

2020/21 REVENUE MONITORING SUMMARY

APPENDIX 1

	Appendix	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Corporate Management	1A	(245)	0	(245)	(245)	0	0	0	0
Resources	1B	16,707	7	16,714	21,779	5,065	(2,893)	1,679	493
Adult Social Care	1C	84,666	6,738	91,404	85,566	(5,848)	3,500	1,805	(4,153)
Regeneration & Growth	1D	23,046	0	23,046	27,045	3,999	222	2,844	1,377
Housing & Communities	1E	18,692	554	19,246	21,272	2,026	(86)	2,678	(738)
Children's Services	1F	83,036	0	83,036	89,063	6,027	(15)	3,119	2,893
TOTAL DIRECTORATES		225,902	7,299	233,201	244,470	11,269	728	12,125	(128)
Central Items	2	25,635	0	25,635	38,739	13,104	(11,683)	1,839	(418)
TOTAL INCLUDING CENTRAL ITEMS		251,537	7,299	258,836	283,209	24,374	(10,955)	13,964	(545)
Public Health (Ringfenced Grant)	1G	97	0	97	(365)	(462)	(288)	0	(750)
TOTAL INCLUDING PUBLIC HEALTH & CENTRAL ITEMS		251,634	7,299	258,933	282,844	23,912	(11,243)	13,964	(1,295)
Non Service Income & Expenditure		(16,139)	0	(16,139)	(16,139)	0	0	0	0
Levy Payments		13,014	0	13,014	13,014	0	0	0	0
Movements on Reserves & Balances		(5,912)	0	(5,912)	(5,912)	0	0	0	0
RCCO		0	0	0	0	0	(3,500)	0	(3,500)
Use of Specific Reserves		0	0	0	0	0	12,579	0	12,579
Use of Centrally Earmarked Balances		0	0	0	0	0	2,164	0	2,164
Ringfenced Grants to be carried forward		0	0	0	0	0	0	0	0
GRAND TOTAL		242,597	7,299	249,896	273,807	23,912	0	13,964	9,948

Corporate Management

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Chief Executive	285	0	285	285	0	0	0	0
Corporate Management	(530)	0	(530)	(530)	0	0	0	0
TOTAL	(245)	0	(245)	(245)	0	0	0	0

**APPENDIX
1B**

Resources

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Directorate	421	7	428	412	(16)	0	0	(16)
Communications & Service Improvement	1,213	0	1,213	1,254	41	0	29	12
Finance	3,584	0	3,584	5,057	1,473	(1,367)	0	106
Revenues and Benefits and ICT	7,817	0	7,817	9,546	1,729	(1,173)	807	(251)
Law and Governance	552	0	552	2,196	1,644	(100)	843	701
Human Resources	3,120	0	3,120	3,314	194	(253)	0	(59)
TOTAL	16,707	7	16,714	21,779	5,065	(2,893)	1,679	493

Adult Social Care

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£0000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Management Team	(2,707)	6,028	3,321	2,879	(442)	0	1,241	(1,683)
Business Management	3,806	60	3,866	3,670	(196)	0	0	(196)
Social Work and Therapy	5,303	500	5,803	5,224	(579)	0	0	(579)
External Placements	63,615	0	63,615	63,650	35	0	277	(242)
Intergrated Hub	592	0	592	378	(214)	0	0	(214)
Direct Services	6,439	0	6,439	5,603	(836)	0	0	(836)
Commissioning	4,172	0	4,172	3,991	(181)	0	0	(181)
Better Care Fund	0	0	0	(3,500)	(3,500)	3,500	0	0
Regulated Services & Transformation	3,446	150	3,596	3,661	65	0	287	(222)
TOTAL	84,666	6,738	91,404	85,556	(5,848)	3,500	1,805	(4,153)

Regeneration & Growth

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Growth and Spatial Planning Service	1,988	0	1,988	1,887	(101)	0	0	(101)
Development Planning and Building Control Service	484	0	484	947	463	0	370	93
Strategic Assets and Land Service	4,972	0	4,972	7,432	2,460	222	1,197	1,485
Highways Services	14,972	0	14,972	16,243	1,271	0	1,271	0
Management	630	0	630	536	(94)	0	6	(100)
TOTAL	23,046	0	23,046	27,045	3,999	222	2,844	1,377

Housing & Communities

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Housing Management	2,922	0	2,922	3,007	85	(132)	12	(59)
Tourism, Culture & Leisure	10,363	0	10,363	11,562	1,199	46	1,648	(403)
Commercial Services	4,201	0	4,201	4,738	537	0	496	41
Business Excellence	1,206	554	1,760	1,965	205	0	522	(317)
TOTAL	18,692	554	19,246	21,272	2,026	(86)	2,678	(738)

Childrens Services

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Director of Education & Employment	9,434	0	9,434	9,451	17	0	0	17
Education Support Services	1,831	0	1,831	3,359	1,528	0	1,560	(32)
Learning Improvement	3,250	0	3,250	3,711	461	(15)	600	(154)
Inclusive Learning	3,260	0	3,260	6,410	3,150	0	0	3,150
Director of Children's Services	5,707	0	5,707	5,754	47	0	135	(88)
Sandwell Children's Trust	59,554	0	59,554	60,378	824	0	824	0
TOTAL	83,036	0	83,036	89,063	6,027	(15)	3,119	2,893

Public Health

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
Communicable Disease	2,980	0	2,980	2,798	(182)	0	0	(182)
Long Term Conditions	2,339	0	2,339	1,851	(488)	0	0	(488)
Childrens	9,900	0	9,900	9,999	99	(125)	0	(26)
Substance Misuse & Smoking	3,798	0	3,798	3,627	(171)	0	0	(171)
Wider Determinants	4,009	0	4,009	3,964	(45)	0	0	(45)
Public Health Management	2,243	0	2,243	2,278	35	(163)	0	(128)
Public Health Grant	(24,883)	0	(24,883)	(24,883)	0	0	0	0
Public Health Savings Target	(288)	0	(288)	0	288	0	0	288
TOTAL	97	0	97	(365)	(462)	(288)	0	(750)

CENTRAL ITEMS SUMMARY

APPENDIX 2

Central Item	Annual Target Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources (£000)	COVID-19 Pressures (£000)	Projected Outturn Variance (after COVID-19 Funding Applied) (£000)
BSF FM Contribution	400	400	0	0	0	0
Waste Partnership	28,116	27,004	(1,112)	1,112	0	0
Local Authority Subs	104	129	25	0	0	25
W'ton: WMCC & WMRE	45	36	(9)	0	0	(9)
External Audit Fee	144	224	80	0	0	80
New Homes Bonus Grant	(1,606)	(1,606)	0	0	0	0
No Recourse To Public Funds	231	526	295	(295)	0	0
Business Rates Compensation Grant	(15,221)	(16,633)	(1,412)	0	0	(1,412)
Insurance	(395)	(395)	0	0	0	0
Bank Charges	225	275	50	0	0	50
Airport Rent Income	(100)	(100)	0	0	0	0
Apprenticeship Levy	480	444	(36)	0	0	(36)
Combined Authority	1,373	1,360	(13)	0	0	(13)
Past Service Pension Costs	5,478	5,009	(469)	0	0	(469)
Housing Benefits	501	934	433	0	0	433
Local Welfare Provision	0	131	131	(131)	0	0
Pensions General	4,559	4,520	(39)	0	0	(39)
Coroners	346	446	100	0	0	100
Members Allowances	1,418	1,318	(100)	0	0	(100)
Public Law Fees	366	913	547	0	0	547
Special Events	25	25	0	0	0	0
Templink	(429)	(196)	233	0	233	0
Savings Target	(425)	0	425	0	0	425
COVID19 Emergency Funding	0	12,369	12,369	(12,369)	0	0
COVID19 Small Business Grants	0	(3,367)	(3,367)	0	0	(3,367)
COVID19 Disc Business Grants	0	3,367	3,367	0	0	3,367
COVID19 Emergency Spend	0	897	897	0	897	0
COVID19 Temporary Facility	0	709	709	0	709	0
TOTAL	25,635	38,739	13,104	(11,683)	1,839	(418)

VIREMENTS**APPENDIX 3**

Virements above £0.250m for approval by Cabinet	(£000)	(£000)
<u>HOUSING & COMMUNITIES</u>		
Virement 1 - Climate change budget transferred from H&C to R&G	0	392
<u>REGENERATION & GROWTH</u>		
Virement 1 - Climate change budget transferred to R&G from H&C	392	0
TOTAL	392	392

EARMARKED RESERVES**APPENDIX 4**

Earmarked Reserve	Balance as at 31 March 2020 (£000)	Projected Expenditure 2020/21 (£000)	Remaining Balance as at 31 March 2021 (£000)
<u>CORPORATE MANAGEMENT</u>			
Brexit Funding	76	0	76
<u>RESOURCES</u>			
Insurance Reserve	7,060	0	7,060
Grants Irregularities Reserve	1,031	0	1,031
E-Business financial suite	2,184	1,280	904
P.O.C.A. (Proceeds of Crime)	29	0	29
Sandwell Children's Trust	707	0	707
COVID Emergency Funding	12,369	12,369	0
<u>ADULT SOCIAL CARE</u>			
Taxi Licensing Operational	105	0	105
Adult Social Care Reserve	1,047	0	1,047
Integrated Care Record	194	0	194
<u>PUBLIC HEALTH</u>			
Learning for Public Health	317	163	154
Public Health Grant Reserve	4,842	0	4,842
<u>REGENERATION & GROWTH</u>			
West Midlands Regional Research	287	0	287
Sinking Fund RBC building	472	(72)	544
Sinking Fund Central 6th Building	920	(150)	1,070
<u>HOUSING & COMMUNITIES</u>			
Physical Activity Board	24	24	0
Sinking Fund - Portway Lifestyle Centre	586	(70)	656
Private Sector Landlord	142	132	10
Dartmouth Park HLF	318	0	318
Commonwealth Games - UoW	100	0	100
Serco Waste	1,385	(1,112)	2,497
<u>HRA</u>			
Welfare Reform Reserve	4,778	0	4,778
<u>CHILDREN'S SERVICES/ISB</u>			
Regeneration and Economy	111	15	96
BSF FM Sinking Fund	2,701	0	2,701
BSF PFI Sinking Fund	4,230	0	4,230
TOTAL	46,015	12,579	33,436

PERFORMANCE INDICATORS

APPENDIX 5

	2020/21	2019/20	Change from 2019/20	Comments
<u>REVENUE COLLECTION PERFORMANCE</u>				
Council Tax Collection Rate	54%	57%	↓	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. This figure is as at the end of Quarter 2 and not a projection for the year. Collections reduced across all portfolios due to the council wide stop on recovery during the Covid-19 pandemic
Business Rates Collection Rate	50%	57%	↓	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs. This figure is as at the end of Quarter 2 and not a projection for the year. Collections reduced across all portfolios due to the council wide stop on recovery during the Covid-19 pandemic
<u>General Debtors:</u>				
Collection Rate	84%	75%	↑	A higher figure is beneficial in improving the Council's cash flow and also reducing administration costs.
Average No. of Days to receive payment from customers	43	104	↓	A lower figure is beneficial to the Council in relation to improved cash flow and reduced administration costs.
Credit Notes raised as a % of total customer invoices	6%	4%	↑	A lower figure helps to save time in dealing with customer queries and reduces the cost of administration. Residential & Third Party accommodation fees the Adult Services Migrated Financial Systems to new system. However, the interim invoices produced were issued for 3 days instead of 2.
Proportion of Debt > 90 days old from invoice date	58%	52%	↑	A lower figure helps to improve the council's cash flow.
<u>ACCOUNTS PAYABLE</u>				
Proportion of payments made by electronic means (BACS & Bank Transfers)	95%	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.

SANDWELL METROPOLITAN BOROUGH COUNCIL

CAPITAL MONITORING 2020/2021 - PERIOD 6 SEPTEMBER

SUMMARY	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
SEPTEMBER 2020/21	£	£	£	£	£	£	£	£	£	£
Corporate Management	6,000	0	0	6,000	0	6,000	-	6,000	6,000	0
Resources	765,000	2,000,000	735,000	3,500,000	0	3,500,000	1,438,578.59	2,061,421	3,500,000	0
Adults Social Care	10,881,000	3,500,000	(13,210,000)	1,171,000	3,100,000	4,271,000	1,465,736.76	2,805,263	4,271,000	0
Regeneration & Growth	7,571,000	0	(708,000)	6,863,000	10,375,000	17,238,000	5,955,509.30	11,282,491	17,238,000	0
Housing & Communities	29,666,000	342,000	(438,000)	29,570,000	36,503,000	66,073,000	12,316,859.16	53,756,141	66,073,000	0
Childrens Services	81,000	0	(1,000)	80,000	14,160,000	14,240,000	9,054,179.51	5,185,820	14,240,000	0
Housing Revenue Account (HRA)	103,908,000	(9,465,000)	(30,312,000)	64,131,000	0	64,131,000	16,489,211.29	47,641,789	64,131,000	0
GRAND TOTAL	152,878,000	(3,623,000)	(43,934,000)	105,321,000	64,138,000	169,459,000	46,720,074.61	122,738,925	169,459,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
<u>Corporate Management</u>										
<u>Thematic Pots</u>										
3rd Floor Providence Place	6,000	0	0	6,000	0	6,000	-	6,000	6,000	0
Total Corporate Management	6,000	0	0	6,000	0	6,000	-	6,000	6,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Resources										
Main Programme										
Sandwell Business Services : Development	28,000	0	0	28,000	0	28,000	28,000.00	0	28,000	0
ICT End User Computing 2	670,000	0	800,000	1,470,000	0	1,470,000	1,404,616.84	65,383	1,470,000	0
Sandwell Valley Catering Facility	2,000	0	0	2,000	0	2,000	-	2,000	2,000	0
Prudential Borrowing										
Public Realm - Living Landscapes - Dartmouth Park	15,000	0	(15,000)	0	0	0	-	0	0	0
Rowley Crematorium	0	2,000,000	0	2,000,000	0	2,000,000	5,961.75	1,994,038	2,000,000	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	765,000	2,000,000	735,000	3,500,000	0	3,500,000	1,438,578.59	2,061,421	3,500,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
							Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	£	£	£	£	£	£	£	£	£	£
Adult Social Care										
<u>Main Programme</u>										
New Social Care & Health Centre - Rowley Regis	318,000	0	(318,000)	0	0	0	-	0	0	0
Vulnerable Home Owners Improvements - HMRA Receipts	373,000	0	(373,000)	0	0	0	-	0	0	0
Empty Properties	703,000	0	(603,000)	100,000	0	100,000	5,847.34	94,153	100,000	0
Housing Stock Condition Survey - Private Sector	29,000	0	(29,000)	0	0	0	-	0	0	0
Swift Impress System (Earmarked Revenue Balance)	271,000	0	(200,000)	71,000	0	71,000	2,000.00	69,000	71,000	0
New Social Care & Health Centre - Rowley Regis	6,000,000	0	(6,000,000)	0	0	0	-	0	0	0
<u>Prudential Borrowing</u>										
New Social Care & Health Centre - Rowley Regis	3,177,000	0	(2,177,000)	1,000,000	0	1,000,000	37,705.97	962,294	1,000,000	0
<u>RCCO</u>										
New Social Care & Health Centre - Rowley Regis	0	3,500,000	(3,500,000)	0	0	0	-	0	0	0
<u>Thematic Pot Allocations</u>										
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
<u>Grants / Self Financing</u>										
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	63,000	63,000	-	63,000	63,000	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	3,000,000	3,000,000	1,406,771.76	1,593,228	3,000,000	0
Contaminated Land - Landfill Gas	0	0	0	0	11,000	11,000	2,355.00	8,645	11,000	0
Air Quality Monitoring	0	0	0	0	26,000	26,000	11,056.69	14,943	26,000	0
Warm Homes Healthy People	0	0	0	0	0	0	-	0	0	0
Vulnerable Home Owners Improvements - Kick Start	0	0	0	0	0	0	-	0	0	0
Total Adult Social Care	10,881,000	3,500,000	(13,210,000)	1,171,000	3,100,000	4,271,000	1,465,736.76	2,805,263	4,271,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(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	2,000	0	0	2,000	0	2,000	-	2,000	2,000	0
Reservoirs Act	42,000	0	0	42,000	0	42,000	1,559.89	40,440	42,000	0
Birchley Island - 10% Local Contribution	2,620,000	0	0	2,620,000	0	2,620,000	189,190.21	2,430,810	2,620,000	0
Wednesbury High Streets - Heritage Action Zone (HAZ)	981,000	0	0	981,000	0	981,000	-	981,000	981,000	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 Foundry	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
Property Refurbishment - WPV	1,000,000	0	0	1,000,000	0	1,000,000	1,000,000.00	0	1,000,000	0
Access Fund	340,000	0	0	340,000	0	340,000	107,090.46	232,910	340,000	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 Report)	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	417,000	0	0	417,000	0	417,000	105,428.77	311,571	417,000	0
RCCO										
Property Refurbishment -WPV	1,461,000	0	0	1,461,000	0	1,461,000	766,048.78	694,951	1,461,000	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	5,887.44	214,113	220,000	0
Major Route Signing	0	0	0	0	60,000	60,000	-	60,000	60,000	0
Local Safety Schemes	0	0	0	0	150,000	150,000	34,471.89	115,528	150,000	0
Local Area Safety Schemes	0	0	0	0	115,000	115,000	3,239.79	111,760	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	12,956.95	112,043	125,000	0
Measures to encourage Walking	0	0	0	0	125,000	125,000	442.75	124,557	125,000	0
Child Safety - Safe Routes to School	0	0	0	0	125,000	125,000	1,330.25	123,670	125,000	0
Traffic & Demand Management Measures	0	0	0	0	100,000	100,000	1,624.34	98,376	100,000	0
Major Scheme Contributions	0	0	0	0	356,000	356,000	62,805.40	293,195	356,000	0
Estimated & Provisional	0	0	0	0	0	0	-	0	0	0
Structural Maintenance Roads	0	0	0	0	1,936,000	1,936,000	879,202.52	1,056,797	1,936,000	0
Structural Maintenance Bridges	0	0	0	0	516,000	516,000	56,967.37	459,033	516,000	0
Street Lighting - Maintenance Block	0	0	0	0	130,000	130,000	-	130,000	130,000	0
Incentive Fund	0	0	0	0	538,000	538,000	538,000.00	0	538,000	0
Pothole Fund	0	0	0	0	159,000	159,000	159,000.00	0	159,000	0
Challenge Fund for Roads & Footways (WMCA)	0	0	0	0	2,100,000	2,100,000	1,559,379.47	540,621	2,100,000	0
Emergency Active Travel Fund (EATF - Tranche 1)	0	0	0	0	241,000	241,000	184,348.67	56,651	241,000	0
TIIF Challenge Fund - Dudley Street Bridge / Scott Bridge Repairs	0	0	0	0	250,000	250,000	-	250,000	250,000	0
Towns Fund - Rowley Regis	0	0	0	0	912,000	912,000	26,000.00	886,000	912,000	0
Towns Fund - Smethwick	0	0	0	0	912,000	912,000	38,506.52	873,493	912,000	0
Towns Fund - West Bromwich	0	0	0	0	912,000	912,000	38,700.32	873,300	912,000	0
Woods Lane Re-Development	0	0	0	0	2,000	2,000	1,656.14	344	2,000	0
Children's Trust Accommodation Works (DFE Funded)	0	0	0	0	49,000	49,000	170.00	48,830	49,000	0
BSF Schools for the Future	0	0	0	0	74,000	74,000	74,000.00	0	74,000	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	0	0	-	0	0	0
Carters Green Public Realm	0	0	0	0	0	0	-	0	0	0
Construction of homes and sports facilities - Churchfields school	0	0	0	0	0	0	-	0	0	0
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	112,000	112,000	6,792.84	105,207	112,000	0
School / Carrington Road	0	0	0	0	35,000	35,000	-	35,000	35,000	0
Queslade Bungalows Demolition	0	0	0	0	6,000	6,000	-	6,000	6,000	0
New Build / Supported Housing	0	0	0	0	15,000	15,000	708.53	14,291	15,000	0
Total Regeneration & Growth	7,571,000	0	(708,000)	6,863,000	10,375,000	17,238,000	5,955,509.30	11,282,491	17,238,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
	£	£	£	£	£	£	Actual Spend to Date £	Remaining Spend £	Total Forecast Expenditure £	£
Housing & Communities										
Main Programme										
Environmental Improvements To Neighbourhoods (Grot Spots)	92,000	0	(50,000)	42,000	0	42,000	50.71	41,949	42,000	0
Charlemont Community Centre Wigmore	37,000	0	0	37,000	0	37,000	-	37,000	37,000	0
Public Access Computers - Libraries	130,000	0	0	130,000	0	130,000	31,762.50	98,238	130,000	0
Libraries Management System	4,000	0	0	4,000	0	4,000	4,000.00	0	4,000	0
Blackheath Library - Fit Out Costs	268,000	0	0	268,000	0	268,000	119,786.74	148,213	268,000	0
Manor House - Phase 2	12,000	0	0	12,000	0	12,000	-	12,000	12,000	0
Sandwell Aquatic's Centre - Main Programme	360,000	0	0	360,000	0	360,000	-	360,000	360,000	0
Self Service Customer Portal (Corporate £600k / HRA £440k)	298,000	0	0	298,000	0	298,000	190,077.03	107,923	298,000	0
West Smethwick Park (HLF Match Funding) - centrally earmarked balances	272,000	0	0	272,000	0	272,000	4,104.00	267,896	272,000	0
Smethwick Hall Park - Pool	0	342,000	0	342,000	0	342,000	-	342,000	342,000	0
Aquatic Centre - Commonwealth Games 2022 (RTB Receipts)	24,500,000	0	0	24,500,000	0	24,500,000	-	24,500,000	24,500,000	0
Oak House Museum Roof Repairs (Earmarked Balances 16/17 outturn report)	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	44,000	0	0	44,000	0	44,000	25,520.72	18,479	44,000	0
Aquatic Centre - Commonwealth Games 2022	1,761,000	0	0	1,761,000	0	1,761,000	-	1,761,000	1,761,000	0
Acquisition of Vehicles - Prudential	1,500,000	0	0	1,500,000	0	1,500,000	276,405.33	1,223,595	1,500,000	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										
Manor House Conservation Plan	0	0	0	0	241,000	241,000	516.00	240,484	241,000	0
Dartmouth Park - HLF	0	0	0	0	2,000	2,000	-	2,000	2,000	0
West Smethwick Park HLF	0	0	0	0	80,000	80,000	-	80,000	80,000	0
Oakhouse Barns Restoration Project	0	0	0	0	0	0	-	0	0	0
Youth Centre, Queens Way, Oldbury	0	0	0	0	0	0	-	0	0	0
Sandwell Aquatics Centre (DCMS / Birmingham CC)	0	0	0	0	36,000,000	36,000,000	11,645,816.20	24,354,184	36,000,000	0
Sandwell Aquatics Centre (Sport England)	0	0	0	0	0	0	-	0	0	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	180,000	180,000	18,819.93	161,180	180,000	0
Total Housing & Communities	29,666,000	342,000	(438,000)	29,570,000	36,503,000	66,073,000	12,316,859.16	53,756,141	66,073,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(Surplus) / Deficit for the Year
	£	£	£	£	£	£	Actual Spend to Date £	Remaining Spend £	Total Forecast Expenditure £	£
Childrens Services										
Supported Borrowing										
BSF ICT Element	80,000	0	0	80,000	0	80,000	222.69	79,777	80,000	0
Thematic Allocations										
Edgmond Cottage Extension	1,000	0	(1,000)	0	0	0	-	0	0	0
Grants / Self Financing										
Playpathfinder	0	0	0	0	0	0	-	0	0	0
Schools Capital Programme Schemes (Basic Need Grant/Maintenance)										
New School Kelvin Way - West Bromwich Collegiate Academy	0	0	0	0	200,000	200,000	200,000.00	0	200,000	0
West Bromwich Collegiate Academy - Phase 2	0	0	0	0	2,478,000	2,478,000	1,447,890.98	1,030,109	2,478,000	0
Q3 Langley Phase 2	0	0	0	0	100,000	100,000	100,000.00	0	100,000	0
Q3 Langley Phase 3	0	0	0	0	4,000,000	4,000,000	2,929,372.57	1,070,627	4,000,000	0
School Condition - LifeCycle property maintenance	0	0	0	0	4,000,000	4,000,000	3,345,450.61	654,549	4,000,000	0
Bristnall Hall Academy	0	0	0	0	1,435,000	1,435,000	392,120.43	1,042,880	1,435,000	0
Contingency 5% on major schemes	0	0	0	0	329,000	329,000	-	329,000	329,000	0
Shireland Collegiate Academy	0	0	0	0	320,000	320,000	23,054.63	296,945	320,000	0
St Matthews CE	0	0	0	0	250,000	250,000	240,230.09	9,770	250,000	0
Feasibility Work Expansion of Secondary	0	0	0	0	229,000	229,000	7,436.59	221,563	229,000	0
New Oldbury Primary - Lightwoods	0	0	0	0	170,000	170,000	22,874.94	147,125	170,000	0
Hargate Primary	0	0	0	0	100,000	100,000	95,269.22	4,731	100,000	0
George Salter Academy	0	0	0	0	50,000	50,000	1,005.18	48,995	50,000	0
Additional Secondary Places 2020	0	0	0	0	92,000	92,000	85,264.68	6,735	92,000	0
Tipton Green Junior School - Flood	0	0	0	0	42,000	42,000	41,261.49	739	42,000	0
Priory Primary Expansion	0	0	0	0	2,000	2,000	331.98	1,668	2,000	0
Annie Lennard Infant	0	0	0	0	1,000	1,000	162.81	837	1,000	0
Ormiston Sandwell Community Academy - retention	0	0	0	0	0	0	-	0	0	0
RSA Academy	0	0	0	0	0	0	-	0	0	0
Victoria Park Academy	0	0	0	0	11,000	11,000	10,357.08	643	11,000	0
All Saints CE Primary	0	0	0	0	0	0	-	0	0	0
Great Bridge Primary	0	0	0	0	1,000	1,000	178.14	822	1,000	0
Shireland Hall Primary - PCP	0	0	0	0	0	0	-	0	0	0
St Michaels	0	0	0	0	0	0	-	0	0	0
Old Park/Wood Green Junior	0	0	0	0	0	0	-	0	0	0
Rood End Bulge Class	0	0	0	0	0	0	-	0	0	0
St Gregory's	0	0	0	0	0	0	-	0	0	0
Moorlands	0	0	0	0	0	0	-	0	0	0
Joseph Turner	0	0	0	0	0	0	-	0	0	0
Temporary Expansions	0	0	0	0	0	0	-	0	0	0
Perryfields - Purchase Mobile Classrooms - Portakabin	0	0	0	0	12,000	12,000	-	12,000	12,000	0
School Kitchen Repairs	0	0	0	0	0	0	-	0	0	0

Hollies Refurbishment	0	0	0	0	0	0	-	0	0	0
Ingestre Hall - Boiler Replacement	0	0	0	0	0	0	-	0	0	0
SRES Development Plan	0	0	0	0	1,000	1,000	217.08	783	1,000	0
Shireland High Tech Primary	0	0	0	0	2,000	2,000	1,507.66	492	2,000	0
Crocketts Community Primary	0	0	0	0	4,000	4,000	1,041.18	2,959	4,000	0
Shenstone Lodge School	0	0	0	0	1,000	1,000	18.09	982	1,000	0
Sacred Heart Primary	0	0	0	0	1,000	1,000	19.09	981	1,000	0
Yew Tree Primary	0	0	0	0	1,000	1,000	12.73	987	1,000	0
Christ Church CE Primary	0	0	0	0	0	0	-	0	0	0
School Demolition Thorne Road	0	0	0	0	1,000	1,000	36.18	964	1,000	0
Schools Capital Feasibility Works	0	0	0	0	1,000	1,000	5.46	995	1,000	0
Blackheath Primary	0	0	0	0	0	0	-	0	0	0
Primary Bulge Class - Rowley	0	0	0	0	0	0	-	0	0	0
Holy Trinity CE Primary	0	0	0	0	0	0	-	0	0	0
Causeway Green Primary Flooding	0	0	0	0	0	0	-	0	0	0
ESFA Shireland Primary Free School	0	0	0	0	11,000	11,000	10,746.38	254	11,000	0
<u>Other Self-Financing schemes</u>										
Devolved Formula Capital	0	0	0	0	0	0	-	0	0	0
Devolved Formula Capital - School Contribution	0	0	0	0	0	0	-	0	0	0
Devolved Formula Capital - PRU's	0	0	0	0	0	0	-	0	0	0
BSF Oldbury	0	0	0	0	171,000	171,000	-	171,000	171,000	0
Two Years Old Entitlement - Early Years Capital	0	0	0	0	2,000	2,000	-	2,000	2,000	0
Orchard Building Work/ Primrose Caretaker House	0	0	0	0	17,000	17,000	-	17,000	17,000	0
EVOLVE Funding	0	0	0	0	101,000	101,000	96,591.55	4,408	101,000	0
Healthy Pupils Capital Fund	0	0	0	0	24,000	24,000	1,500.00	22,500	24,000	0
Total Childrens Services	81,000	0	(1,000)	80,000	14,160,000	14,240,000	9,054,179.51	5,185,820	14,240,000	0

	Original Budget 2020/21 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2020/21 (Main Programme)	Self Financing	Total Budget 2020/21	2020/21			(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)	12,821,000	(9,461,000)	(3,360,000)	0	0	0	-	0	0	0
Moor Lane Extra Care	11,193,000	0	(1,000,000)	10,193,000	0	10,193,000	2,992,840.65	7,200,159	10,193,000	0
Carrisbrooke Close	172,000	0	0	172,000	0	172,000	44,163.00	127,837	172,000	0
West Road	6,005,000	(5,000,000)	0	1,005,000	0	1,005,000	402,861.50	602,139	1,005,000	0
Strathmore Road	2,705,000	0	0	2,705,000	0	2,705,000	1,223,339.97	1,481,660	2,705,000	0
Reservoir Road	0	3,750,000	(1,300,000)	2,450,000	0	2,450,000	9,806.85	2,440,193	2,450,000	0
Bull Street / Albion Road	0	711,000	0	711,000	0	711,000	34,213.00	676,787	711,000	0
Prudential Borrowing - New Build (1-4-1 Receipts)										
Metis Developments	8,000,000	(8,000,000)	0	0	0	0	-	0	0	0
Kier Housing - Kent Close, Tibbington	25,000	0	0	25,000	0	25,000	-	25,000	25,000	0
Oxford Road Extra Care - New Build	514,000	0	0	514,000	0	514,000	184,662.19	329,338	514,000	0
Churchvale	3,716,000	0	(3,086,000)	630,000	0	630,000	40,923.40	589,077	630,000	0
Friardale Close Bungalows	1,442,000	0	(742,000)	700,000	0	700,000	-	700,000	700,000	0
Brittania	1,203,000	0	(950,000)	253,000	0	253,000	-	253,000	253,000	0
1-4-1 Property Purchases	0	5,000,000	0	5,000,000	0	5,000,000	1,350,044.85	3,649,955	5,000,000	0
Prudential Borrowing - High Rise										
High Rise	13,788,000	(3,788,000)	(10,000,000)	0	0	0	-	0	0	0
The Crofts	83,000	0	0	83,000	0	83,000	-	83,000	83,000	0
Charlemont Farm	14,000	0	0	14,000	0	14,000	-	14,000	14,000	0
Kynaston House	132,000	0	0	132,000	0	132,000	-	132,000	132,000	0
Lion Farm	37,000	0	0	37,000	0	37,000	6,637.35	30,363	37,000	0
Beaconview	46,000	0	0	46,000	0	46,000	-	46,000	46,000	0
Nelson House	304,000	0	0	304,000	0	304,000	15.45	303,985	304,000	0
Darley House	0	100,000	0	100,000	0	100,000	55,529.15	44,471	100,000	0
Alfred Gunn House	11,823,000	0	(7,823,000)	4,000,000	0	4,000,000	1,276,712.02	2,723,288	4,000,000	0
Emergency Cladding Works	0	35,000	0	35,000	0	35,000	32,488.39	2,512	35,000	0
Mountford House (Lifts)	51,000	0	0	51,000	0	51,000	12.36	50,988	51,000	0
High Rise General	1,312,000	(135,000)	0	1,177,000	0	1,177,000	3,811.00	1,173,189	1,177,000	0
Prudential Borrowing - Other										
Internal Refurbishment	2,145,000	(2,145,000)	0	0	0	0	-	0	0	0
Boiler Replacement	4,605,000	0	0	4,605,000	0	4,605,000	1,521,251.48	3,083,749	4,605,000	0
Sandfield House	10,000	0	0	10,000	0	10,000	(179.23)	10,179	10,000	0
ECO Projects	2,250,000	0	0	2,250,000	0	2,250,000	-	2,250,000	2,250,000	0
Adaptations for Disabled	385,000	3,000,000	0	3,385,000	0	3,385,000	946,788.65	2,438,211	3,385,000	0
Estate Improvements	100,000	0	0	100,000	0	100,000	1,000.00	99,000	100,000	0
Property Conversions	0	250,000	0	250,000	0	250,000	217,154.25	32,846	250,000	0
Replacement of CO2 and Smoke Detectors						0	-	0	0	0

RTB Receipts - 1-4-1 Replacement	2,000,000	(2,000,000)	0	0	0	0	-	0	0	0
Brindley 2	0	0	0	0	0	0	-	0	0	0
1-4-1 Replacement Professional Fees	0	0	0	0	0	0	-	0	0	0
Oxford Road Extra Care - New Build	291,000	0	0	291,000	0	291,000	79,140.94	211,859	291,000	0
Churchvale	1,593,000	0	(1,322,000)	271,000	0	271,000	17,538.60	253,461	271,000	0
Friardale Close Bungalows	618,000	0	(318,000)	300,000	0	300,000	-	300,000	300,000	0
Brittania	516,000	0	(411,000)	105,000	0	105,000	-	105,000	105,000	0
RTB Buy Backs	0	0	0	0	0	0	-	0	0	0
Alfred Gunn House	0	809,000	0	809,000	0	809,000	-	809,000	809,000	0
1-4-1 Property Purchases	0	1,500,000	0	1,500,000	0	1,500,000	578,590.65	921,409	1,500,000	0
RCCO : MRA/Ringfenced Approvals										
Internal Refurbishment	12,891,000	2,809,000	0	15,700,000	0	15,700,000	4,152,437.28	11,547,563	15,700,000	0
Single to Double Glazing & Composite Doors	0	1,000,000	0	1,000,000	0	1,000,000	15,596.22	984,404	1,000,000	0
RCCO - Other										
Applewood Grove Conversion	0	750,000	0	750,000	0	750,000	532,163.44	217,837	750,000	0
Greenwood Avenue Conversion	233,000	0	0	233,000	0	233,000	56,249.88	176,750	233,000	0
Greenford House (additional flats)	97,000	0	0	97,000	0	97,000	-	97,000	97,000	0
Kenrick House (additional flats)	38,000	0	0	38,000	0	38,000	123.00	37,877	38,000	0
Ex Neighbourhood Offices New Build - Hilton Road	0	0	0	0	0	0	-	0	0	0
Ex Neighbourhood Offices New Build - Monmouth Drive	0	0	0	0	0	0	-	0	0	0
Riverside PFI	0	0	0	0	0	0	-	0	0	0
Workplace Vision	0	850,000	0	850,000	0	850,000	469,455.00	380,545	850,000	0
ICT Strategy Costs	0	500,000	0	500,000	0	500,000	243,840.00	256,160	500,000	0
CCTV Expansions	750,000	0	0	750,000	0	750,000	-	750,000	750,000	0
Total Housing Revenue Account (HRA)	103,908,000	(9,465,000)	(30,312,000)	64,131,000	0	64,131,000	16,489,211.29	47,641,789	64,131,000	0

Section 106					
Section 106 Scheme	Service Area	Description of Project	Balance Available @ 01/04/20 £	Forecast Expenditure for 2020/21 £	Balance Remaining @ 31/03/21 £
Roway Lane Development	Regeneration & Growth	Contribution to improvement works at the Fountain Lane / Bromford Road junction	48,000	0	48,000
Former Churchfields School, All Saints Way, West Bromwich	Regeneration & Growth	Erection of 182 dwellings, 3no 100m x 60m football pitches, changing room facilities together with associated road and sewer.	17,000	0	17,000
Land at Alexandra Road and Upper Church Lane, Tipton	Regeneration & Growth	Affordable Housing	603,000	0	603,000
High St / Dartmouth St West Bromwich (was Laing but now Taylor Wimpy)	Regeneration & Growth	Affordable Housing	12,000	0	12,000
Land at Seymour Road, Oldbury	Regeneration & Growth	Affordable Housing	91,000	0	91,000
Land at Summerton Road, Oldbury	Regeneration & Growth	Affordable Housing	28,000	0	28,000
Rattlechain Oldbury DC/14/57737	Regeneration & Growth	Affordable Housing	210,000	0	210,000
Land off Mill Street Tipton - DC/15/58921	Regeneration & Growth	Affordable Housing	290,000	0	290,000
Land off Spon Lane West Bromwich DC/08/49057	Regeneration & Growth	Highways Contribution	447,000	0	447,000
TESCO - West Bromwich	Regeneration & Growth	Planning / Environmental Health contribution	50,000	0	50,000
Sandwell Road West Bromwich DC/09/51649	Regeneration & Growth	Public Realm / Highways contribution	175,000	0	175,000
Ashes Road Oldbury DC/14/57470	Regeneration & Growth	Ashes Road Oldbury Contribution	336,000	0	336,000
Upper Church lane Tipton DC/09/50926	Regeneration & Growth	Planning Contribution	32,000	0	32,000
Brades Green Open Space DC/05/43995	Housing & Communities	Planting scheme to improve welcoming aspect - Oldbury	5,800	5,800	0
Barnford Park DC/07/48918	Housing & Communities	Treeworks - Oldbury	3,600	3,600	0
Mary MacArthur Gardens	Housing & Communities	Fencing, Steps & Re-Painting of Infrastructure - Rowley	32,300	32,300	0
Jubilee Park DC/04/43090 & DC/06/47114	Housing & Communities	Treeworks - Tipton	8,100	8,100	0
Farley Park DC/08/50253	Housing & Communities	Play Provision improvements - Tipton	4,000	4,000	0
Norman Rd Dams DC/05/45598	Housing & Communities	Play Provision improvements	15,000	15,000	0
Charlemont Playing Fields - DC/14/56717	Housing & Communities	Improvements to Car Parking Facilities & Skate Board Park - West Bromwich	33,000	33,000	0
Redhouse Park - DC/05/45586	Housing & Communities	Scheme being developed including Entrance & Car Parking - West Bromwich	18,000	18,000	0
Yew Tree Estate - DC/13/56577	Housing & Communities	Play Provision improvements - West Bromwich	60,200	60,200	0
Total Section 106			2,519,000	180,000	2,339,000

Community Infrastructure Levy (CIL)					
CIL Scheme	Service Area	Description of Project	Balance Available @ 01/04/20 £	Forecast Expenditure for 2020/21 £	Balance Remaining @ 31/03/21 £
Balance in CIL fund to date - not allocated to individual projects	Regeneration & Growth		1,862,500	0	1,862,500
Total Community Infrastructure Levy (CIL)			1,862,500	0	1,862,500

Housing Revenue Account

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
Asset Management & Maintenance	37,867	0	37,867	35,236	(2,631)	0	(2,631)
Business Excellence	3,339	0	3,339	3,266	(73)	0	(73)
Commercial Services	4,377	0	4,377	4,266	(111)	0	(111)
Corporate HRA	19,715	0	19,715	19,715	0	0	0
Housing Management	11,853	0	11,853	11,012	(841)	0	(841)
PFI	(644)	0	(644)	(1,394)	(750)	750	0
Rents & Other Charges	(113,782)	0	(113,782)	(113,900)	(118)	0	(118)
SLA's	7,435	0	7,435	7,435	0	0	0
TOTAL	(29,840)	0	(29,840)	(34,364)	(4,524)	750	(3,774)

Individual Schools Budget

Service Area	Annual Target Budget (£000)	B/fwd from Previous Year (£000)	Total Budget (£000)	Projected Outturn (£000)	Projected Variance (£000)	(Use of) Reserves/ Corporate Resources/ RCCO (£000)	Projected Outturn Variance (£000)
ISB High Needs	49,132		49,132	48,725	(407)		(407)
Early Years	24,351		24,351	24,351	0		0
Central Services Services Block	2,020		2,020	2,020	0		0
Schools	157,865		157,865	157,865	0		0
Dedicated Schools Grant	(232,794)		(232,794)	(232,794)	0		0
Other income	(573)		(573)	(573)	0		0
TOTAL	0	0	0	(407)	(407)	0	(407)

Treasury Management Strategy Statement and Prudential Indicators Mid-Year Monitoring Report 2020/21

1 Background

1.1 Treasury Management

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

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

Accordingly, treasury management is defined as:

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

2. Introduction

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

The primary requirements of the Code are as follows:

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

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

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

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

- An economic update for the first part of 2020/21 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2020/21;
- A review of the Council's borrowing strategy for 2020/21;
- A review of any debt rescheduling undertaken during 2020/21;
- A review of compliance with Treasury and Prudential Limits for 2020/21.

3. Economics and Interest Rates

3.1 UK Summary Economic Update

The first half of 2020/21 has seen UK economic growth fall as Covid-19 and the UK lockdown took a toll; as expected the Bank of England's Monetary Policy Committee (MPC) kept Bank Rate unchanged on 6 August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

- GDP was revised from 28% to 23%.
- The peak in the unemployment rate was revised down from 9% in Q2 to 7.5% by Q4 2020.
- It forecast that there would be excess demand in the economy by Q3 2022 causing CPI inflation to rise above the 2% target Q3 2022.

The idea of negative interest rates, at least in the next six months or so has been also squashed by the MPC, they still expect the £300bn of quantitative easing purchases announced between March and June meetings to continue until the 'turn of the year'. This would indicate that the Bank can now just sit on its hands as the economy is recovering better than expected however, the MPC acknowledged that the 'medium-term projections were a less informative guide than usual' and the minutes had multiple references to downside risks. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down in the furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in

the year. Overall, it is expected that there has been a strong pickup in economic growth during the back-end of Q2 2020 however, that pace is likely to fade as the furlough scheme ending in October will lead to many job losses during the second half of the year. Consumers will remain cautious in spending and this will dampen growth. Uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind.

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

3.2 Interest Rate Movements and Expectations

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

Link Group Interest Rate View 11.8.20		Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month average earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-
6 Month LIBID		0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-
12 Month LIBID		0.20	0.20	0.20	0.20	0.20	0.20	0.20	-	-	-	-
5yr PWLB Rate		1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate		2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate		2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate		2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

The coronavirus outbreak has done huge economic damage to the UK and around the world. After the Bank of England took emergency action in March to cut the Bank Rate to 0.25% and then to 0.10%, it left the Bank Rate unchanged at its last meeting on 6 August, although some forecasters had suggested that a cut into negative territory could happen however, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31 March 2023 as economic recovery is expected to be only gradual and therefore prolonged.

The balance of risks to the UK

- The overall balance of risks to the economic growth in the UK is probably relatively even but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in the Bank Rate are likely to be some years away given the underlying economic expectations. It is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields (and so PWLB rates) in the UK.

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

- A second nationwide wave of virus infection requiring a national lockdown.
- The UK/EU trade negotiations.
- The Bank of England take action too quickly or too far, over the next three years to raise Bank Rate and causes UK economic growth and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- German minority government and general election in 2021.
- Other minority EU governments; namely Australia, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium.
- Austria, the Czech Republic and Hungary now form a strong anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- Geopolitical risks, e.g. in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- The US Presidential election 2020; this could have repercussions for the US economy and SINO-US trade relations.

The upside risks currently include:

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

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2020/21 was approved by this Council on 10 March 2020.

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

	2020/21	
	Original Estimate	Revised Prudential Indicator
	£'m	£'m
Authorised Limit	851.970	758.700
Operational Boundary	621.969	587.317
Capital Financing Requirement	851.970	758.700

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

This part of the report is structured to update:

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

5.1. Prudential Indicator for Capital Expenditure

This table shows the projected outturn for capital expenditure based on projections at period 6, along with the expected financing arrangements against the original indicators set at the time the capital programme was agreed in March 2020.

	2020/21	
	Original Estimate	Projected Outturn
	£'m	£'m
Capital Expenditure		
General Fund	105.027	105.328
HRA	103.908	64.131
Total	208.935	169.459
Resourced by:		
Capital Receipts	35.734	33.992
Capital Grants & Contributions	57.467	64.138
Revenue	15.550	21.379
Capital Expenditure Financed from Borrowing	100.184	49.950

There has been an overall reduction in the projected level of expenditure to be financed from borrowing. This is due to the reduced spending activity within the HRA investment programme.

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

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

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

	2020/21					
	Original Estimate			Projected Outturn		
	HRA	General Fund	Total	HRA	General Fund	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Opening Capital Financing Requirement	459.175	319.652	778.827	429.112	306.351	735.463
add: Capital Expenditure funded from Borrowing	84.452	15.732	100.184	40.937	9.013	49.950
less: MRP	-10.000	-10.597	-20.597	-10.000	-10.597	-20.597
add: Movement on Other Long Term Liabilities	-2.299	-4.145	-6.444	-2.301	-3.815	-6.116
Closing Capital Financing Requirement	531.328	320.642	851.970	457.748	300.952	758.700
External Debt / Operational Boundary						
Borrowing			549.552			519.520
Other Long Term Liabilities*			72.417			67.797
Total Debt at 31 March (Operational Boundary)			621.969			587.317

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

5.3. Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2020/21	
	Original Estimate	Projected Outturn
	£'m	£'m
Gross Borrowing	549.552	519.520
add: Other Long Term Liabilities*	72.417	67.797
less: Investments	-25.000	-25.000
Net Borrowing	596.969	562.317
CFR (Year end position)	851.970	758.700

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

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

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

	2020/21	
	Original Estimate £'m	Projected Outturn £'m
Borrowing	779.553	690.903
add: Other Long Term Liabilities*	72.417	67.797
Total Authorised Limit	851.970	758.700

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

6. Borrowing / Debt Activity during 2020/21

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

	2020/21	
	Original Estimate £'m	Projected Outturn £'m
External Debt as at 1 April	549.552	519.520
Expected need to 31 March	0.000	0.000
Other Long Term Liabilities*	72.417	67.797
Estimated Debt as at 31 March	621.969	587.317
Capital Financing Requirement	851.970	758.700
(-)Under / (+)Borrowed	-230.001	-171.383
Investment as at 31 March	-25.000	-25.000
Net Debt Position as at 31 March	596.969	562.317

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

No new long-term loans have been taken out during the first six months of 2020/21. Officers will continue to consider the Council's borrowing requirement during the remainder of the year to ensure it has adequate resources to maintain its capital programme.

The Council is currently under borrowed to address investment counterparty risk and the cost of carry on investments (investment yield up to 0.227%, long term borrowing rates are approximately 2.76%). There is interest rate risk, as longer term borrowing rates may rise; this position is being carefully monitored.

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

	2020/21	
	Original Estimate £'m	Projected Outturn £'m
Debt Charges	46.370	46.487

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

6.1. Debt Rescheduling

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

7. Investment Strategy 2020/21 – 2024/25

Key Objectives

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by the forecasts in section 3.2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates up to 12 months are either negative or barely above zero now that Bank Rate is at 0.10%. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31st March 2023, investment returns are expected to remain low.

Current Investment Position

The Council held £71.283m of investments at 30 September 2020 with the structure of the portfolio being detailed below and in line with IFRS9. This table also highlights the 'historic risk of default' on these investments. As at 30 September 2020 the Council is reporting a risk of default percentage of 0.000%:

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF CCLA	10,000,000	0.11%		MMF	AAA	0.000%
MMF BNP Paribas	10,000,000	0.04%		MMF	AAA	0.000%
MMF Invesco	10,000,000	0.08%		MMF	AAA	0.000%
MMF Federated Investors (UK)	10,000,000	0.08%		MMF	AAA	0.000%
MMF BlackRock	500,000	0.04%		MMF	AAA	0.000%
MMF Aviva	10,000,000	0.11%		MMF	AAA	0.000%
MMF Aberdeen Standard Investments	10,000,000	0.09%		MMF	AAA	0.000%
MMF Fidelity	10,000,000	0.10%		MMF	AAA	0.000%
The Royal Bank of Scotland Plc (RFB)	533,343	0.01%		Call	A	0.000%
8 Towns Credit Union	250,000	1.49%	13/11/2017	14/11/2022	Not Rated	0.000%
Total Investments	£71,283,343	0.09%				0.000%

The section 151 Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the 6 months of 2020/21.

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

	2020/21	
	Original Estimate £'m	Projected Outturn £'m
Interest Receivable	2.146	2.009

Risk Benchmarking

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

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

% Benchmarks	7 Day	1 Month	3 Month	6 Month	12 Month
Benchmark Return (LIBID Uncompounded)	0.06%	0.02%	0.11%	0.21%	0.35%

Liquidity

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

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

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

Yield

Local measures of yield benchmarks are:

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

The Executive Director of Resources can report that the return to date has averaged 0.227%, against an average 7-day LIBID at 30 September 2020 of 0.06%.

8. Other

8.1 Full Economic Update

As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6th August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

- The fall in GDP in the first half of 2020 was revised from 28% to 23%. This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
- The peak in the unemployment rate was revised down from 9% in Q2 to 7½% by Q4 2020.
- It forecast that there would be excess demand in the economy by Q3 2022 causing CPI inflation to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

It also squashed any idea of using negative interest rates, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.

The MPC still expects the £300bn of quantitative easing purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.

In conclusion, this would indicate that the Bank can now just sit on its hands as the economy is recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to downside risks, which were judged to persist both in the short and medium term. One has only to look at the potential for a second wave of the virus to see the dangers. However, rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely

to be a drag on recovery. The wind down in the furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE. Overall, the pace of recovery is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. There will also be some painful longer-term adjustments as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.

One key addition to forward guidance was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate

The Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

Overall, it is expected that there has been a strong pickup in economic growth during the back-end of quarter 2 of 2020. However, that pace is likely to fade as the furlough scheme ending in October will lead to many job losses during the second half of the year. Consumers will also probably remain cautious in spending and this will dampen growth. Uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind.

US. The incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery should continue over the coming months and employment growth should also pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked its inflation target from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary “trap” like Japan. It is to be noted that inflation has actually been under shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long

term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

EU. The economy was recovering well towards the end of Q2 after a sharp drop in GDP. However, there are growing fears of a second wave of the virus that could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.

China. After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

Japan. There are some concerns that a second wave of the virus is gaining momentum and could damage economic growth further. It has been struggling to get out of a deflation trap for many years and 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. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.

World growth. Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

8.2 Sovereign Limits

The following change is being made to the Councils' sovereign limit:

Banks 1 - good credit quality – the council will only use banks which:

- i. are UK banks and building societies and/or

- ii. are non-UK and domiciled in a country which has a minimum sovereign long-term rating of AA-.

This is an amendment from the TMSS for 2020/21 which was set at AA, as the rating agencies assess the UK's credit worthiness, following the ongoing impact of covid-19 and unknown conclusion of the UK/EU trade agreement before year end. Moody's recently downgraded the UK sovereign rating down to AA- and this usually an indication that the other agencies will follow suit. For the moment short term ratings are not affected.

8.3 Money Market Funds

The Council will now look to deposit with all Money Market Funds (MMFs) instead of being restricted to LVNAV and VNAV (Low Volatility Net Asset Value and Variable Net Asset Value) funds. This request is a result of the current volatile market conditions and although it is reasonable to assume that the Bank of England will not move the Bank Rate to a negative position; the current Bank Rate of 0.10% is causing some strain on the fund holders in respect of their fees and costs. Even though the Bank Rate is not in a negative position, as a result of these extra strains on the fund holders, it may result at some point in an accrued interest rate change to the negative side; even without further unfavourable market conditions caused by Covid-19 and/or a bad Brexit outcome.