

Agenda Cabinet

Wednesday, 7 February 2024 at 3.30 pm
In the Council Chamber, Sandwell Council House, Oldbury

4 **Additional Items of Business** (Pages 5 - 42)

To determine whether there are any additional items of business to be considered as a matter of urgency.

Shokat Lal **Chief Executive**

Sandwell Council House
Freeth Street
Oldbury
West Midlands

Distribution

Councillor Carmichael (Chair)
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Report to Cabinet

7th February 2023

Subject:	Q3 Budget Monitoring 2023/24
Cabinet Member:	Cllr Bob Piper, Finance & Resources
Director:	Brendan Arnold, Director of Finance
Key Decision:	Yes
Contact Officer:	Claire Spencer – Acting Assistant Director Finance Claire_spencer@sandwell.gov.uk

1 Recommendations

That Cabinet:

- 1.1 Notes the financial monitoring position as at 31st December 2023 (Quarter 3) and refers the report to the Budget and Corporate Scrutiny Management Board for consideration and comment.
- 1.2 Approves the following budget virements above £1m in line with the revised delegated limits for Cabinet Members and Directors: -

Virements above £1m for approval by Cabinet		£'000	£'000
Directorate	Transfer of pay award allocation from Contingency	6,539	
Budgets			
Contingency	Transfer of pay award allocation to directorates		6,539
TOTAL		6,539	6,539

2 Reasons for Recommendations

- 2.1 Section 151 of the 1972 Local Government Act requires the Chief Financial Officer to ensure the proper administration of the Council's financial affairs.



Budgetary control, which includes the regular monitoring and reporting of budgets is an essential element in discharging this statutory responsibility.

- 2.2 £6.539m is currently being held corporately within a contingency budget to be used to part fund the cost of the 2023/34 NJC pay award. Allocations to directorates of this centrally held contingency budget have now been calculated and it is necessary to distribute these allocations across the Council.

3 How does this deliver objectives of the Corporate Plan?

- 3.1 The Council's financial status helps to underpin the Council's Corporate Plan and the associated aspirations.

4 Context and Key Issues

General Fund Outturn

- 4.1 The overall projected outturn position for the General Fund is an underspend of (£2.985m). This is an underspend of 0.9% when compared with the Council's net budget of £317.623m.
- 4.2 The overall projected net directorate outturn variance, excluding the HRA, is an underspend of (£0.163m) following the use of reserves. The variance for each directorate is summarised in the following table and analysed in more detail within Appendix 1.



Service Area	APPX	Total Budget	Projected Outturn	Projected Outturn Variance Before Transfers to/from Reserves	(Use of)/ Contribution to Reserves	Projected Outturn Following Use of Reserves	Projected Outturn Variance
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management	1A	(183)	97	280	(280)	(183)	0
Borough Economy	1B	69,875	72,305	2,430	(1,898)	70,407	532
Adult Social Care	1C	85,831	85,106	(725)	(4,690)	80,416	(5,415)
Regeneration & Growth	1D	11,389	13,664	2,276	(2,412)	11,252	(137)
Housing	1E	2,302	2,095	(207)	373	2,468	166
Children's Services	1F	91,455	102,002	10,547	(5,692)	96,310	4,855
Assistant Chief Executive	1G	7,550	7,369	(181)	20	7,389	(161)
Finance	1H	19,500	19,373	(127)	162	19,535	35
Law & Governance	1I	7,303	7,219	(84)	46	7,265	(38)
Public Health	1J	64	1,947	1,883	(1,883)	64	0
Net Service Expenditure		295,087	311,178	16,091	(16,254)	294,924	(163)
Capital Charge Adjustment		(26,461)	(26,461)	0		(26,461)	0
External Interest Payments		15,000	15,000	0		15,000	0
Interest/Dividend Receipts		(7,500)	(9,000)	(1,500)		(9,000)	(1,500)
Corporate Items		41,497	40,984	(513)	(646)	40,338	(1,159)
Net Service Expenditure, Treasury Management Budgets and Corporate Items		317,623	331,701	14,078	(16,900)	314,801	(2,822)
Collection Fund Surplus		(102)	(102)	0		(102)	0
Council Tax		(127,008)	(127,008)	0		(127,008)	0
Business Rates		(109,560)	(109,560)	0		(109,560)	0
Business Rates Top-Up		(38,701)	(38,701)	0		(38,701)	0
Section 31 Grants		(38,188)	(38,188)	0		(38,188)	0
New Homes Bonus		(111)	(111)	0		(111)	0
Services Grant		(3,953)	(4,116)	(163)		(4,116)	(163)
Net Service Expenditure, Treasury Management Budgets, Corporate Items and Sources of Funding		0	13,915	13,915	(16,900)	(2,985)	(2,985)
Quarter 2 Projected Outturn Variance							1,222
Movement from Quarter 1 to Quarter 2							(4,207)

4.3 The forecast underspend of (£2.985m) at Quarter 3 represents an improved position of (£4.207m) when compared with the Quarter 2 forecast overspend of £1.222m.

4.4 The forecast outturn position at Quarter 3 is explained in further detail within the following paragraphs.

4.5 The cost of the 2023/24 NJC pay award is approximately £9.1m and £6.5m is available to part fund this budget pressure, as described in 2.2 above. Therefore, there is a residual budget pressure of £2.6m across the service directorates. The residual budget pressure relating to each directorate is highlighted within the corresponding explanation of forecast outturn position below.



Corporate Management (1A)

4.6 The projected outturn for Corporate Management is nil variance from budget.

Borough Economy (1B)

4.7 The projected outturn for Borough Economy is an overspend of £0.532m. The main reasons for this forecast overspend are as follows:

- £1.682m Income budget pressures relating to Visitor Services and Events, Green Services and Libraries.
- £0.433m overspend relating to the pay award and increased rate of pension contributions.
- £0.360m unachieved savings relating to Visitor Services and Events
Offset by:
 - (£0.819m) net in year savings on supplies and services budgets.
 - (£0.691m) in year vacancy management savings.

Adult Social Care (1C)

4.8 The forecast variance to budget for Adult Social Care is an underspend of (£5.415m). The main reasons for this forecast underspend are as follows:

- Vacancy management savings of (£3.148m) as a result of significant recruitment challenges in the sector and slippage in the start of social workers recruitment campaign
- Additional free nursing care income of (£1.600m)
- Additional Better Care Fund funding of (£0.806m)
- A variance on external placement costs of (£0.648m). This is 0.35% of the annual budget.
- Offset in part by £0.697m overspend relating to the pay award and increased rate of pension contributions and £0.090m other minor budget pressures.

Regeneration & Growth (1D)

4.9 The projected outturn for Regeneration and Growth is an underspend of (£0.137m). The main reasons for this forecast underspend are as follows:

- £0.500m reduced income from rechargeable jobs, as a result of staff vacancies
- £0.350m reduced income from planning application fees and building regulation fees, due to the economic downturn
- £0.403m loss of income due to building closures and tenant vacancies
- £0.239m overspend relating to the pay award and increased rate of pension contributions.
- Offset by (£1.629m) in year vacancy management savings and other minor budget savings



Housing (1E)

- 4.10 The projected outturn for Housing is an overspend of £0.166m. The main reasons for this forecast overspend are as follows:
- £0.174m income budget pressure relating to garage rental
 - £0.263m other income budget pressures
 - £0.169m unachieved savings
 - £0.114m delayed savings
 - £0.134m overspend relating to the pay award and increased rate of pension contributions.
 - Offset by (£0.688m) in year vacancy management savings and other minor budget savings

Children's Services (1F)

- 4.11 The forecast variance against budget for Children's Services is an overspend of £4.855m, largely due to budget pressures relating to SEND transport. The gross overspend relating to SEND transport is forecast to be £9.867m. This is partly offset by the use of reserves (£2.439m), resulting in a net budget pressure of £7.428m.
- 4.12 In addition to the above, the overspend relating to the pay award and increased rate of pension contributions is forecast to be £0.329m and there is also a forecast budget pressure in relation to Sandwell Residential Education Services of £0.255m.
- 4.13 Partly offsetting the budget pressures described in 4.10 and 4.11 are vacancy management savings of (£1.730m), additional income (partly grant income) of (£0.855m) and supplies and services and contract savings of (£0.572m).
- 4.14 The forecast overspend in the SEND transport service is due to a significant increase in demand over recent years, particularly for complex and out of borough placements, which have the highest cost.

Assistant Chief Executive (1G)

- 4.15 The projected outturn for Assistant Chief Executive is an underspend of (£0.161m). The main reasons for this forecast underspend is as follows.
- £0.216m overspend relating to the pay award and an increased rate of pension contributions
 - £0.194m overspend relating to additional supplies and services costs (security and IT costs)
 - £0.099m of unachieved savings



- Offset by (£0.670m) in year vacancy management savings and other minor budget savings

Finance (1H)

4.16 The projected outturn for Finance is an overspend of £0.035m. The main reasons for this forecast overspend are as follows:

- £0.914m budget pressure relating to the loss of Housing Benefits subsidy due to increased demand for temporary accommodation
- £0.394m overspend relating to the pay award and an increased rate of pension contributions
- £0.396m unachieved and delayed savings relating to redesign of Business Support functions and the hybrid print and mail project.
- Offset by (£1.669m) in year vacancy management savings, rephasing of the implementation of cyber security and other minor overspends.

Law & Governance (1I)

4.17 The projected outturn for Law and Governance is an underspend of (£0.038m).

- £0.191m overspend due to the pay award and an increased rate of pension contributions
- £0.439m overspend on external legal advice on corporate projects and social care
- offset by (£0.668m) underspend in in year vacancy management savings and other minor budget savings.

Public Health (1J)

4.18 Public Health is funded by a ringfenced grant and therefore any underspend at year-end is transferred into a specific Public Health grant reserve, and any overspend at year-end is funded from the reserve. The projected outturn variance is currently an overspend of £1.883m. This will be entirely funded from the Public Health grant reserve. There is a 3-year programme in place to bring down the reserve balance, which built up over the Covid-19 period.

Corporate Items

4.19 The council has several centrally held budgets. At Quarter 3 an underspend of (£1.159m) is forecast against Corporate Items. The main reasons for this forecast underspend are additional audit fees, additional bank charges and additional contributions to the West Midlands Combined Authority, offset by remaining contingency budgets.



Housing Revenue Account (1K)

4.20 The overall forecast variance against budget for the HRA (which sits outside the General Fund) is nil, as any surplus or deficit at year-end is offset by a corresponding transfer to/from HRA reserves. Prior to the use of reserves, the forecast variance against budget for the HRA is an overspend of £1.120m. The main reasons for this forecast overspend are as follows:

- Rents & Other Charges – £2.328m pressure relating to loss of rental income from voids and council tax charges on void properties
- PFI – £0.9m pressure due to increased unitary charge which is partly offset by one-off management fee income received. This pressure will be funded from the PFI sinking fund.
- Asset Management and Maintenance:
 - (i) Repairs & Maintenance – (£1.329m) net underspend mainly due to staff vacancies.
 - (ii) Building Safety & Compliance - £0.357m net pressure relating to Highrise safety and compliance costs.
- Housing Management – (£0.703m) net underspend related to staff savings.
- Other HRA Services – (£0.435m) underspend. Although there is an overspend due to increase in staff pension costs, project feasibility costs, tree works and increase in central support charges, this has been more than mitigated by staffing savings.

Dedicated Schools Grant – DSG (1L)

4.21 The overall forecast variance against budget for the DSG – which also sits outside the General Fund - is nil, as any surplus or deficit at year-end is offset by a corresponding transfer to/from the DSG reserve. Prior to transfers to reserves, the forecast outturn is an underspend of (£1.069m). The main reasons for this forecast underspend are as follows:

- High Needs Block underspend of (£0.949m) arising from out of borough placements, staffing vacancies and SEN development.
- Early Year's Block underspend of (£0.120m) from funding for 2-year olds and disability access fund.

Capital

4.22 Expenditure on the Council's capital programme is forecast to be £61.354m within the General Fund and £72.116m within the Housing Revenue Account



for the financial year 2023/24. Appendix 2 provides a detailed breakdown of the programme for the General Fund and appendix 3 provides a breakdown for the Housing Revenue Account.

General Fund

- 4.23 The Quarter 3 Capital monitoring has been updated to include rephasing from previous years, reprofiling and additional approvals. The main changes that have taken place since Quarter 2 are listed as follows:
- 4.24 There has been additional rephasing into 2024/25 within the Borough Economy directorate in relation to the Birchley Island scheme of £1.5m and within the Total Main Programme Block of £3.2m.
- 4.25 Within the Finance directorate, £1.2m in relation to the ICT – End User Computer scheme has been rephased into 2024/25.
- 4.26 Additional rephasing within the Regeneration & Growth directorate of around £3.3m into future years has been reflected in relation to the Towns Fund budgets and there has been rephasing on the Property Refurbishment budget of £1.7m into 2024/25. The Sandwell LUP budgets have been reprofiled to reflect the latest expenditure forecasts with a total of £0.850m being moved into 2023/24.

Housing Revenue Account

Progress Against the New Council House Build Programme

- 4.27 The Council new build housing programme was approved at Cabinet in February 2023. The existing programme that completes in 2026/27 includes a total of 715 new homes.
- 4.28 Of the above programme, 47 units have been delivered in 2022/23 and an estimated 15 new Council house builds are anticipated to be completed by 31 March 2024. These are part-funded through Housing Revenue Account borrowing with grant provided by Homes England.
- 4.29 120 new homes will be progressed on site during the current financial year. Spend of £19.749m against the budget of £36.708m (including prior year carry forwards) is currently projected against the new build programme. This gives an underspend against the 2023/24 programme of (£16.958m) because of delays. However, the increased starts on site during 2023/24 will reduce the current forecast underspend towards the end of the financial year.



4.30 The delivery of the new build programme is delayed because of several reasons. The construction industry in both the West Midlands and at a national level continues to experience the impact of economic volatility. This is causing longer lead-in times and higher prices due to inflationary increases. The instability of the current economic climate is demonstrated by a reduction in tender returns for some projects and higher than estimated prices on returned tenders coupled with increased specification due to changes in building regulations. Ultimately, the higher costs affect the financial viability of these schemes. There have also been delays to physical starts on site, many of which are beyond the council's control, such as ground conditions, wayleaves, easements, section agreements and licences.

Progress Against the Housing Improvements Programme

4.31 At present there is an anticipated underspend of (£3.763m) on current year projects. The delivery of capital investment contracts has been impacted by challenges similar to the new build programme. This is particularly apparent for price volatility on tender returns and inflationary pressures on committed contracts.

Section 106/Community Infrastructure Levy (CIL)

4.32 Section 106 monies are paid by developers towards the cost of providing community and social infrastructure but must be used for specific purposes. As at Quarter 3 £0.203m of these balances have been utilised leaving a remaining balance of £2.615m.

4.33 The Community Infrastructure Levy is a charge that local authorities can set on new development to raise funds to help fund the infrastructure, facilities and services which are needed to support new homes and businesses in the areas. As at Quarter 3 the Council is currently holding capital balances of £3.246m in relation to this Levy and is not forecasting any expenditure against this for the remainder of 2023/24. Further detail on Section 106 and CIL balances is provided in appendix 4.

Treasury Management Outturn

4.34 Appendix 5 provides the Quarter 3 Treasury Management update.

5 Alternative Options

5.1 There are no alternative options to the position presented in this report.



6 Implications

Resources:	Resource implications are contained within the main body of the report.
Legal and Governance:	No direct implications arising from the recommendations.
Risk:	In order to manage the risk of overspends, which impact on the resilience of the Council's financial position, arrangements are put in place to monitor and manage the current year's budget to ensure that planned savings are achieved and efficiencies realised. Timely and accurate monitoring of the forecast outturn against budget is required to ensure that revenue and capital expenditure stay within the agreed budgets.
Equality:	No direct implications arising from the recommendations.
Health and Wellbeing:	No direct implications arising from the recommendations.
Social Value	No direct implications arising from the recommendations.
Climate Change	No direct implications arising from the recommendations.

7 Appendices

- App 1 Outturn Summary for Directorates
- App 2 General Fund Capital
- App 3 Housing Revenue Account Capital
- App 4 CIL and S106 Funding
- App 5 Q3 Treasury Management Update

8 Background Papers

- Q1 Budget Monitoring 2023/24
- Q2 Budget Monitoring 2023/24



Service Area	APPX	Total Budget	Projected Outturn	Projected Outturn Variance Before Transfers to/from Reserves	(Use of)/ Contribution to Reserves	Projected Outturn Following Use of Reserves	Projected Outturn Variance
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management	1A	(183)	97	280	(280)	(183)	0
Borough Economy	1B	69,875	72,305	2,430	(1,898)	70,407	532
Adult Social Care	1C	85,831	85,106	(725)	(4,690)	80,416	(5,415)
Regeneration & Growth	1D	11,389	13,664	2,276	(2,412)	11,252	(137)
Housing	1E	2,302	2,095	(207)	373	2,468	166
Children's Services	1F	91,455	102,002	10,547	(5,692)	96,310	4,855
Assistant Chief Executive	1G	7,550	7,369	(181)	20	7,389	(161)
Finance	1H	19,500	19,373	(127)	162	19,535	35
Law & Governance	1I	7,303	7,219	(84)	46	7,265	(38)
Public Health	1J	64	1,947	1,883	(1,883)	64	0
Net Service Expenditure		295,087	311,178	16,091	(16,254)	294,924	(163)
Capital Charge Adjustment		(26,461)	(26,461)	0		(26,461)	0
External Interest Payments		15,000	15,000	0		15,000	0
Interest/Dividend Receipts		(7,500)	(9,000)	(1,500)		(9,000)	(1,500)
Corporate Items		41,497	40,984	(513)	(646)	40,338	(1,159)
Net Service Expenditure, Treasury Management Budgets and Corporate Items		317,623	331,701	14,078	(16,900)	314,801	(2,822)
Collection Fund Surplus		(102)	(102)	0		(102)	0
Council Tax		(127,008)	(127,008)	0		(127,008)	0
Business Rates		(109,560)	(109,560)	0		(109,560)	0
Business Rates Top-Up		(38,701)	(38,701)	0		(38,701)	0
Section 31 Grants		(38,188)	(38,188)	0		(38,188)	0
New Homes Bonus		(111)	(111)	0		(111)	0
Services Grant		(3,953)	(4,116)	(163)		(4,116)	(163)
Net Service Expenditure, Treasury Management Budgets, Corporate Items and Sources of Funding		0	13,915	13,915	(16,900)	(2,985)	(2,985)
Quarter 2 Projected Outturn Variance							1,222
Movement from Quarter 1 to Quarter 2							(4,207)

Corporate Management

APPENDIX 1A

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	397	677	280	(280)	0		0
Corporate Management	(580)	(580)	0	0	0		0
TOTAL	(183)	97	280	(280)	0	0	0

Borough Economy

APPENDIX 1B

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Contracts, Projects, Strategy & Policy	39,779	40,251	472	(706)	(234)		(234)
Highways Services	19,775	19,775	(0)	0	(0)		(0)
Green Spaces, Visitor Services & Events	1,166	2,935	1,769	(357)	1,412		1,412
Public Protection and Community Safety	3,794	4,101	307	(582)	(276)		(276)
Libraries, Archives and Heritage	4,933	5,061	128	(253)	(125)		(125)
Directorate Management	427	182	(245)	0	(245)		(245)
TOTAL	69,875	72,305	2,430	(1,898)	532	0	532

Adult Social Care

APPENDIX 1C

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of) /Contribution to Reserves& RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
					0		0
Management Team	1,764	3,102	1,338	(1,455)	(117)		(117)
Social Work & Therapy	5,684	4,552	(1,132)	0	(1,132)		(1,132)
External Placements	67,987	66,222	(1,765)	(1,000)	(2,765)		(2,765)
Direct Services	7,329	6,242	(1,087)	(75)	(1,162)		(1,162)
Commissioning	3,067	2,828	(239)	0	(239)		(239)
Better Care Fund	0	2,160	2,160	(2,160)	0		0
			0	0	0		0
TOTAL	85,831	85,106	(725)	(4,690)	(5,415)	0	(5,415)

Directorate - Regeneration

APPENDIX 1D

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Growth and Spatial Planning Service	2,743	3,093	350	(613)	(263)	0	(263)
Development Planning and Building Control Service	744	1,007	263	(14)	249	0	249
Strategic Assets and Land Service	7,283	9,433	2,150	(1,596)	554	0	554
Management	619	131	(488)	(189)	(677)	0	(677)
			0	0	0		0
TOTAL	11,389	13,664	2,275	(2,412)	(137)	0	(137)

Housing

APPENDIX

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Projected Outturn Variance (£000)
	£'000	£'000	£'000	£'000	£'000
Community Partnerships and Support Services	1,153	1,284	131	0	131
Housing Solutions	1,478	1,032	(446)	446	0
Income Management and Money Advice	333	504	171	(73)	98
Tenancy & Estate Management	(828)	(653)	175	0	175
Management	167	(72)	(239)	0	(239)
TOTAL	2,303	2,095	(208)	373	165

Children's Services

APPENDIX 1F

Service Area	Total Budget £'000	Projected Outturn £'000	Projected Variance £'000	(Use of)/ Contribution to Reserves & RCCO for Specific Purposes £'000	Projected Outturn Variance following use of Reserves for specific purposes £'000	Use of Reserves to offset pressures £'000	Projected Outturn Variance £'000
Director of Children's Services	8,543	7,259	(1,284)	0	(1,284)		(1,284)
Education Services	760	674	(86)	(217)	(303)		(303)
Inclusive Learning	2,592	2,422	(169)	0	(169)		(169)
Children & Education Support Services	8,869	18,703	9,835	0	9,835	(2,439)	7,396
Commissioning, Partnerships & Improvement	10,496	12,747	2,251	(3,036)	(785)		(785)
Children's Social Care	59,796	59,796	0	0	0	0	0
Central Items	400	400	0	0	0		0
TOTAL	91,455	102,002	10,547	(3,253)	7,294	(2,439)	4,855

Assistant Chief Executive

APPENDIX 1G

Service Area	Total Budget £'000	Projected Outturn £'000	Projected Variance £'000	(Use of)/ Contribution to Reserves & RCCO for specific purposes £'000	Projected Outturn Variance following use of reserves for specific purposes £'000	Use of reserves to offset pressures £'000	Projected Outturn Variance £'000
Assistant Chief Executive	188	(497)	(685)	0	(685)		(685)
Human Resources	3,604	4,262	658	0	658		658
Strategy and Performance	1,380	1,106	(274)	20	(254)		(254)
Corporate Customer Communications	1,605 774	1,849 650	244 (124)	0 0	244 (124)		244 (124)
TOTAL	7,550	7,369	(181)	20	(161)	0	(161)

Service Area	Total Budget £'000	Projected Outturn £'000	Projected Variance £'000	(Use of)/ Contribution to Reserves & RCCO for specific purposes £'000	Projected Outturn Variance following use of reserves for specific purposes £'000	Use of reserves to offset pressures £'000	Projected Outturn Variance £'000
Director	126	(623)	(749)	0	(749)		(749)
Oracle	711	(1,174)	(1,885)	1,781	(104)		(104)
Financial Management	2,790	4,488	1,698	(953)	745		745
Procurement	620	777	157	(50)	107		107
Revenues and Benefits	3,901	4,957	1,056	(47)	1,009		1,009
Business Management	3,222	3,240	18	0	18		18
ICT	7,594	6,942	(652)	(569)	(1,221)		(1,221)
Corporate Transformation	537	767	230	0	230		230
			0	0	0		0
TOTAL	19,500	19,373	(127)	162	35	0	35

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director	436	83	(353)	0	(353)		(353)
Democracy	3,642	3,405	(237)	0	(237)		(237)
Registration Services	(691)	(572)	119	0	119		119
Legal and Assurance	2,839	3,447	608	46	654		654
Equality, Diversity and Inclusion	515	452	(63)	0	(63)		(63)
Leaders Office	562	404	(158)	0	(158)		(158)
			0	0	0		0
TOTAL	7,303	7,219	(84)	46	(38)	0	(38)

Public Health

APPENDIX 1J

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communicable Disease	3,237	2,866	(371)	0	(371)		(371)
Long Term Conditions	3,476	2,491	(986)	0	(986)		(986)
Childrens	11,530	11,335	(195)	0	(195)		(195)
Substance Misuse & Smoking	4,240	4,068	(172)	0	(172)		(172)
Wider Determinants	5,353	5,111	(242)	(12)	(255)		(255)
Public Health Management	2,932	2,735	(198)	(76)	(273)		(273)
Public Health Grant	(26,658)	(26,658)	0	0	0		0
Public Health Savings / Reserve	(4,048)	0	4,048	(1,795)	2,253		2,253
			0	0	0		0
TOTAL	64	1,947	1,883	(1,883)	0	0	0

Housing Revenue Account

APPENDIX 1K

Service Area	Total Budget	Projected Outturn	Projected Variance	(Use of)/ Contribution to Reserves & RCCO for specific purposes	Projected Outturn Variance following use of reserves for specific purposes	Use of reserves to offset pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Repairs and Maintenance	38,444	37,117	(1,327)	(174)	(1,501)	1,501	0
Building Safety and Compliance	3,857	4,214	357	0	357	(357)	0
Business Excellence	1,947	1,564	(383)	0	(383)	383	0
Services in Borough Economy	4,152	4,740	588	(900)	(312)	312	0
Corporate HRA	48,193	47,687	(506)	0	(506)	506	0
Housing Management	16,454	15,751	(703)	(46)	(749)	749	0
PFI	(659)	241	900	0	900	(900)	0
Rents & Other Charges	(122,732)	(120,404)	2,328	0	2,328	(2,328)	0
SLA's	10,044	9,910	(134)	0	(134)	134	0
			0	0	0	0	0
TOTAL	(300)	820	1,120	(1,120)	0	0	0

Individual Schools Budget

APPENDIX 1L

L

Page 25

Service Area	Total Budget £'000	Projected Outturn £'000	Projected Variance £'000	(Use of)/ Contribution to Reserves & RCCO for specific £'000	Projected Outturn Variance following use of reserves for £'000	Use of reserves to offset pressures £'000	Projected Outturn Variance £'000
Individual Schools Budget	0	(1,069)	(1,069)	1,069	0		0
			0	0	0		0
			0	0	0		0
			0	0	0		0
			0	0	0		0
			0	0	0		0
TOTAL	0	(1,069)	(1,069)	1,069	0	0	0

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Service / Scheme	2023/24							2024/25			2025/26			2026/27	2027/28	Total
	Base Budget	Additional Approvals (incl' prior year slippage not incl' in Base)	Current Budget	Predicted Spend	Variance	Predicted Rephasing	Final Variance	Base Budget	Predicted Rephasing	Revised Budget	Base Budget	Predicted Rephasing	Revised Budget	Base Budget	Base Budget	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care																
ASC Capital Grant	763	-	763	-	(763)	763	-	-	763	763	-	-	-	-	-	763
ASC System Development	-	260	260	60	(200)	200	-	-	200	200	-	-	-	-	-	260
Contaminated Land Grant	-	8	8	8	-	-	-	-	-	-	-	-	-	-	-	8
Swift Impress System	-	61	61	61	-	-	-	-	-	-	-	-	-	-	-	61
Adult Social Care Total	763	329	1,092	129	(963)	963	-	-	963	963	-	-	-	-	-	1,092
Borough Economy																
Environmental Improvements to Neighbourhoods	-	17	17	17	-	-	-	-	-	-	-	-	-	-	-	17
Forge Mill Farm	-	2	2	2	-	-	-	-	-	-	-	-	-	-	-	2
Lightwoods Park	-	16	16	16	-	-	-	-	-	-	-	-	-	-	-	16
Lightwoods Park HLF	403	(24)	379	79	(300)	300	-	-	300	300	-	-	-	-	-	379
Manor House - Phase 2	-	12	12	12	-	-	-	-	-	-	-	-	-	-	-	12
Manor House Conservation Plan	241	-	241	-	(241)	241	-	-	241	241	-	-	-	-	-	241
Oakhouse Barns Resoration Project	-	125	125	125	-	-	-	-	-	-	-	-	-	-	-	125
Oakhouse Barns Resoration Project	10	-	10	10	-	-	-	-	-	-	-	-	-	-	-	10
Total Birchley Island	-	2,685	2,685	1,185	(1,500)	1,500	-	-	1,500	1,500	-	-	-	-	-	2,685
Total Birchley Island	-	3,190	3,190	-	(3,190)	3,190	-	-	3,190	3,190	-	-	-	-	-	3,190
Total Local Network Improvement Plan (LNIP)	-	3,767	3,767	2,121	(1,646)	1,646	-	1,798	1,646	3,444	1,798	-	1,798	1,798	1,798	10,959
Total Main Programme (Council Resources) (Excl Birchley Island)	-	9,913	9,913	4,906	(5,007)	5,007	-	295	5,007	5,302	295	-	295	295	295	11,093
Total Highways Maintenance & Structures	-	5,481	5,481	5,481	-	-	-	4,741	-	4,741	4,741	-	4,741	4,741	4,741	24,445
Total Self Financing Schemes (Excl TT)	-	4,541	4,541	2,289	(2,252)	2,252	-	-	2,252	2,252	-	-	-	-	-	4,541
Vehicles	1,500	-	1,500	1,500	-	-	-	1,500	-	1,500	1,500	-	1,500	1,500	1,500	7,500
LUF - Haden Hill Leisure Centre	-	640	640	640	-	-	-	3,410	-	3,410	15,950	-	15,950	-	-	20,000
LUF - Haden Hill Leisure Centre	-	-	-	-	-	-	-	-	-	-	2,000	-	2,000	-	-	2,000
WMCA - PMF Play & Education Barn Project	-	190	190	190	-	-	-	360	-	360	-	-	-	-	-	550
WMCA - The Railer / Cracker improvement Projects	-	-	-	-	-	-	-	500	-	500	-	-	-	-	-	500
West Smethwick Park HLF	-	200	200	200	-	-	-	-	-	-	-	-	-	-	-	200
Borough Economy Total	2,154	30,755	32,909	18,773	(14,136)	14,136	-	12,604	14,136	26,740	26,284	-	26,284	8,334	8,334	88,465
Assistant Chief Executive																
Public Realm	33	-	33	-	(33)	33	-	-	33	33	-	-	-	-	-	33
Assistant Chief Executive Total	33	-	33	-	(33)	33	-	-	33	33	-	-	-	-	-	33
Children's Services																
BSF - ICT Element	80	-	80	80	-	-	-	-	-	-	-	-	-	-	-	80
Orchard Building Works (Primrose)	-	37	37	37	-	-	-	-	-	-	-	-	-	-	-	37
PLAY Pathfinder	6	-	6	6	-	-	-	-	-	-	-	-	-	-	-	6
Devolved Formula Capital	-	1,300	1,300	1,300	-	-	-	-	-	-	-	-	-	-	-	1,300
Devolved Formula Capital - PRU's	-	80	80	80	-	-	-	-	-	-	-	-	-	-	-	80
Devolved Formula Capital - School Contribution	-	1,200	1,200	1,200	-	-	-	-	-	-	-	-	-	-	-	1,200
Provisional Grant Allocation	10,000	(10,000)	-	-	-	-	-	10,000	-	10,000	10,000	-	10,000	10,000	10,000	40,000
Youth Centre Queens Way	5	-	5	5	-	-	-	-	-	-	-	-	-	-	-	5
Schools Capital Programme Schemes:																
Brades Lodge	-	1,344	1,344	344	(1,000)	1,000	-	-	1,000	1,000	-	-	-	-	-	1,344
Bristnall Hall Academy	-	10	10	10	-	-	-	-	-	-	-	-	-	-	-	10
Connor Education Centre	-	40	40	40	-	-	-	-	-	-	-	-	-	-	-	40
ESFA Shireland Primary Free school	-	61	61	61	-	-	-	-	-	-	-	-	-	-	-	61
Feasibility Work Expansion of Secondary	-	300	300	300	-	-	-	-	-	-	-	-	-	-	-	300
Great Bridge Primary	-	19	19	19	-	-	-	-	-	-	-	-	-	-	-	19
Health Futures UTC	-	2,776	2,776	1,476	(1,300)	1,300	-	-	1,300	1,300	-	-	-	-	-	2,776
New Oldbury Primary - Lightwoods	-	174	174	174	-	-	-	-	-	-	-	-	-	-	-	174

Ormiston Sandwell Community Academy (OSCA)	-	401	401	401	-	-	-	-	-	-	-	-	-	-	401
Priory Primary Expansion	-	15	15	15	-	-	-	-	-	-	-	-	-	-	15
Q3 Langley Phase 3	-	4	4	4	-	-	-	-	-	-	-	-	-	-	4
School Condition - LifeCycle property maintenance	-	1,877	1,877	1,877	-	-	-	-	-	-	-	-	-	-	1,877
School Kitchen Repairs	-	3	3	3	-	-	-	-	-	-	-	-	-	-	3
Shenstone (Evolve)	-	200	200	200	-	-	-	-	-	-	-	-	-	-	200
West Bromwich Collegiate Academy - Phase 2	-	100	100	100	-	-	-	-	-	-	-	-	-	-	100
Children's Services Total	10,091	(59)	10,032	7,732	(2,300)	2,300	-	10,000	2,300	12,300	10,000	-	10,000	10,000	50,032
Finance															
ICT - End User Computing	2,000	823	2,823	1,619	(1,204)	1,204	-	1,200	1,204	2,404	1,200	-	1,200	1,200	7,623
Oracle Fusion ERP System	6,013	469	6,482	6,482	-	-	-	1,195	-	1,195	-	-	-	-	7,677
Finance Total	8,013	1,292	9,305	8,101	(1,204)	1,204	-	2,395	1,204	3,599	1,200	-	1,200	1,200	15,300
Housing & Assets															
Charlemont Community Centre	37	-	37	37	-	-	-	-	-	-	-	-	-	-	37
DFG	11,882	579	12,461	4,500	(7,961)	7,961	-	4,800	7,961	12,761	4,800	-	4,800	4,800	31,661
Empty Properties	677	8	685	100	(585)	585	-	-	585	585	-	-	-	-	685
HMRA Ringfenced Receipts - Vulnerable Homeowners	373	-	373	-	(373)	373	-	-	373	373	-	-	-	-	373
Housing Stock Condition Survey	29	-	29	-	(29)	29	-	-	29	29	-	-	-	-	29
Self Service Customer Portal	91	24	115	115	-	-	-	-	-	-	-	-	-	-	115
The Public	341	-	341	-	(341)	341	-	-	341	341	-	-	-	-	341
Vulnerable Homeowners Improvements (Kick Start)	386	-	386	-	(386)	386	-	-	386	386	-	-	-	-	386
Warm Homes Healthy People	-	1	1	1	-	-	-	-	-	-	-	-	-	-	1
Housing & Assets Total	13,816	612	14,428	4,753	(9,675)	9,675	-	4,800	9,675	14,475	4,800	-	4,800	4,800	33,628
Law & Governance															
New Cemetery - West Bromwich	3,671	(91)	3,580	20	(3,560)	3,560	-	-	3,560	3,560	-	-	-	-	3,580
Case Management System	-	100	100	50	(50)	50	-	-	50	50	-	-	-	-	100
Rowley Cemetery	-	127	127	127	-	-	-	-	-	-	-	-	-	-	127
Law & Governance Total	3,671	136	3,807	197	(3,610)	3,610	-	-	3,610	3,610	-	-	-	-	3,807
Regeneration & Growth															
Access Fund	300	34	334	334	-	-	-	300	-	300	300	-	300	300	1,534
Blackheath Library - Fit Out Costs	-	56	56	56	-	-	-	-	-	-	-	-	-	-	56
Brindley II	21	-	21	-	(21)	21	-	-	21	21	-	-	-	-	21
BSF - Schools for the Future	-	73	73	-	(73)	73	-	-	73	73	-	-	-	-	73
Childrens Trust Accommodation Works	145	-	145	-	(145)	145	-	-	145	145	-	-	-	-	145
Coroners Court Refurbishment - Jack Judge House	-	434	434	434	-	-	-	-	-	-	-	-	-	-	434
King Street, Wednesbury Health Centre	-	2,200	2,200	2,200	-	-	-	-	-	-	-	-	-	-	2,200
Mobile Working	-	41	41	-	(41)	41	-	-	41	41	-	-	-	-	41
PMA - The Central Sixth Form Building Works	-	500	500	500	-	-	-	-	-	-	-	-	-	-	500
PMA Capitalisation	800	55	855	855	-	-	-	800	-	800	800	-	800	800	4,055
Property Refurbishment	695	216	911	200	(711)	711	-	1,000	711	1,711	1,000	-	1,000	1,000	4,911
Property Refurbishment	1,017	-	1,017	-	(1,017)	1,017	-	-	1,017	1,017	-	-	-	-	1,017
PSDS Heat Pump Technology	1,000	(753)	247	100	(147)	147	-	-	147	147	-	-	-	-	247
Regeneration Reserve	1,100	9	1,109	109	(1,000)	1,000	-	-	1,000	1,000	-	-	-	-	1,109
Sandwell Aquatics Centre	2,640	2,342	4,982	4,514	(468)	468	-	-	468	468	-	-	-	-	4,982
Section 106 Schemes	2,578	241	2,819	204	(2,615)	2,615	-	-	2,615	2,615	-	-	-	-	2,819
UK Shared Property Fund	-	582	582	582	-	-	-	-	-	-	-	-	-	-	582
LUP - ASB & Crime in Wednesbury	-	250	250	250	-	-	-	400	250	150	-	-	-	-	400
LUP - Friar Park Urban Village	-	100	100	100	-	-	-	11,500	5,100	6,400	-	5,000	5,000	-	11,500
LUP - Greenspace Improvements	-	425	425	425	-	-	-	1,600	425	1,175	-	-	-	-	1,600
LUP - Millennium Centre	-	75	75	75	-	-	-	2,000	75	1,925	-	-	-	-	2,000
LUP - Public Realm Wednesbury Town Centre	-	-	-	-	-	-	-	4,500	-	4,500	-	-	-	-	4,500
Towns Fund:															
Kings Square	5,000	(5,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Rowley Regis - Blackheath Bus Exchange	2,720	(5)	2,715	42	(2,673)	2,673	-	-	1,000	1,000	1,020	1,673	2,693	-	3,735
Rowley Regis - Britannia Park Community Hub	1,574	-	1,574	269	(1,305)	1,305	-	422	1,305	1,727	-	-	-	-	1,996
Rowley Regis - Canal and River Trust	673	(349)	324	353	29	(29)	-	188	29	159	-	-	-	-	512
Rowley Regis - Connected	718	-	718	19	(699)	699	-	276	296	572	494	403	897	-	1,488
Rowley Regis - Satellite Education Hub	8,074	-	8,074	66	(8,008)	8,008	-	-	3,869	3,869	458	4,139	4,597	-	8,532
Smethwick - Connected	2,172	70	2,242	1,746	(496)	496	-	1,000	496	1,496	-	-	-	-	3,242
Smethwick - Midlands Met Learning Campus	8,550	-	8,550	1,483	(7,067)	7,067	-	2,761	7,067	9,828	-	-	-	-	11,311

Smethwick - Rolfe Street Regeneration	537	325	862	273	(589)	589	-	818	445	1,263	255	144	399	-	-	1,935
Smethwick - Grove Lane Regeneration	-	35	35	35	-	-	-	2,611	-	2,611	1,698	-	1,698	-	-	4,344
Smethwick - Ron Davis Centre Expansion	-	15	15	4	(11)	11	-	-	11	11	-	-	-	-	15	
West Brom - Connected	292	(1)	291	313	22	(22)	-	421	126	547	314	148	166	-	-	1,026
West Brom - Retail Diversification Programme	6,729	-	6,729	1,844	(4,885)	4,885	-	-	4,795	4,795	1,062	90	1,152	-	-	7,791
West Brom - Sandwell MEC	-	2,005	2,005	2,005	-	-	-	-	-	-	-	-	-	-	2,005	
West Brom - Town Hall Quarter	6,217	-	6,217	1,917	(4,300)	4,300	-	31	4,300	4,331	-	-	-	-	6,248	
West Brom - Urban Greening	270	83	353	362	9	(9)	-	20	9	11	-	-	-	-	373	
Regeneration & Growth Total	53,822	4,058	57,880	21,669	(36,211)	36,211	-	30,648	24,060	54,708	7,401	11,301	18,702	2,100	2,100	99,279
Grand Total	92,363	37,123	129,486	61,354	(68,132)	68,132	-	60,447	55,981	116,428	49,685	11,301	60,986	26,434	26,434	291,636

Capital Monitoring 2023-24 - General Fund (Quarter 3)

Page 30

Service / Scheme	Base Budget	Additional Approvals (incl' prior year slippage not incl' in Base)	Current Budget	Predicted Spend	Variance	Predicted Rephasing to Future Years	Final Variance
Adult Social Care Total	763	329	1,092	129	-963	963	0
Borough Economy Total	2,154	30,755	32,909	18,773	-14,136	14,136	0
Assistant Chief Executive Total	33	0	33	0	-33	33	0
Childrens Total	10,091	-59	10,032	7,732	-2,300	2,300	0
Finance Total	8,013	1,292	9,305	8,101	-1,204	1,204	0
Housing & Assets Total	13,816	612	14,428	4,753	-9,675	9,675	0
Law & Governance Total	3,671	136	3,807	197	-3,610	3,610	0
Regeneration & Growth Total	53,822	4,058	57,880	21,669	-36,211	36,211	0
Grand Total	92,363	37,123	129,486	61,354	-68,132	68,132	0

Housing Revenue Account Capital	Budget & Forecast 2023/24				
	Original Budget	Revised Budget (incl' prior year slippage & Adjustments)	Spend to Date Period 9	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000
Expenditure					
Council New Build Housing	50,829	36,708	6,520	19,749	(16,958)
Adaptations for Disabled	3,000	3,040	4,626	6,200	3,160
Major Project	8,851	15,664	14,866	22,856	7,191
Minor Works	6,340	6,136	0	200	(5,936)
Building Safety	4,200	5,043	238	2,049	(2,994)
Housing Improvements	16,529	24,025	11,189	19,628	(4,397)
Estate & Environmental Improvements	1,450	1,471	699	1,434	(37)
Other Housing Schemes	750	750	0	0	(750)
Housing Investment & Improvement Total	41,120	56,129	31,619	52,367	(3,763)
Total Housing Revenue Account Capital	91,949	92,837	38,139	72,116	(20,721)
Financing					
Grant	2,190	9,530	6,446	9,701	171
RTB 1-4-1 Receipt	6,000	1,310	3,110	3,115	1,805
Major Repair Reserve	17,489	17,490	17,490	18,972	1,482
Reserve	4,200	4,200	0	0	(4,200)
Capital Receipt		0	0	9,059	9,059
Revenue Contributions	5,875	5,875	0	0	(5,875)
Borrowing (subject to affordability)	56,195	54,432	10,055	31,270	(23,162)
Funding Total	91,949	92,837	37,101	72,116	(20,721)

Significant HRA Capital Schemes Variance 2023-24

Overspend/Underspend(+/-)

Schemes	2023/24 Variance to Budget £000	Comments
<u>New Build and Acquisition</u>		
Unallocated	(20,515)	The under utilisation of this budget (£29,388k) was as a result of fewer new schemes coming into the capital programme stream. The underspend have been factored into subsequent years budget
West Road	8	Some delays in procuring materials that then had increased in cost
Brittania	66	Additional works to boundary treatment, A safeguarding issue to ensure that boundaries were sufficient
Harvest Road	4	Initial cost higher than anticipated.
King Street	132	There were some cost overruns and additional works to be done
Langley Baths	924	Was not included in the initial pipeline the demolition needed to be undertaken which was set in report by Regeneration and Planning
LAHF Acquisitions	4,000	The slippage is due to on-site contractor programme delays in delivery, and contractor capacity to enable prompt commencement of programmes. This budget will be reprofiled into future years to reflect the current delivery expectation
Friardale/Carrington	7	Initial cost higher than anticipated.
Church Hill St	3	Not significant
1-4-1 Property Purchases	(2,000)	The underspend against the property acquisition allocation of £3m reflecting a saving in borrowing requirement for the HRA.
Tipton Town	413	The original budget assumed that construction will commence in 2024/45 financial year. However, acquisition, design works and other activities have now begun resulting in a partial reprofiling of the 2024/25 budget into 2023/24.
New Build Total Variance	(16,958)	
<u>Housing Services</u>		
Adaptations for Disabled	3,160	The overspend is accounted for by the service being oversubscribed and previous strategic guidance to satisfy demand. This is being reviewed as part of the A&A service review.
Major Works	7,191	Delays in starting projects once contracts have been let, building cost inflation and a high number of variations accounts for the overspend. Existing projects are being supported by two Interim Project Managers in Asset Management, to ensure control is introduced into each project. Asset Management are working with Urban Design on an SLA which will ensure new projects are administered with greater rigour and oversight. A cabinet report will be presented to cabinet to update on each major project.
Minor Works	(5,936)	Minor capital projects have been largely put on hold, in order to ensure delivery of grant funded Social Housing Decarbonisation Funds, and the doors programme. The budget will be allocated and spent in subsequent years on the Housing Improvement Programme and specific other specific capital projects.
Building Safety	(2,994)	There have been delays in specifying th criteris for the sprinkler programme, which is now underway. The budget will be allocated to futire financial years to enable sprinklers to be installed.
Housing Improvements	(4,397)	A desire to avail ourselves of the maximum grant funding allocation available through the Social Housing Decarbonisation Fund, and delivery of the external doors programme in line with previous promises made to residents, has led to an overspend.
Estate & Environmental Improvements	(37)	CCTV and general communal improvements have been undertaken, with a modest overspend.
Oracle Fusion (Replaced Workplace Vision)	(750)	The original budget assumed in investing in this scheme, this is HRA share of the cost, no spend have been charged to this cost centre for this financial year.
Major Work and Improvement Total Variance	(3,763)	
Total	(20,721)	

Section 106 - Capital								
Section 106 Scheme (Target Site)	Town	Development Agreement Number	Service Area	Description of Project	Opening Balance 01/04/23	New Contributions 2023/24	Forecast Expenditure for 2023/24	Balance Remaining @ 31/03/24
					£	£	£	£
Wednesbury Town centre	Wednesbury	DC/04/42399	Leisure - Parks (Matthew Huggins)	C.C.T.V.	96,294.71	-	-	96,294.71
Wednesbury North ward (Wednesbury Memorial and Brunswick Park)	Wednesbury	DC/06/45826	Leisure - Parks (Matthew Huggins)	Leisure and Public realm.	3,947.23	-	3,947.23	-
Wednesbury South ward	Wednesbury	DC/12/55176	Leisure - Parks (Matthew Huggins)	Leisure - Maintenance, improvement or enhancement of open space.	47,434.63	-	27,121.42	20,313.21
Willingsworth linear park/Hydes Road Pool, Hill Top park	Wednesbury	DC/07/48874 & DC/05/45542	Leisure - Parks (Matthew Huggins)	Leisure - Maintenance, improvement or enhancement of open space.	3,237.83	-	-	3,237.83
River Tame corridor north (Wednesbury)	Wednesbury	DC/10/52930	Leisure - Parks (Matthew Huggins)	Leisure - Improvements to Public Open Space area.	16,417.73	-	-	16,417.73
Princes End ward	Tipton	DC/06/46907	Leisure - Parks (Matthew Huggins)	Leisure - For the provision of offsite public open space and play area.	2,083.87	-	-	2,083.87
Victoria Park	Tipton	DC/11/53708	Leisure - Parks (Matthew Huggins)	Leisure - For the provision of offsite public open space and play area.	4,743.45	-	-	4,743.45
Jubilee Park	Tipton	DC/11/53027	Leisure - Parks (Matthew Huggins)	Leisure - Provision of offsite public open space and play area.	29,632.19	-	-	29,632.19
Jubilee Park	Tipton	DC/13/55690	Leisure - Parks (Matthew Huggins)	Leisure - Improvement of open space and play areas.	2,664.39	-	-	2,664.39
Jubilee Park	Tipton	DC/13/55690	Leisure - Parks (Matthew Huggins)	Leisure - Improvement of open space and play areas.	21,377.35	-	-	21,377.35
Great Bridge Ward	Tipton	DC/13/55558	Leisure - Parks (Matthew Huggins)	Leisure - Maintenance, improvement or enhancement of open space.	15,733.66	-	-	15,733.66
Wednesbury Oak Road, Tipton	Tipton	DC/14/57003	Leisure - Parks (Matthew Huggins)	Leisure - enhancement and maintenance of the Public Open Space	10,000.00	-	-	10,000.00
Wednesbury Oak Road, Tipton	Tipton	DC/14/57003	Leisure - Parks (Matthew Huggins)	Leisure - enhancement and maintenance of the Public Open Space	10,000.00	-	-	10,000.00
Wednesbury Oak Road, Tipton	Tipton	DC/14/57003	Leisure - Parks (Matthew Huggins)	Leisure - enhancement and maintenance of the Public Open Space	18,764.76	-	-	18,764.76
Borough wide	Tipton	DC/15/58921	Housing & Partnership (Warren Williams)	Affordable Housing	97,664.74	-	-	97,664.74
Borough wide	Tipton	DC/15/58921	Housing & Partnership (Warren Williams)	Affordable Housing	122,851.20	-	-	122,851.20
Borough wide	Tipton	DC/10/52848	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Borough wide	Tipton	DC/10/52848	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Borough wide	Tipton	DC/10/52848	Housing & Partnership (Warren Williams)	Affordable Housing	210,179.04	-	-	210,179.04
Alexandra Rd/Upper Church Lane (On application site)	Tipton	DC/09/50926	Planning (Alex Oxley)	Planning - Maintenance of new open space	32,229.45	-	-	32,229.45
Doorstep Green & Marsh Lane open space (as plan)	West Bromwich	DC/04/43353	Leisure - Parks (Matthew Huggins)	Leisure - For the provision of offsite public open space and play area.	54,762.40	-	-	54,762.40
Greets Green & Lyng ward	West Bromwich	DC/05/45555	Leisure - Parks (Matthew Huggins)	Leisure - Provision, maintenance, enhancement of public open space.	14,516.72	-	14,516.72	-
100 Birmingham Road (Vicinity of site)	West Bromwich	DC/05/45586	Leisure - Parks (Matthew Huggins)	Leisure - Towards the maintenance, improvement or enhancement of open space and play areas (vicinity of the site)	17,170.96	-	-	17,170.96
Yew Tree scheme	West Bromwich	DC/11/54129	Leisure - Parks (Matthew Huggins)	Leisure - Offsite provision and maintenance of public open space/play space.	6,626.88	-	-	6,626.88
Kendrick Park	West Bromwich	DC/13/56603	Leisure - Parks (Matthew Huggins)	Leisure - on the provision and improvement an maintenance of open space.	104,398.00	-	-	104,398.00
Charlemont playing fields	West Bromwich	DC/14/56717	Leisure - Parks (Matthew Huggins)	Leisure - Remodelling or extension of sports and leisure provision.	99,202.95	-	-	99,202.95
Greenside Way (Vicinity of site)	West Bromwich	DC/14/56717	Leisure - Parks (Matthew Huggins)	Leisure - Open space contribution.	132,760.80	-	-	132,760.80
Borough Wide	West Bromwich	DC/05/44045	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Air Quality consultant	West Bromwich	DC/10/52747	Public Health (Andy Thorpe)	Environmental health - Towards the creation of a project consultant post to review and assess air quality.	130.73	-	-	130.73
Grace Mary Estate Open Space	Rowley Regis	DC/09/51300	Leisure - Parks (Matthew Huggins)	Leisure - Provision of offsite public open space and play area	22,393.42	-	-	22,393.42
Bury Hill Park	Rowley Regis	DC/09/51606 & DC/10/52460	Leisure - Parks (Matthew Huggins)	Leisure - Provision of offsite public open space in respect of the enhancement of Youth facilities	5,666.90	-	5,666.90	-
Mary Macarthur Gardens	Rowley Regis	DC/10/51793	Leisure - Parks (Matthew Huggins)	Leisure - Provision, enhancement and maintenance of offsite public open space and play area	4,117.32	-	-	4,117.32
Tivdale Ward	Rowley Regis	DC/12/55027	Leisure - Parks (Matthew Huggins)	Leisure - Provision of offsite public open space and play area	16,477.62	-	-	16,477.62
Blackheath Ward	Rowley Regis	DC/06/45692	Leisure - Parks (Matthew Huggins)	Leisure - Open space	16,988.00	-	-	16,988.00
Blackheath Ward	Rowley Regis	DC/09/51104	Leisure - Parks (Matthew Huggins)	Leisure - Maintenance, improvement or enhancement of open space	28,153.64	-	-	28,153.64
Borough Wide	Rowley Regis	DC/15/58342	Housing & Partnership (Warren Williams)	Affordable Housing	596,295.00	-	-	596,295.00
	Rowley Regis	DC/18/62111	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Brades Green Open Space	Oldbury	DC/05/43995	Leisure - Parks (Matthew Huggins)	Leisure - Enhancement to open space (as plan)	4,750.75	-	-	4,750.75
Norman Road Dams	Oldbury	DC/05/45598	Leisure - Parks (Matthew Huggins)	Leisure - Off-site public open space & play area	2,976.64	-	-	2,976.64
Langley Ward	Oldbury	DC/09/51660	Leisure - Parks (Matthew Huggins)	Leisure - Off-site public open space & play area	46,106.45	-	-	46,106.45
Broadwell Park & Ward	Oldbury	DC/13/56684	Leisure - Parks (Matthew Huggins)	Leisure - Open space	32,835.00	-	-	32,835.00
Borough Wide	Oldbury	DC/08/49007	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Borough Wide	Oldbury	DC/14/57470	Housing & Partnership (Warren Williams)	Affordable Housing	-	-	-	-
Borough Wide	Oldbury	DC/14/57737	Housing & Partnership (Warren Williams)	Affordable Housing	210,000.00	-	-	210,000.00
Air Quality Consultant	Oldbury	DC/10/52897	Public Health (Andy Thorpe)	Environmental Health - Towards the creation of a project consultant post to review and assess air quality.	23,642.44	-	18,667.97	4,974.47
Victoria Park	Smethwick	DC/04/42703	Leisure - Parks (Matthew Huggins)	Leisure - Towards improvement & enhancement	21,631.23	-	19,193.44	2,437.79
War Memorial - Cape Hill site	Smethwick	DC/04/42703	Highways (Simon Chadwick)	Highways - Maintenance contribution	7,261.16	-	-	7,261.16
War Memorial - Cape Hill site	Smethwick	DC/15/58384	Highways (Simon Chadwick)	Highways (Simon Chadwick)	277,580.90	-	-	277,580.90
St Pauls Ward	Smethwick	DC/12/55069	Leisure - Parks (Matthew Huggins)	Leisure - Improvement or enhancement of open space	38,308.03	-	25,629.16	12,678.87
West Smethwick Park	Smethwick	DC/08/49405	Leisure - Parks (Matthew Huggins)	Leisure - Open space and play space	112,451.31	-	88,606.31	23,845.00
Smethwick Hall Park	Smethwick	DC/09/51635	Leisure - Parks (Matthew Huggins)	Leisure - Offsite public open space and play space	45,148.75	-	-	45,148.75
Smethwick Ward	Smethwick	DC/12/54411	Leisure - Parks (Matthew Huggins)	Leisure - Provision of open space.	8,763.50	-	-	8,763.50
	Smethwick	DC/15/58384	Leisure - Parks (Matthew Huggins)	Leisure - to carry out the Canal Enhancement Works in accordance with the Canal Improvement Works Brief	122,380.59	-	-	122,380.59
Total Section 106					2,818,754.32	-	203,349.15	2,615,405.17

Community Infrastructure Levy (CIL) - Capital Element (80%)								
CIL Scheme	Town	Development Agreement Number	Service Area	Description of Project	Opening Balance 01/04/23	New Contributions 2023/24	Forecast Expenditure for 2023/24	Balance Remaining @ 31/03/24
					£	£	£	£
Balance in CIL fund to date - not allocated to individual projects					3,051,638.45	£194,333.80	-	3,245,972.25
Total Community Infrastructure Levy (CIL) - Capital Element					3,051,638.45	194,333.80	-	3,245,972.25

Community Infrastructure Levy (CIL) - Revenue Element (15%)									
CIL Scheme			Service Area	Description of Project	Opening Balance 01/04/23	New Contributions 2023/24	Forecast Expenditure for 2023/24	Balance Remaining @ 31/03/24	
					£		£	£	£
Oldbury			Regeneration & Growth	Various Schemes	89,488.20	28,436.41	-41,411.68	76,512.93	
Smethwick			Regeneration & Growth	Various Schemes	65,173.42	43,962.53	-50,749.63	58,386.32	
Tipton			Regeneration & Growth	Various Schemes	26,036.51	28,636.74	-34,630.95	20,042.30	
Rowley			Regeneration & Growth	Various Schemes	79,257.39	7,245.76	-26,575.51	59,927.64	
Wednesbury			Regeneration & Growth	Various Schemes	54,340.35	32,631.38	-46,721.20	40,250.53	
West Bromwich			Regeneration & Growth	Various Schemes	103,809.36	49,601.88	-51,627.27	101,783.97	
Total Community Infrastructure Levy (CIL) - Revenue Element					418,105.23	190,514.70	- 251,716.24	356,903.69	

Note : 5% of CIL relates to Revenue Administration which is not reflected on this Appendix

Treasury Management Monitoring Q3 2023/24

Purpose

As required by the CIPFA 2021 Prudential and Treasury Management Codes, Cabinet are required to receive quarterly updates on the Treasury activities of the Council. This report meets those requirements.

Executive Summary

This report focuses on the treasury debt and investment activity of the Council and therefore excludes capital expenditure, as this is reported separately, and other long term liabilities as these are instruments for specific capital financing and do not impact on the day to day treasury portfolio.

The key movements in the debt and investment portfolios are summarised below with additional detail throughout this report.

	31 Mar 23	31 Dec 23
	£m	£m
Debt Portfolio		
General Fund	143.007	121.170
HRA	327.801	314.850
Total	470.808	436.020
Investments	30.454	91.173
Net Debt (Treasury)	440.354	344.847

The Director of Finance can confirm that there have been no breaches of the approved treasury and prudential indicators and all deposits have been placed in accordance with the approved counterparty selection criteria.

Recommendations

That Cabinet note the contents of this treasury monitoring report.

1. Investment Portfolio

- 1.1. The investment balances at end December 2023 were £91.1m, a reduction of £24.5m compared to end of previous quarter. This movement is as anticipated from cash flow forecasts and is predicted to reduce further to approximately £35m at the financial year end. This compares to investment balances of £87.4m at the same period last year.

1.2. A summary of the treasury activity and portfolio by investment type as at 31st December 2023 is summarised in the tables below:

Investment Portfolio Movements	Cash Manager (Bank)	Money Market Funds	Other Variable Rate Deposits	Fixed Interest	Total Invested	Portfolio Yield at Qtr End
	£m	£m	£m	£m	£m	%
31 Mar 2023	0.620	19.834	-	10.000	30.454	4.15%
Q1 Activity						
Withdrawals/ Maturities	(4.623)	(156.912)		(10.000)		
New Deposits	4.707	215.186	-	5.000		
30 Jun 2023	0.704	78.108	-	5.000	83.812	4.36%
Q2 Activity						
Withdrawals/ Maturities	(6.317)	(181.489)		-		
New Deposits	6.195	213.549	-	-		
30 Sep 2023	0.582	110.168	-	5.000	115.750	5.26%
Q3 Activity						
Withdrawals/ Maturities	(12.493)	(219.825)		(5.000)		
New Deposits	27.582	180.159	-	5.000		
31 Dec 2023	15.671	70.502	-	5.000	91.173	5.00%

Portfolio as at	31 December 2023		Average year to date	
	Investment £m	Yield %	Average Investment £m	Average Yield %
MMFs	70.502	5.34%	86.915	5.09%
Cash Mgr	15.671	3.25%	0.924	1.91%
Fixed Interest (Short [365 days or less])	5.000	5.62%	5.127	5.08%
Grand Total	91.173	5.00%	92.966	5.05%

1.3. The third quarter of the financial year did not see any changes to the fixed term deposits held with all investment movements being managed within the Money Market Funds and general bank account.

1.4. The cash manager balance (the Council's bank account) was £15.7m as at end of December compared to £0.5m the previous quarter. This is higher than previous quarters and is due to the council offices being closed during the Christmas period and therefore any credits received in this period were held in the Council's bank account until staff returned in January. The balances held were within approved limits and the council does receive a yield on this cash at 3.25%.

1.5. Due to the amount of cash held in cash manager at a yield lower than money market funds at the end of December this did have a negative impact on yield at quarter end with the portfolio only yielding 5.00% compared to 5.25% the previous quarter end. However, this reduced yield would only have been for the latter period of December due to the inability to place treasury investment deals referred to above.

1.6. The comparable benchmark (overnight SONIA) was 4.89% as at end December 2023 and therefore the performance achieved by the Treasury Services team are above benchmark with returns being 5.05% for the first 9 months of the year on average investment balances of £93m.

- 1.7. Due to interest rates remaining higher than originally budgeted for (4.4% yield budgeted for 2023/24), and are expected to remain elevated for some time, this is generating a surplus of investment income compared to the budget. This is reflected in the monitoring report and mitigates some of the general fund overspend.
- 1.8. The majority of the Council's investment portfolio is held in Money Market Funds and these are proactively managed to ensure that sufficient liquid resources are available to service day to day expenditure commitments such as salaries, general creditor payments and housing benefit payments.
- 1.9. The approved counterparty selection criteria as approved by Council in February 2023 is currently fit for purpose and no proposed amendments are therefore required.

2. Debt Portfolio

- 2.1. The Council's debt portfolio is mostly long dated fixed rate loans from PWLB or other markets. A small proportion of the debt portfolio consists of loans from other local authorities which assist with short term debt management and cash flow requirements.
- 2.2. Another element of the debt portfolio consists of amounts deposited with the Council from the Fire Authority, Sandwell Leisure Trust and Children's Trust. These are at agreed variable rate terms in line with either actual Council treasury investment performance or Bank Rate as published by Bank of England. These amounts are held as liquid as they are repayable on demand as and when required.
- 2.3. The Council's loan portfolio has been split between the General Fund and Housing Revenue Account since 2012 when HRA Self Financing was introduced. The following table summarises the movements in the debt portfolios in the first three quarters of the year:

	General Fund			HRA		Grand Total £m
	Fixed Rate	Variable Rate	Total GF £m	Fixed Rate	Total HRA	
	£m	£m		£m	£m	
31 Mar 23	103.074	39.933	143.007	327.801	327.801	470.808
Q1 Activity						
Fixed Rate Maturities	(35.297)			-		
New Fixed Rate Loans	25.000			-		
Net Movement in Variable Rate Loans		2.978				
30 Jun 23	92.777	42.911	135.688	327.801	327.801	463.489
Q2 Activity						
Fixed Rate Maturities	(6.500)			(4.067)		
New Fixed Rate Loans	-			-		
Net Movement in Variable Rate Loans		22.094				
30 Sep 23	86.277	65.005	151.282	323.734	323.734	475.016
Q3 Activity						
Fixed Rate Maturities	(6.413)			(8.884)		
New Fixed Rate Loans	-			-		
Net Movement in Variable Rate Loans		(23.699)				
31 Dec 23	79.864	41.306	121.170	314.850	314.850	436.020

2.4. The detail of the fixed rate maturities totalling £15.3m in Q3 is listed below:

- £5m short term loan (6 month) from West Yorkshire CA at 4.65%
- £10m long term Lenders Option Borrowers Option loan (LOBO) from Commerzbank at 4.60% (original maturity date October 2042)
 - This long term LOBO loan included a clause where every 6 months the lender could indicate that they wished to increase the interest rate. (Lenders Option)
 - The Lenders Option was called early October 2023 stating they wished to increase the rate on the loan from 4.60% to 5.93%.
 - Consequently this initiated the Borrowers Option clause of the arrangement where SMBC, as the borrower, could accept the revised terms or reject and repay the loan without penalty.
 - Due to the unfavourable terms offered it was decided to repay the loan and remove the liability from the loan portfolio.
- £0.3m scheduled repayments of interest free loans and other local authority debt.

2.5. The large decrease in variable debt holdings relate to the cash we hold on behalf of the Fire Authority, Sandwell Leisure Trust and Sandwell Children's Trust. This movement is in line with expected cash flows.

2.6. The effect on the average interest rate on the fixed interest debt portfolio from the movements highlighted above is shown in the following table:

	31 Mar 23		31 Dec 23	
	Principal £m	Avg Rate	Principal £m	Avg Rate
Fixed Rate Debt				
General Fund	103.074	3.83%	79.863	4.61%
HRA	327.801	4.91%	314.851	4.87%
Total	430.875	4.65%	394.714	4.81%

2.7. Despite the sharp rise in the average debt rate on the General Fund, the lower debt levels mean that the revenue impact is not significant to give cause for concern. At the present time no variances are predicted on the debt costs to the council for 2023/24, but this will be closely monitored and reported accordingly to the Leadership Team and Cabinet.

2.8. The current strategy is to only take short dated debt due to market conditions and to refinance for longer periods at the appropriate time to prevent longer term cost burden on the council's revenue budgets.

3. Prudential Borrowing Indicators

3.1. The key prudential indicators in relation to the Council's borrowing are detailed below:

	£m
Authorised Limit (Debt)	830.696
Operational Boundary (Debt)	512.310
Maximum Treasury Debt to 31 Dec 23	493.019
Average Treasury Debt to 31 Dec 23	460.302

Note: The authorised limit and operational boundary shown above are for debt levels only and exclude other long term liabilities (as detailed in the Treasury Management Strategy Report) as these are PFI/ Finance Lease arrangements.

3.2. As can be seen from the table above, treasury debt levels are within limits and no breaches have occurred.

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