
Refurbishment	12,036	0	12,036	13,135	1,099
Single to Double Glazing & Composite Doors	1,000	0	1,000	499	(501)
Boiler Replacement	707	0	707	1,996	1,289
<u>RCCO - Other</u>					
Applewood Grove Conversion	750	0	750	1,077	327
Greenwood Avenue Conversion	250	0	250	17	(233)
Greenford House (additional flats)	100	0	100	3	(97)
Kenrick House (additional flats)	40	0	40	2	(38)
Ex Neighbourhood Offices New Build - Hilton Road	0	0	0	(9)	(9)
Ex Neighbourhood Offices New Build - Monmouth Drive	0	4	4	(28)	(32)
Riverside PFI	750	0	750	669	(81)
Workplace Vision	0	0	0	573	573
ICT Strategy Costs	0	0	0	567	567
Total Housing & Communities	61,801	460	62,261	50,769	(11,492)

Schools Financial Outturn 2019/20
1 April 2019 to 31 March 2020

Revenue

1. Overview

The financial outturn for the Individual Schools Budget (ISB) ledger is a deficit of £3.383m. The deficit relates to the ring-fenced Dedicated Schools Grant and is therefore required to be carried forward.

	Annual Target Budget	BFwd from Previous Year	Total Budget	Actual Outturn	(Use of) / Contribution to Reserves & Corporate Resources	Revised Outturn	Variance (Under) / Over Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	65,219	0	65,219	503,009	12,788	490,221	425,002
Gross Income	(65,219)	0	(65,219)	(500,307)	(13,469)	(486,839)	(421,620)
Net Expenditure	0	0	0	2,702	(681)	3,383	3,383
Revenue Contribution to Capital (RCCO)							0
Adjusted Net Variance After RCCO							3,383

School Balances

At the end of 2018/19 cumulative schools balances (including non-schools expenditure and income) were £32.551m. These balances have reduced by £3.383m to £29.169m.

This includes an increase of £0.048m against schools' budget share and a decrease of £3.431m 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 £'000	In-Year Movement £'000	Carry Forward £'000
Primary	18,635	(0,204)	18,431
Secondary	1,565	0,116	1,681
Special	1,638	0,135	1,773
Schools	21,838	0,047	21,885

There are 3 schools closing with a deficit budget share for 2019/20:

- Brickhouse Primary (£0.003m)
- Newtown Primary (£0.040m)
- Stuart Bathurst (£0.104m)

There were no schools that converted to an academy during 2019/20.

The following table details the in-year movement for the non-school budget share expenditure incurred:

Service Area	(Surplus)/Deficit £'000
Early Years	1,976
High Needs/SEN	0,709
Central Services	(0,191)
Pupil Referral Units	0,512
Holding Accounts	0,338
Other Expenditure	0,087
Total	3,431

2. Earmarked Reserves

The directorate has set aside sums totalling £6.251m in previous years as earmarked reserves for use on specific activities in current and future years. A net increase of £0.681m was made against earmarked reserves during the current year leaving the following balances remaining:

Earmarked Reserve	Balance as at 31 March 2019 £'000	Use of / (Contribution to) in 2019/20 £'000	Remaining Balance 31 March 2020 £'000
BSF FM Sinking Fund	2,506	(195)	2,701
BSF PFI Sinking Fund	3,745	(485)	4,230
Total	6,251	(681)	6,931

3. Severance Payments

The contracts of 86 employees were ended during 2019/20 within schools. These incurred liabilities totalling £0.813m which has been met by individual schools.

As at 31st March 2020 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 2020/21.

The table below summarises the position:

	Actual Costs Incurred 2019/20	Provision Created 2018/19		New Provision Created 2019/20		Net cost to service 2018/19
		Utilised	Unutilised	Outstanding Severance Payments	Future Severance Payments	
	£'000	£'000	£'000	£'000	£'000	£'000
Costs provided for in 2018/19	0	0	0	0		0
Costs not provided for in 2018/19	813			0	0	813
Total	813	0	0	0	0	813
Funded by:						
Directorate						813
Corporate Resources						0

4. 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	2018-19					2019-20				
	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
ABBAY INFANT	£150,042	£12,511	£0	£0	£162,553	£37,315	£0	£0	£0	£37,315
ABBAY JUNIOR	£75,245	£14,675	£0	£0	£89,920	£91,478	£0	£0	£0	£91,478
ALBERT PRITCHARD INF	£181,919	£23,947	£0	£0	£205,865	£240,094	£0	£0	£0	£240,094
ALL SAINTS JR & INF	£304,096	£0	£0	£0	£304,096	£335,831	£0	£0	£0	£335,831
ANNIE LENNARD	£358,497	£0	£0	£0	£358,497	£422,146	£6,887	£0	£0	£429,033
BEARWOOD JR & INF	£359,550	£42,696	£0	£0	£402,246	£324,453	£24,328	£0	£0	£348,781
BLACKHEATH JR & INF	£763,347	£45,164	£0	£0	£808,512	£727,075	£54,569	£0	£0	£781,644
BLEAKHOUSE JUNIOR	£168,403	£20,398	£0	£0	£188,801	£186,873	£10,380	£0	£0	£197,253
BRANDHALL JR & INF	£184,250	£0	£0	£0	£184,250	£143,705	£0	£0	£0	£143,705
BRICKHOUSE JR & INF	£35,862	£6,701	£0	£0	£42,563	(£3,640)	£0	£0	£0	(£3,640)
BURNT TREE JR & INF	£271,927	£26,782	£0	£0	£298,709	£267,022	£25,242	£0	£0	£292,263
CAPE JR & INF	£665,723	£47,547	£0	£0	£713,270	£613,566	£59,001	£0	£0	£672,567
CAUSEWAY GREEN JR & INF	£255,827	£12,680	£0	£0	£268,507	£248,282	£0	£0	£0	£248,282
CHRIST CHURCH JR & INF	£119,736	£0	£192,946	£0	£312,682	£213,417	£0	£113,757	£0	£327,174
CROCKETTS LANE INF	£699,342	£33,337	£0	£0	£732,679	£692,274	£42,410	£0	£0	£734,684
Eaton Valley	£396,506	£0	£0	£0	£396,506	£311,744	£1,141	£0	£0	£312,885
FERNDALE JR & INF	£313,124	£0	(£132,197)	£0	£180,927	£338,703	£0	(£151,519)	£0	£187,185
GALTON VALLEY	£529,031	£30,260	£38,766	£0	£598,056	£465,519	£32,192	£96,270	£0	£593,980
GLEBEFIELDS JR & INF	£150,983	£11,321	£0	£0	£162,304	£80,066	£14,129	£0	£0	£94,195
GRACE MARY JR & INF	£133,712	£10,193	£0	£0	£143,905	£206,497	£0	£0	£0	£206,497
GREAT BRIDGE JR & INF	£271,169	£26,357	£0	£0	£297,526	£232,140	£3,057	£0	£0	£235,198
GROVE VALE JR & INF	£265,724	£2,841	£0	£0	£268,565	£347,600	£6,433	£0	£0	£354,033
HANBURY PRIMARY	£661,326	£6,756	£0	£0	£668,083	£643,303	£15,938	£0	£0	£659,241
HALL GREEN JR & INF	£899,893	£23,124	£0	£0	£923,017	£826,037	£32,087	£0	£0	£858,124
HAMSTEAD INF	£126,545	£24,762	£0	£0	£151,307	£77,104	£28,267	£0	£0	£105,372
HAMSTEAD JUNIOR	£210,076	£30,538	£0	£0	£240,613	£207,480	£11,239	£0	£0	£218,720
HARGATE JR & INF	£528,768	£63,953	£0	£0	£592,721	£549,274	£72,764	£0	£0	£622,038
HARVILLS HAWTHORN PR	£337,237	£18,401	£0	£0	£355,638	£285,153	£2,411	£0	£0	£287,564
HATELEY HEATH PRIM	£18,483	£20,885	£0	£0	£39,368	£31,292	£14,628	£0	£0	£45,920
HIGHFIELDS JR & INF	£199,519	£38,544	£0	£0	£238,064	£236,539	£35,435	£0	£0	£271,974
HOLY NAME RC JR & INF	£187,082	£0	£0	£0	£187,082	£161,803	£0	£0	£0	£161,803
HOLY TRINITY JR & INF	£258,518	£21,085	£0	£0	£279,603	£226,536	£29,137	£0	£0	£255,674
JOSEPH TURNER JR & INF	£204,616	£0	£0	£0	£204,616	£197,540	£0	£0	£0	£197,540
KING GEORGE V PRIMARY	£88,044	£10,211	£0	£0	£98,255	£83,595	£0	£0	£0	£83,595
LANGLEY JR & INF	£404,171	£0	£0	£0	£404,171	£374,404	£0	£0	£0	£374,404
LIGHTWOODS JR & INF	£202,817	£16,684	£0	£0	£219,501	£167,850	£4,581	£0	£0	£172,431

School	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
LODGE JR & INF	£257,641	£0	£0	£0	£257,641	£137,203	£0	£0	£0	£137,203
LYNG JUNIOR & INF	£220,565	£17,597	£0	£0	£238,161	£222,990	£0	£0	£0	£222,990
MOAT FARM INF	£185,169	£24,262	£43,644	£0	£253,075	£297,591	£32,726	£70,093	£0	£400,410
MOAT FARM JUNIOR	£271,702	£18,540	£0	£0	£290,242	£248,425	£0	£0	£0	£248,425
MOORLANDS JR & INF	£163,693	£0	£0	£0	£163,693	£173,362	£0	£0	£0	£173,362
NEWTOWN JR & INF	£38,302	£11,906	£0	£0	£50,208	(£49,007)	£8,838	£0	£0	(£40,169)
OAKHAM JR & INF	£518,530	£17,012	£0	£0	£535,542	£470,430	£0	£0	£0	£470,430
OCKER HILL INFANTS	£88,210	£12,130	£0	£0	£100,339	£79,585	£7,192	£0	£0	£86,777
OLD HILL JR & INF	£122,557	£16,927	£0	£0	£139,484	£96,808	£1,937	£0	£0	£98,745
OLD PARK JR & INF	£403,965	£35,033	£105,987	£0	£544,985	£292,870	£14,279	£100,273	£0	£407,421
PARK HILL JR & INF	£202,094	£18,945	£0	£0	£221,039	£195,971	£0	£0	£0	£195,971
PENNYHILL	£417,401	£11,484	£100,461	£0	£529,347	£460,231	£0	£42,738	£0	£502,969
PERRYFIELDS JR & INF	£207,450	£5,710	£0	£0	£213,160	£191,479	£0	£0	£0	£191,479
PRIORY PRIMARY	£206,236	£17,846	£0	£0	£224,082	£225,615	£0	£0	£0	£225,615
REDDAL HILL JR & INF	£315,985	£0	£0	£0	£315,985	£367,832	£0	£0	£0	£367,832
ROOD END JR & INF	£105,279	£640	£0	£0	£105,919	£121,158	£2,073	£0	£0	£123,231
ROUNDS GREEN JR & INF	(£309,808)	£13,608	£0	£0	(£296,200)	£18,524	£22,389	£0	£0	£40,913
ROWLEY HALL JR & INF	£101,979	£1,175	£65,476	£0	£168,630	£67,236	£2,025	£0	£0	£69,261
RYDERS GREEN JR & INF	£272,647	£8,539	£0	£0	£281,186	£370,182	£12,875	£0	£0	£383,057
SACRED HEART JR & INF	(£47,524)	£17,126	£0	£0	(£30,398)	£106,267	£9,486	£0	£0	£115,753
SPRINGFIELD PRIMARY	£318,514	£21,301	£0	£0	£339,815	£256,211	£25,892	£0	£0	£282,103
ST JAMES CE PRIMARY	£284,121	£16,803	£0	£0	£300,924	£182,600	£24,641	£0	£0	£207,241
ST JOHN BOSCO JR & INF	£225,710	£0	£271,285	£0	£496,994	£115,357	£0	£321,394	£0	£436,751
ST MARGARETS JR & INF	£146,075	£0	£0	£0	£146,075	£132,386	£0	£0	£0	£132,386
ST MARTINS JR & INF	£108,749	£17,144	£0	£0	£125,893	£88,285	£6,564	£0	£0	£94,849
ST MARY MAG JR & INF	£152,155	£10,423	£0	£0	£162,578	£130,536	£0	£0	£0	£130,536
ST MARY'S JR & INF	£118,209	£0	£0	£0	£118,209	£156,102	£0	£0	£0	£156,102
ST MATTHEWS JR & INF	£363,386	£0	£0	£0	£363,386	£461,022	£0	£0	£0	£461,022
TEMPLE MEADOW JR & INF	£135,321	£1,202	£0	£0	£136,523	£154,551	£0	£0	£0	£154,551
TIPTON GREEN JUNIOR	£174,753	£12,749	£0	£0	£187,502	£282,227	£20,777	£0	£0	£303,004
TIVIDALE HALL JR & INF	£196,247	£17,751	£0	£0	£213,999	£236,649	£2,305	£0	£0	£238,954
TIVIDALE COMMUNITY	£457,897	£0	£0	£0	£457,897	£378,539	£0	£0	£0	£378,539
UPLANDS MANOR PRIMARY	£511,671	£0	£0	£0	£511,671	£496,481	£0	£0	£0	£496,481
WARLEY INFANTS	£101,708	£13,678	£0	£0	£115,386	£31,626	£6,358	£0	£0	£37,984
WHITECREST JR & INF	£94,016	£9,805	£0	£0	£103,821	£95,511	£0	£0	£0	£95,511
WOOD GREEN JUNIOR	£161,060	£0	£0	£0	£161,060	£260,265	£0	£0	£0	£260,265
YEW TREE JR & INF	£362,343	£40,822	£0	£0	£403,165	£288,231	£0	£0	£0	£288,231
PRIMARY TOTAL	£18,635,116	£1,052,510	£686,368	£0	£20,373,994	£18,431,402	£726,614	£593,006	£0	£19,751,022

School	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	DEVOLVED FORMULA CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
HOLLY LODGE HIGH	£252,158	£75,989	£0	£0	£328,147	£54,669	£1,096	£0	£0	£55,765
PHOENIX	£781,645	£31,546	£0	£0	£813,191	£1,432,774	£0	£0	£0	£1,432,774
PERRYFIELDS HIGH	£45,545	£67,438	£0	£0	£112,983	£125,292	£20,590	£0	£0	£145,882
ST MICHAELS CE HIGH	£348,804	£0	£0	£0	£348,804	£172,341	£0	£0	£0	£172,341
STUART BATHURST	£136,933	£0	£0	£0	£136,933	(£103,623)	£0	£0	£0	(£103,623)
SECONDARY TOTAL	£1,565,085	£174,974	£0	£0	£1,740,058	£1,681,452	£21,686	£0	£0	£1,703,138
MEADOWS	£365,378	£22,388	£0	£0	£387,766	£372,141	£0	£0	£0	£372,141
ORCHARD	£462,931	£75,736	£0	£0	£538,667	£379,355	£79,642	£0	£0	£458,997
WESTMINSTER	£714,474	£0	£0	£0	£714,474	£696,821	£0	£0	£0	£696,821
SHENSTONE	£95,304	£22,659	£0	£0	£117,963	£325,204	£15,732	£0	£0	£340,936
SPECIAL TOTAL	£1,638,088	£120,783	£0	£0	£1,758,871	£1,773,521	£95,374	£0	£0	£1,868,895
SCHOOLS TOTAL	£21,838,289	£1,348,266	£686,368	£0	£23,872,923	£21,886,375	£843,674	£593,006	£0	£23,323,055

Appendix O

Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20

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 2019/20. 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 2019/20 the council complied with its legislative and regulatory requirements. The actual prudential indicators for the year along with prior year comparators are as follows:

	2018/19 £'m	2019/20 £'m
Actual Capital Expenditure	78.683	122.380
Capital Financing Requirement (CFR)		
General Fund	318.588	308.242
HRA	418.590	431.086
Total	737.178	739.328
Financing Costs as a Proportion of Net Revenue Stream		
General Fund	6.7%	5.1%
Housing Revenue Account	26.2%	23.1%

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 2020, the council's external debt was £496.341m (£517.577m at 31 March 2019) and its investments totalled £48.027m (£42.846m at 31 March 2019).

The financial year 2019/20 continued with the challenging environment of previous years, mainly low investment returns.

Recommendations

The council is recommended to:

- Approve the actual 2019/20 prudential and treasury indicators in this report.
- Note the annual treasury management report for 2019/20.

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 2019/20

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
- If insufficient financing is available, or a decision is taken to not apply resources, the capital expenditure will give rise to a borrowing need.

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

	2018/19	2019/20	
	Actual £'m	Estimate £'m	Actual £'m
Capital Expenditure			
General Fund	40.870	64.858	71.612
HRA	37.813	70.706	50.768
Total	78.683	135.564	122.380
Resourced by:			
Capital Receipts	6.628	12.202	8.506
Capital Grants & Contributions	34.802	41.463	66.727
Revenue Contributions	17.385	22.149	20.312
Capital Expenditure Financed from Borrowing	19.868	59.750	26.835

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 2019/20 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 2019/20 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2019/20 on 5 March 2019.
- 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 19 Actual	31 March 20 Mid Year Indicator	31 March 2020		
			HRA Actual	General Fund Actual	Total
	£'m	£'m	£'m	£'m	£'m
Opening Capital Financing Requirement	751.966	737.178	418.590	318.588	737.178
add: Capital Expenditure funded from Borrowing	19.868	59.750	24.795	2.040	26.835
less: MRP	-34.656	-18.101	-12.299	-12.386	-24.685
add: Movement on Other Long Term Liabilities	0.000	0.000	0.000	0.000	0.000
adj: Appropriation of Assets	0.000	0.000	0.000	0.000	0.000
Closing Capital Financing Requirement	737.178	778.827	431.086	308.242	739.328

4. Treasury Position at 31 March 2020

- 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 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 2019/20 the Chief Financial Officer managed the debt position to £496.341m; the treasury position at the 31 March 2020 compared with the previous year was:

	31 March 2019				31 March 2020			
	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	372.193	93.133	465.326	4.39	370.218	76.991	447.209	4.45
Variable Interest Rate Debt	0.000	52.251	52.251		0.000	49.132	49.132	
Total Debt	372.193	145.384	517.577		370.218	126.123	496.341	
Capital Financing Requirement (CFR)	418.590	318.588	737.178		431.086	308.242	739.328	
Borrowing Above / (Below) CFR	-46.397	-173.204	-219.601		-60.868	-182.119	-242.987	
Investment Position								
Fixed Interest Investments	0.000	11.250	11.250		0.000	2.633	2.633	
Variable Interest Investments	0.000	31.596	31.596		0.000	45.394	45.394	
Total Investments	0.000	42.846	42.846		0.000	48.027	48.027	
Net Borrowing Position	372.193	102.538	474.731		370.218	78.096	448.314	

The maturity structure of the debt portfolio was as follows:

	31 March 2019	2019/20 Original	31 March 2020	
	Actual	Limits	Actual	
	%	%	%	£'m
Under 12 months	13.69%	20.00%	13.91%	69,065
12 months and within 24 months	3.84%	20.00%	4.25%	21,088
24 months and within 5 years	9.16%	25.00%	8.77%	43,517
5 years and within 10 years	8.14%	50.00%	8.14%	40,400
10 years and above	65.16%	90.00%	64.93%	322,272
	100.00%		100.00%	496,342

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 (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) 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 2019/20. The table below highlights the council's gross borrowing position against the CFR. The council has complied with this prudential indicator.

	31 March 2019		31 March 2020	
	HRA	General Fund	HRA	General Fund
	£'m	£'m	£'m	£'m
Gross Borrowing Position	372.193	145.384	370.218	126.123
CFR	418.590	318.588	431.086	308.242

- 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 2019/20 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.

	2019/20
	£'m
Original Indicators	
Authorised Limit	739.328
Operational Boundary	572.799
Actual Performance	
Maximum Gross Borrowing Position	516.236
Average Gross Borrowing Position	496.867
Financing Costs as a Proportion of Net Revenue Stream	11.1%

6. The Strategy Agreed for 2019/20

- 6.1 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer-term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

- 6.2 PWLB rates are based on and are determined by gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies and moved cash into safe haven assets i.e. government bonds. However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; this would normally cause bond yields to rise. At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12% – 0.20% while even 25-year yields were at only 0.83%.

HM Treasury imposed two changes in the margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It is also clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate income streams.

There is likely to be a little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession, that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

7. Actual debt management activity during 2019/20

- 7.1. **Borrowing** – One short term loan increased by £4.679m and one new long term soft loan totalling £0.500m was drawn in 2019/20 to fund the net unfinanced capital expenditure and naturally maturing debt.
- 7.2. **Rescheduling** – No rescheduling of debt was undertaken during 2019/20.
- 7.3. **Repayment** – Three debts matured during 2019/20 (two short term and one long term) totalling £24.745m. Three debts partially matured during 2019/20 (one short term and two long term totalling £3.094). No early repayment of debt was undertaken during 2019/20.

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 5 March 2019. 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 £65.741m of internally managed funds. The internally managed funds received an average return of 0.772%. The comparable performance indicator is the average 7-day LIBID rate as at 31 March 2020, which was 0.540%. The LIBID rate saw a sharp decrease in March 2019 to reflect the two MPC's Bank Rate cuts from 0.75% to a final rate of 0.10%. The council has seen a slight increase on returns during 2019/20 compared to 2018/19.

9. Performance Indicators set for 2019/20

- 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

LINK Asset Management, the Councils Treasury Management advisors, have provided the following commentary on the performance of the UK and Global economy over the past 12 months:

UK. Brexit. The main issue in 2019 was the repeated battle in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.

Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 dire at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the

general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in April and beyond. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

Employment had been growing healthily through the last year but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.

USA. Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and

October. Once coronavirus started to impact the US in a big way, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.

The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition there will be \$500bn of funding from the Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.

However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%. The first two weeks in March of initial jobless claims have already hit a total of 10 million and look headed for a total of 15 million by the end of March.

EUROZONE. The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% y/y in quarter 4 in 2019. 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, 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. At its March 2019 meeting it announced a third round of TLTROs; this provided banks with cheap two year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, 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 to start in November at €20bn per month, a relatively small amount, plus more TLTRO measures. Once coronavirus started having a major impact in Europe, the ECB took action in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth. What is currently missing is a coordinated EU response of fiscal action by all national governments to protect jobs, support businesses directly and promote economic growth by expanding government expenditure on e.g. infrastructure; action is therefore likely to be patchy.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing. The major feature of 2019 was the trade war with the US. However, this has been eclipsed by being the first country to be hit by the coronavirus outbreak; this resulted in a lock down of the country and a major contraction of economic activity in February-March 2020. While it appears that China has put a lid on the virus by the end of March, these are still early days to be confident and it is clear that the economy is going to take some time to recover its previous rate of growth. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs 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. It appears to have missed much of the domestic impact from coronavirus in 2019-20 but the virus is at an early stage there.

WORLD GROWTH. The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth in 2020.

11. Other Issues

11.1 IFRS 16 Leases In light of COVID-19 pressures, HM Treasury and the Financial Reporting Advisory Board (FRAB) have decided that IFRS 16 implementation in the public sector will be deferred for a further year, to 2021/22. This replaces the compliance deadline of 1 April 2020.