

# Agenda

## Budget and Corporate Scrutiny Management Board

**Wednesday, 1 December 2021 at 6.00 pm**  
**in the Council Chamber - Sandwell Council House, Oldbury**

**This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.**

**1 Apologies for Absence**

To receive any apologies for absence from members of the Committee.

**2 Declarations of Interest**

Members to declare any interests in matters to be discussed at the meeting.

**3 Minutes**

7 - 10

To confirm the minutes of the meeting held on 21 September 2021 as a correct record.

**4 Additional Items of Business**

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



- |   |   |           |
|---|---|-----------|
| 5 | <b>Impact of the COVID-19 pandemic on employee's productivity and well-being</b>  | 11 - 50   |
|   | To consider a report on the health and wellbeing of the Council workforce and the impact of Covid-19 on productivity.     |           |
| 6 | <b>Quarter 2 Budget Monitoring 2021/22</b>  | 51 - 104  |
|   | To consider the budget monitoring report in respect of Quarter 2, 2021/22.  |           |
| 7 | <b>Cabinet Forward Plan</b>   | 105 - 140 |
|   | To consider the Cabinet Forward Plan.   |           |
| 8 | <b>Budget and Corporate Scrutiny Management Board Work Programme 2021-22</b>  | 141 - 142 |
|   | To consider and approve items for inclusion in the Budget and Corporate Scrutiny Management Board Work Programme 2021-22. |           |

**Kim Bromley-Derry CBE DL**  
**Interim Chief Executive**  
Sandwell Council House  
Freeth Street  
Oldbury  
West Midlands

**Distribution**

Councillor L Giles (Chair)  
Councillors Anandou, E M Giles, Mabena, Moore and Shackleton

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## Minutes of Budget and Corporate Scrutiny Management Board

**Wednesday, 17 November 2021 at 6.00 pm  
at Sandwell Council House, Oldbury**

**Present:** Councillor L Giles (Chair)  
Councillors E M Giles and Moore.

**Also present:** Neil Cox (Director of Business Strategy and Change) and  
Suky Suthi-Nagra (Democratic Services Manager).

### **53/21 Apologies for Absence**

Apologies were received from Councillors Anandou, Bhullar and Shackleton.

### **54/21 Declarations of Interest**

There were no declarations of interest made.

### **55/21 Minutes**

**Resolved** that the minutes of the meeting held on 21<sup>st</sup>  
September, 2021 are approved as a correct record.



## **56/21 Additional Items of Business**

There were no additional items of business to consider as a matter of urgency.

## **57/21 Update on the Senior Management structure**

The Board received an update on the senior management structure.

It was noted that Full Council had approved the structure on 6<sup>th</sup> October 2020 which aimed to deliver on the proposed Corporate Plan six outcomes and associated key priorities as well as be able to meet emerging priorities over the coming years.

Following a competitive recruitment process, the Chief Officers Terms and Conditions Committee had approved the following appointments:-

- **Director of Housing** – approved on 24<sup>th</sup> March 2021  
Gillian Douglas appointed and commenced on 12<sup>th</sup> July 2021
- **Director of Adult Social Care** – approved on 25<sup>th</sup> March 2021  
Rashpal Bishop appointed and commenced on 19<sup>th</sup> July 2021
- **Director of Finance** – approved on 23<sup>rd</sup> March 2021  
Simone Hines appointed and commenced on 2<sup>nd</sup> August 2021
- **Director of Regeneration and Growth** – considered on 1<sup>st</sup> April 2021 however appointment not made. Re-advertised and considered by Chief Officers Terms and Conditions Committee on 16<sup>th</sup> July 2021. Tony McGovern appointed and commenced on 13<sup>th</sup> September 2021
- **Director of Children and Education** – approved on 21<sup>st</sup> July 2021  
Michael Jarrett appointed and was due to commence on 22<sup>nd</sup> November 2021
- **Director of Borough Economy** – approved on 31<sup>st</sup> March 2021, unable to appoint. Re-advertised and considered by

Chief Officers Terms and Conditions Committee on 26<sup>th</sup> August 2021.  
Alice Davey appointed and due to commence on 29<sup>th</sup> November 2021.

In addition to implementation of the senior management structure at their meeting on the 31<sup>st</sup> July 2021, Full Council approved the early retirement of the Chief Executive.

At their meeting on the 5<sup>th</sup> August 2021, the Chief Officer Terms and Conditions Committee appointed Kim Bromley Derry into the role of Interim Chief Executive and Head of Paid Service. Kim started with the Council on 10<sup>th</sup> August 2021.

Given the interim nature of the above appointment, it was important that the Council sought to appoint to the role on a permanent basis. The next stage in the recruitment process was to advertise the post externally.

It was also reported that the next officer layer below Directors would be reviewed next.

The Board noted that with the exception of the Chief Executive post, all other Director positions had now been filled. Members did however request that timely communications should be sent to all elected members as well as a structure chart demonstrating which areas Directors were responsible for.

In relation to a query regarding appointing to the vacant Deputy Chief Executive post, the Director Business Strategy and Change reported that once the Chief Executive and all other Directors had commenced in their role, the new Chief Executive would review whether an appointment into this role was still required.

It was agreed that a meeting with the Interim Chief Executive would be arranged with Scrutiny Board Chairs as well as a briefing session for all members to meet with all newly appointed Directors.

**Resolved:-**

- (1) that the senior management structure update be noted;
- (2) that the Director Business Strategy and Change send a structure chart of the senior management structure to all elected members;

- (3) that the Democratic Services Manager arrange a meeting between Scrutiny Board Chairs and the Interim Chief Executive and a briefing session for all elected members to meet with newly appointed Directors.

#### **58/21 Cabinet Forward Plan**

The Scrutiny Management Board noted the Cabinet Forward Plan as at the time of the meeting.

#### **59/21 Budget and Corporate Scrutiny Management Board Work Programme 2021-22**

The Scrutiny Management Board noted its work programme for the remainder of the 2021-22 municipal year.

Further updates were sought on:-

- response rates for Freedom of Information queries (Director of Law and Governance);
- costs associated with the Aquatic Centre (Director of Regeneration and Growth);
- an overview of projected spend in service areas and proposed efficiency savings for future years (Director of Finance).

Meeting ended at 6.24 pm

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)

## Report to Budget and Corporate Scrutiny Management Board

**1 December 2021**

<b>Subject:</b>	Impact of the COVID-19 pandemic on employee's productivity and well-being
<b>Director:</b>	Interim Director of Human Resources Sue Stanhope
<b>Contact Officer:</b>	Interim Director of Human Resources, Sue Stanhope <a href="mailto:sue_stanhope@sandwell.gov.uk">sue_stanhope@sandwell.gov.uk</a>

### 1 Recommendations

- 1.1 That the Board considers and comments upon the information and evidence provided in relation to the impact of the COVID-19 pandemic on employee's productivity and well-being.

### 2 Reasons for Recommendations

- 2.1 On 23<sup>rd</sup> March 2020, the Government announced the first lockdown in the UK ordering people to stay at home, for a significant part of our workforce this meant that people had to work from home. We also had a number of employees providing essential services who continued to fulfil those roles. This meant that there was a significant change in the way that work was undertaken by all of our employees and the organisation had to adapt to that change.
- 2.2 The Committee is now requested to consider note the current position.

### 3 Background

- 3.1 It was clear from the start of the pandemic that our staff were vital in helping Sandwell to combat the many issues that our communities faced and continue to face. It was therefore critical that we did all we could to support



and protect our staff, our interventions are described in paragraphs 3.2 to 3.8 below and are the context in respect of the current position regarding our employees' health, wellbeing and productivity:-

**3.2 Employee communications** - It was really clear from the beginning that being able to respond quickly to questions that were being asked was really important if we were to try and ensure that employees felt that we were listening and responding to their concerns. To respond to this need we have created a set of frequently asked questions (FAQs) which sit on the HR pages on the intranet. They provide answers to a variety of questions covering topics including vaccinations, home working, key workers, caring responsibilities, pay and questions on a range of terms and conditions issues. Whilst the FAQ section of the intranet is the repository for questions and answers to the questions we are also provide direct advice and guidance over the phone or via email through the HR advisers, Occupational Health and Health and Safety.

**3.3 Trade Unions** - We set up a series of virtual meetings with all the Trade Unions to address any areas of concern that have arisen and to ensure that the feedback they get from employees is heard and responded to. Working jointly with the Unions has enabled us to share knowledge and build a collective understanding of emerging issues and challenges and work jointly to an agreed response that balances the needs of the employee and the council.

**3.4 Deploying our human resource** - At the beginning of the outbreak we asked all employees to complete a survey for us identifying any underlying health conditions that they may have. We also asked them to let us know if they had any previous experience of working in a social care setting. The vast majority of employees returned this survey, and this gave us a much clearer picture of our human resource. This has enabled us to identify potential employees to volunteer for redeployment into business-critical services to help us ensure that we can continue to deliver those critical services.



- 3.5 Monitoring absence levels** – to ensure that we understood the pressures on our staffing resource at the height of the pandemic we monitored and reported on absence levels on a daily basis. This reporting identifies any employees self-isolating, shielding or absent for other reasons. It also enabled us to give immediate advice to employees as well as target any wellbeing or health support and be able to identify any employees who it may be appropriate to offer testing to.
- 3.6 Health and Safety advice to employees** - As an employer we must ensure that we approach the risk associated with COVID 19 in the same way that we would any other risk to the health and wellbeing of employees, taking sensible steps to discharge our duty of care and to document our assessment and adopted policies. Being able to demonstrate that we have considered the risks carefully and took sensible steps to mitigate those risks will be crucial evidence in defence of any subsequent claim. The guidance, advice, support and risk assessments that we put in place all seek to mitigate this risk.
- 3.7 Well-being information** – The Council also has a wide range of resources available to support positive mental wellbeing. These include an Employee Assistance & Counselling Service which offers free, confidential advice and counselling on a wide range of issues. This programme is available 24/7 and aims to support employees with both personal and work-related issues. We also have Mental Health toolkits for employees and managers which are full of advice, tips and resources to help support positive mental health and wellbeing at work. Working with the Trade Unions we have also recently introduced a Parental Leave Scheme which together with our revised our Bereavement Policy offering practical support and time off for bereaved employees.
- 3.8 Working from home** - Where employees can work from home they were asked to do so as a matter of course and we supported this with a SMART working toolkit and guidance booklet. This contains all the information needed when working from home. We are continuing to provide information on a regular basis to those working from home.



## 4 Context and Key Issues

- 4.1 To better understand the impact of the pandemic on our employees we have conducted two surveys one in September 2020 and a pulse survey in May 2021. The response from staff was that they considered isolation from their work colleagues and mental health as the biggest barrier to working from home.
- 4.2 In respect of the September survey, attached are two reports giving the detail from that survey. Attached at Appendix 1 is a presentation which focusses on employee's mental health and wellbeing, for those employees working from home this was identified as the biggest issue. The presentation shows the data along with the interventions we had in play at the time. The data during this period shows that stress, mental health has increased by 8.6% compared to the previous year. The second report attached as Appendix 2 provides the results for the whole survey giving a full picture of how employees were feeling at that time.
- 4.3 The results of the Pulse Survey which was carried out in April of this year are attached as Appendix 3. The aim of the survey was to collect information on how employees felt about working from home. Overall the results show that employees felt positive about working from home and would like to continue to work in this fashion for the foreseeable future. There are no significant differences between responses made by part time and full-time staff, although employees would like to be engaged more about the councils future working arrangements/plans. This is especially true for those employees who do not manage staff and those employees who are aged between 16-34. The survey also told us that the vast majority of employees would like to come occasionally into the office.
- 4.4 The next attachment at Appendix 4 shows the cumulative sickness figures for Q2 (2021) and compares it to the previous financial years data to see the impact of Covid-19 on overall absence levels. In summary sickness absence levels currently are very similar to pre-pandemic levels. This is an important fact to acknowledge and it could be considered that this is a result of the positive impact that working from home has had on absenteeism against the increase of Covid-19 cases and mental and stress levels amongst employees.



4.5 In recognition of the feedback received from employees from the above surveys we have continued to develop the support mechanism outlined in paragraph 3 above. We have created the 'My Wellbeing Hub' since which signposts employees to a range of mental health and wellbeing support interventions. Advice and guidance is shared weekly via staff communications, this includes advice on physical wellbeing with our physiotherapist through virtual sessions, Talking Life (talking therapy sessions), EAP promotion and team Wellbeing presentations.

4.6 In addition to the employee surveys we have also conducted surveys of our managers about the way in which services are organised. The purpose of these surveys is to understand how our buildings will be utilised going forward. It also recognises the feedback from employee who are currently working from home reading attendance in buildings. The occupancy survey completed in April-June 2021 by service managers reported that across all the employees working from home that 102 colleagues total had wellbeing needs which could benefit from either a hybrid or fuller return to working from an office rather than continued working from home. To support this, the collaboration zone was opened earlier in October 2021, to offer an alternative to remote working and conduct face to face meetings. Agile fixed drop-down desks were also bookable with prioritisation offered to colleagues with Wellbeing requirements, to date the take up of these has been low but it is still relatively new. Bookings for the collaboration zone have steadily increased. As the refurbishment of Oldbury Council House nears completion from March 2022, focal fixed home zones will be available to each Directorate further supporting hybrid ways of working by offering more choice for colleague's work-styles and therefore wellbeing

4.7 As was identified in paragraph 3.6 above the health and safety of our employees has remained a key focus. We have continued to monitor accidents at work and aggressive incidents. In respect of accidents at work in the year 2020/21 there were 174 total incidents reported. 167 related to employees (of which 33 were RIDDOR reportable to the HSE) and 7 non-employees. Of these;

- 83 were employee accidents (including 33 RIDDOR)
- 22 near-miss/damage reports



- 62 were aggressive incidents to employees<sup>3</sup> and;
- 7 non-employee incidents

This is a 44% decrease compared to the number of incident forms received in 2019/2020. Furthermore, in respect of violence and aggression there were 62 incidents reported towards our employees in the period. This is a fall of 52% compared to the previous year. This data would seem to indicate that employee safety & wellbeing has fared very well from an incident's reported point of view.

- 4.8 Productivity can be thought of as how effectively organisations, and the people working in them, produce value from individual and collective contributions. Productivity can be thought of as how effectively value (output) is produced from inputs (people, capital equipment, land, energy, and so on). In principle, there are many ways to measure productivity, but the most common measure is labour productivity and the two statistics usually quoted are output per hour worked and output per worker. However, whilst this is easily translated in a manufacturing or industrial setting it is much more difficult to quantify in an organisation such as a council. It is therefore important that we look to identify further appropriate measures of productivity.
- 4.9 Research shows that engaged employees are 17% more productive than their peers. Engaged employees are more likely to work diligently and expend discretionary effort in their jobs, increasing productivity and innovation. Employees who are engaged with their job and employer are more productive because they are motivated beyond personal factors. The feedback from the surveys we have conducted suggest people are more engaged and prefer working from home especially as they can manage their work life balance needs better (so they are using their time more effectively) and this has made them more productive (our outputs have either increased or remained the same) while current sickness levels have remained the same as pre-pandemic levels.



## 5 Implications

<b>Resources:</b>	These recommendations have positive implications for staffing, providing a hybrid way of working offer. These recommendations have ongoing financial implications, to complete refurbishment of the Council House, including council chambers, the WPV refurbishment programme must continue
<b>Legal and Governance:</b>	The Council is required to follow relevant Council policies and procedures and comply with applicable employment legislation and case law concerning staff related matters
<b>Risk:</b>	There are no specific risk implications of this report
<b>Equality:</b>	The recommendations contained within this report have not identified any issues which would discriminate against any disadvantaged or vulnerable persons
<b>Health and Wellbeing:</b>	There are no specific health and wellbeing implications arising from the contents of this report, however it is important to note that the report does outline the current support available to employees

## 6 Appendices

Appendix 1- Survey Results on Mental Health and Wellbeing

Appendix 2 - Overall Survey Results

Appendix 3 – Pulse Survey

Appendix 4 – Absence Levels

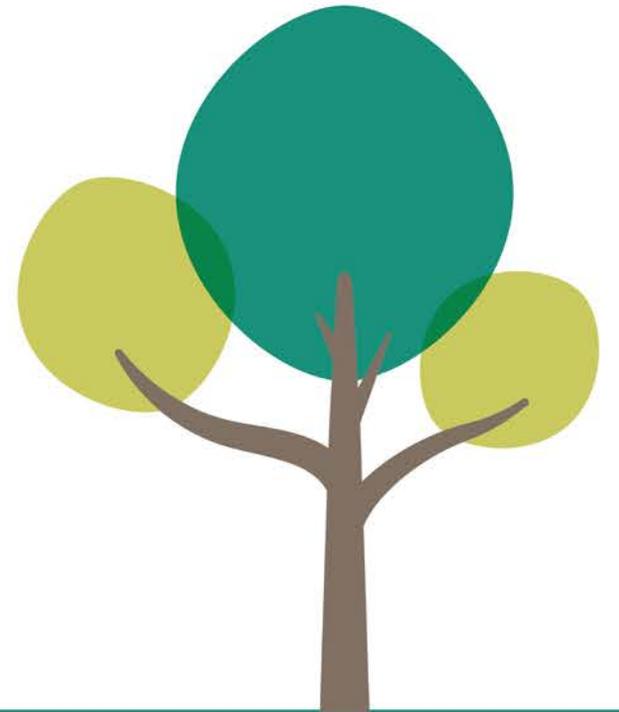
## 7. Background Papers

None



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# Workforce Mental Health and Wellbeing

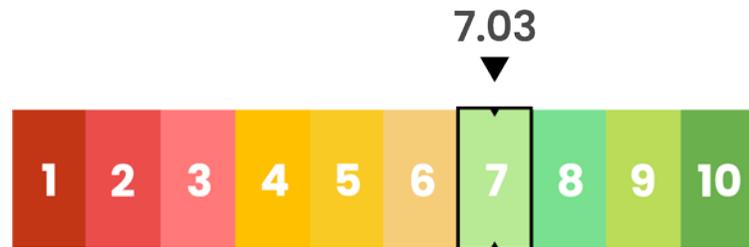


# Mental Health and Wellbeing of Employees - Survey Findings

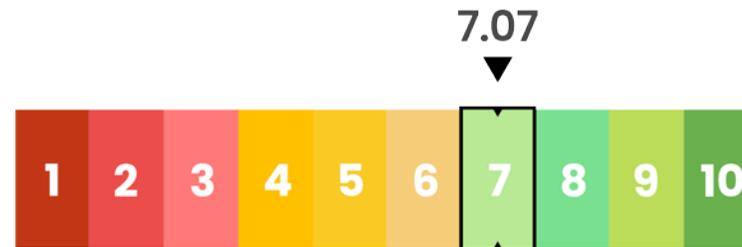
## Council Wide

On a scale of 1-10, where 1 is extremely poor and 10 is excellent.

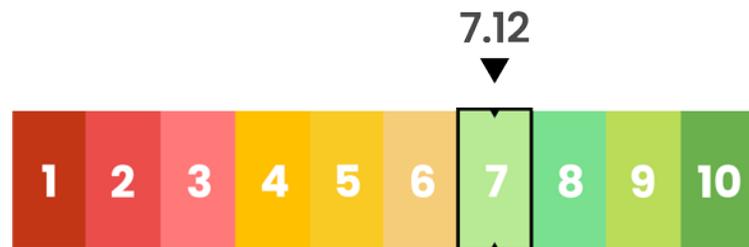
Overall



WFH and Council Location



Working from Home (WFH)



Working from a Council Location



# Mental Health and Wellbeing of Employees - Survey Findings

Council Wide

**1767 (88%)** of respondents answered positively about knowing where to go for support regarding their health, safety and wellbeing.

**1700 (85%)** of respondents believe they have been managing their work/life balance well since the lockdown.

# Mental Health and Wellbeing of Employees – Sickness Figures

## Council Wide

Stress, depression, mental health  
Q2 Cumulative - Last Year  
(Apr 19 - Sept 19)



Working Days Lost

Stress, depression, mental health  
Q2 Cumulative - This Year  
(Apr 20 - Sept 20)



Working Days Lost

- **330 more working days were lost** due to stress, depression or mental health at the end of Q2 this year, which is an increase 8.6% compared to the same period last year.
- The average duration for stress, depression or mental health related sickness has **increased from 21.8 days to 25.8 days per occurrence.**
- COVID-19 has most likely increased personal and bereavement related sickness associated with stress, depression or mental health.

## Supporting the Workforce – Training

- **i-act Training** - For managers and employees
- **Aim:** To increase understanding of Mental Health and Well Being. It includes an evidence based course manual, practical toolkit and resource pack for each manager and employee.
- **511 managers and employees** trained (from April 2019 to September 2020)

# Supporting the Workforce – Occupational health

## Occupational Health – prevention, promotion and support

### Supporting Positive Mental Health & Wellbeing

Mental Health issues have a significant impact on employee wellbeing and are a major cause of long-term absence from work. Sandwell Council takes the health and wellbeing of our employees very seriously and is fully committed to encouraging and promoting good mental health and provide support for employees who are experiencing mental ill health.

It is normal to experience changes in your mood and behaviour at times of stress and emotional upset. Your physical health may also affect your mood and stress levels.

### What is Mental Health?

### Let's talk Mental Health

### Looking after your Mental Health

### Employee Assistance & Counselling Service

### Finding Help & Support

### Looking after your Wellbeing when Working from Home

5 Ways to Keep Active

Exercises & Interventions

Finding Help & Resources

Working from home can bring with it a number of challenges, whether they be in-home distractions or general technology frustrations. However, it can also be an isolating and even lonely experience, especially if you are new to it.

So, what can you do to look after your Wellbeing when working from home? How can you create healthy boundaries between your work and personal lives, stay mentally and physically healthy whilst being a productive and effective worker?

#### Create a separate, clutter free workspace

- It is important to create boundaries between work life and home life. If you can work in a place that you wouldn't usually spend your social time to create this distinction (such as at the dining table, in a spare bedroom or study).
- Keeping the area clutter free will help you to focus.

#### Ensure your workspace allows for correct posture

- Whilst it will be tricky to entirely replicate the office environment. It is important that you do what you can to ensure your screen is at the correct height, you are sitting up straight, your arms are at right angles to your body, and your feet are flat on the ground.

#### Get washed and dressed

- As tempting as it may be to work in your pyjamas, the process of getting up, showered and dressed helps you to keep a sense of routine.
- It also starts your day with a feeling of accomplishment.

#### Pace yourself

- It is easy to lose track of time when at home, and it is important not to work more hours than you usually would.
- Try and give your day structure and try to keep to start and finish times if you can. You may not be travelling to work now, so try not to log-on-too early.

- There has been a huge increase in the number of employees visiting OH web pages for Mental Health between August and September (quarter 2).
- Supporting Positive Mental Health was **visited 370 times.**
- Looking after your wellbeing when working from home was **visited in 990 times.**

# Supporting the Workforce – EAP

## Employee Assistance & Counselling Service

**Call: 0808 168 2143**

The Employee Assistance & Counselling Service offers free, confidential advice and counselling on a wide range of issues. This programme is available 24/7 and aims to support employees with both personal and work related issues.

The programme includes:

### Clinical Counselling

- 24/7 telephone helpline
- Up to 6 sessions of structured telephone counselling per issue
- Up to 6 sessions of structured face-to-face counselling per issue

### 24/7 access to Work-Life specialists including the following services

- Legal helpline
- Debt/financial support helpline
- Family Life Solutions (dependent care helpline)
- Daily Living helpline
- Bespoke SMBC Lifestyle Support website

### Useful Documents

[Care First Lifestyle support Website](#) - Your organisation has invested in the wellbeing of all employees. This online resource is available free of charge, offering immediate information, answers and advice to a range of workplace and personal issues.

Care First have created an [animation](#) which will help you to understand the services that they offer.

[Employee Assistance & Counselling Service Frequently Asked Questions \(FAQs\)](#)

- The EAP service offers free confidential advice and counselling on a wide range of issues ranging from counselling to debt/financial support.
- Since January 2020 the service has been used by nearly **400 employees.**

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## Overview

This survey has been designed to collect information on a number of key issues ranging from physical and mental health and wellbeing, as well as employee's experiences of working during the COVID-19 pandemic.

The results in this report are based on the findings from the Reset and Recovery survey. Please note no demographic data or open-ended questions are included in this report.

The report is divided into subject headings (e.g Your Work or Management) with associated questions. Each question response is divided into 4 groups:

1. All employees
2. Employees working from home
3. Employees working from home and a council building
4. Employees working only from a council building and across the borough

## Top 3 Questions

I am clear about my priorities and what is expected of me **90%**

I know where to go to for support regarding my health, safety and wellbeing **88%**

I am comfortable raising concerns with my line manager **88%**

## Bottom 3 Questions

How useful have you found these communications **43%**

I feel comfortable working or would feel comfortable working from a council building **48%**

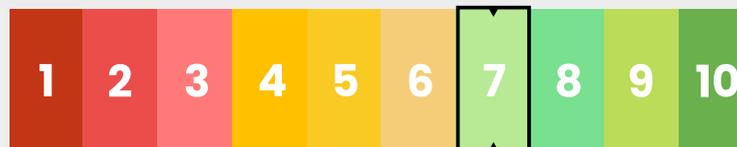
Is working from home on a permanent basis something that you'd be interested in doing? **57%**

## Number of Responses:

**2007** | **50%**  
**4024**

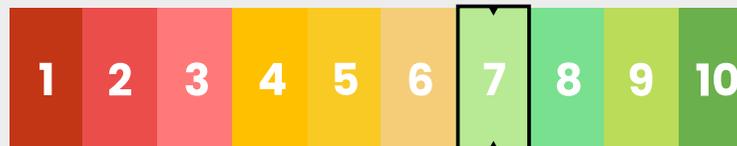
Headcount based on report run 01-September 2020

## Physical Health Overall Average Score



\*On a scale of 1-10, where 1 is extremely poor and 10 is excellent.

## Mental Health Overall Average Score



\*On a scale of 1-10, where 1 is extremely poor and 10 is excellent.

## Results

The aggregated response for all employees is positive, this is especially true for employees working from home or those working from home and a council building. Both have similar scores. Although, employees who work from home and a council building, score statistically the highest for management related questions.

Employees who solely work from home would feel uncomfortable coming back into work, compared to those employees who are already coming into work. This is the lowest scoring question based on all responses.

Employees working only from a council building appear to perceive the majority of questions in a less favourable light compared to employees working from home and those working from home and a council building.

For those employees working only from a council building, areas of particular concern (variance greater than 15%) are questions that relate to caring responsibilities, management, the reset and recovery process, health and safety and the usefulness of the communication.

All 3 groups had very similar perceptions of their physical and mental wellbeing, where the average score was 7 out of 10.

Findings suggest those employees who work only from a council building are currently scoring significantly lower than the other two groups highlighted in this report.

# All Questions

Overall % Score  
**75%**

## Your Work

Response Scale

Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

I have felt that someone cares about how working from home is going for me



**70%**

+1%

-3%

N/A

I am struggling to keep on top of my workload\*



**61%**

+2%

-4%

-8% ↓

I have felt able to adapt to working from home adequately



**81%**

+2%

-4%

N/A

I am enjoying working from home



**68%**

+2%

-4%

N/A

**KEY:**

\*Scale has been reversed to generate a positive response

↑ At least 5 percentage points greater than comparator

↓ At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**75%**

## Your Work

Response Scale

Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

I am clear about my priorities and what is expected of me



**90%**

+1%

+2%

-12% ↓

I believe I can still do my job well while working from home



**82%**

+3%

-8% ↓

N/A

I have felt connected to my team



**68%**

+2%

+1%

-9% ↓

I feel I am able to request the dependent leave I need (i.e. carer's leave)



**80%**

+4%

+1%

-31% ↓

If required, I have been able to alter my working hours to suit my caring responsibilities



**75%**

+3%

+3%

-27% ↓

**KEY:**

- ↑ At least 5 percentage points greater than comparator
- ↓ At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**76%**

ICT	Response Scale	Overall % Positive	Variance from % Positive - WFH	Variance from % Positive - WFH & Council Building	Variance from % Positive - Working from Council Building
My home broadband connection has been reliable		<b>87%</b>	0	-1%	N/A
My work applications have functioned properly		<b>78%</b>	+1%	0	-8%
My device/s have/has operated without any issues		<b>63%</b>	-1%	+1%	+1%

**KEY:**

- At least 5 percentage points greater than comparator
- At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**77%**

## Management

Response Scale

Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

I feel supported by my line manager to balance my work and personal commitments



**82%**

+2%

+2%

-13% ↓

I am comfortable raising concerns with my line manager



**87%**

+2%

+2%

-15% ↓

I trust our leadership team to make decisions that protect me and my colleagues



**75%**

+2%

+5% ↑

-21% ↓

I would be listened to if I voiced concerns regarding the council's response to the pandemic



**63%**

+2%

+5% ↑

-19% ↓

**KEY:**

- ↑ At least 5 percentage points greater than comparator
- ↓ At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**70%**

## Reset and Recovery

Response Scale

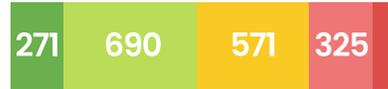
Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

I feel comfortable working or would feel comfortable working from a council building



**48%**

-7% ↓

+14% ↑

+11% ↑

I am aware of the council's reset and recovery plan



**82%**

+2%

+4%

-20% ↓

Taking everything into consideration, I believe that Sandwell is offering appropriate support to colleagues during this time



**81%**

+5% ↑

+3%

-24% ↓

Is working from home on a permanent basis something that you'd be interested in doing?



**67%**

+1%

-8% ↓

N/A

**KEY:**

- ↑ At least 5 percentage points greater than comparator
- ↓ At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**82%**

## Health & Wellbeing

Response Scale

Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

I know where to go to for support regarding my health, safety and wellbeing



**88%**

+3%

+4%

-18% ↓

How well have you been managing your work/life balance since lockdown?\*



**85%**

+2%

-3%

-5% ↓

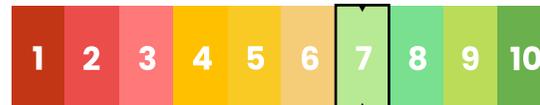
Response Scale & Average Score for all employees

Variance from average score - WFH

Variance from average score - WFH & Council Building

Variance from average score - Working from Council Building

In the last two weeks, how would you rate your physical health & wellbeing?

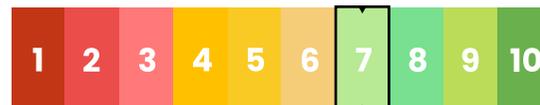


7.42

7.46

7.20

In the last two weeks, how would you rate your mental health & wellbeing?



7.12

7.07

6.36

\*On a scale of 1-10, where 1 is extremely poor and 10 is excellent.

**KEY:**

\*Scale has changed

↑ At least 5 percentage points greater than comparator

↓ At least 5 percentage points less than comparator



# All Questions

Overall % Score  
**82%**

## Health & Wellbeing

Response Scale

Overall % Positive

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

Do you have a dedicated workspace at home that is suitable for you to work productively and safely?



**74%**

-1%

+5%

N/A

During the pandemic have you been affected by a bereavement (directly or indirectly)?



**N/A**

N/A

N/A

N/A



# All Questions

Overall % Score  
**66%**

## Communication

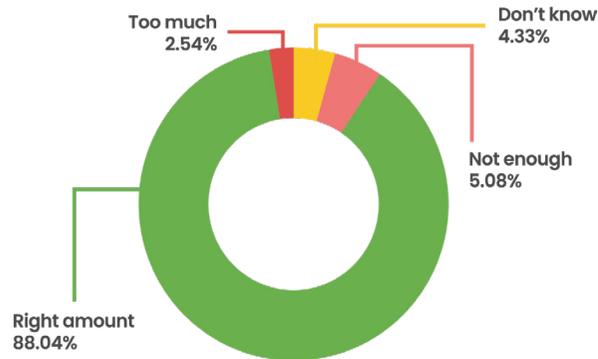
### Response Scale

Variance from % Positive - WFH

Variance from % Positive - WFH & Council Building

Variance from % Positive - Working from Council Building

Colleagues have received communications since lockdown relating to Sandwell's decisions and approach to COVID-19, via different channels. In your opinion, has there been too much, the right amount or not enough information?

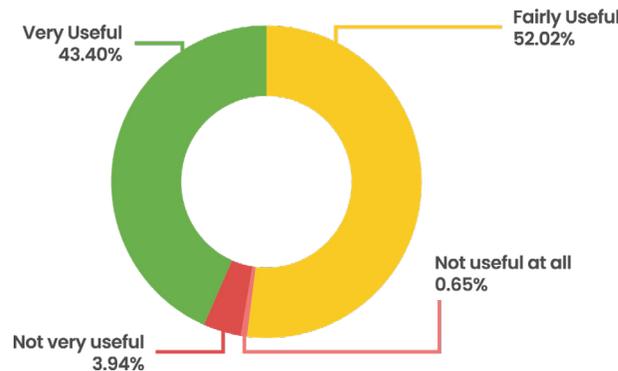


+2%

+2%

-12% ↓

How useful have you found these communications?\*



+4%

+2%

-18% ↓

KEY: \*Lowest question

↑ At least 5 percentage points greater than comparator

↓ At least 5 percentage points less than comparator

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# Working from Home Pulse Survey – Council Results

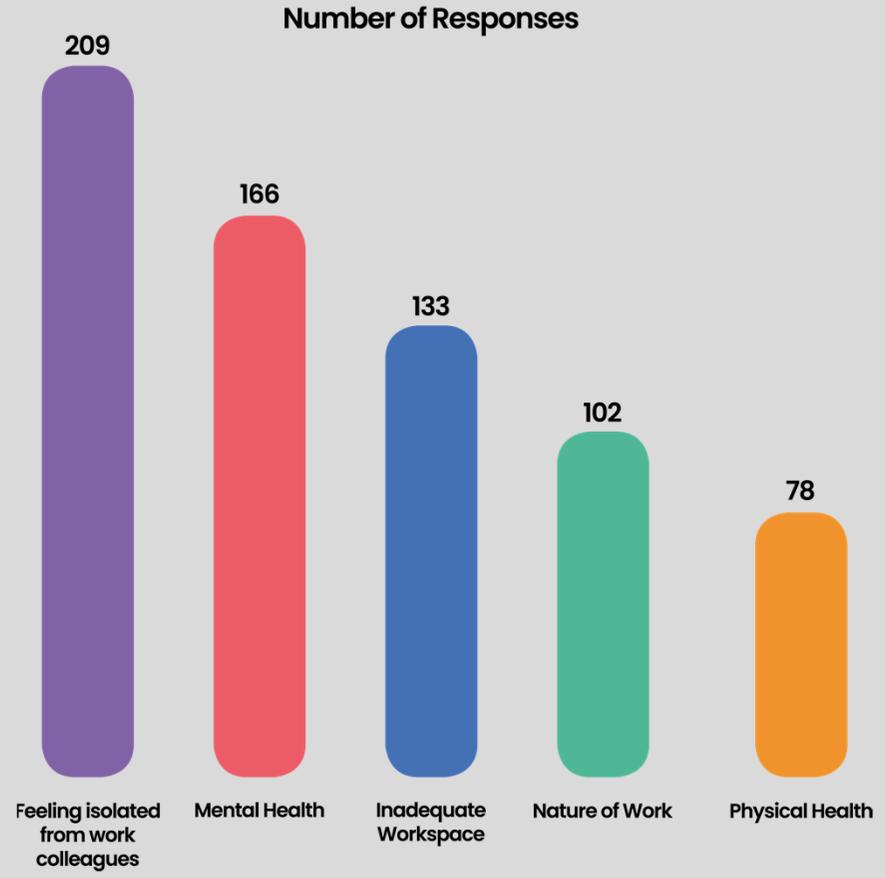
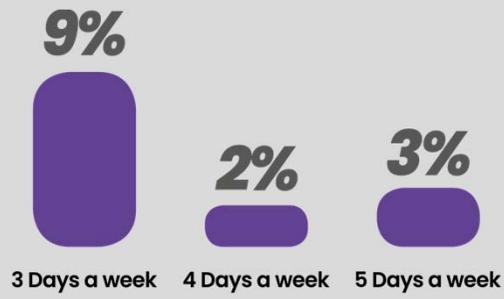
# Background



- The aim of the survey is to collect information on how employees feel about working from home.
- The survey went live on the 29 April and closed on 27 May. During this period three reminders were sent out to staff asking them to complete it.
- The survey has achieved a response rate of 75%, which is comparable with the private sector.
- This presentation focuses on the overall Council results rather than individual directorate breakdowns.



# Top 5 Barriers for employees who want to work in the office 3 days or more



# Working from Home Barriers

## Other Barrier - Key Themes

'Other barriers', which continue to affect employees working from home are:

- Printing and scanning issues
- Extra billing costs (i.e. broadband, electricity and gas)
- Lack of work life balance
- Distractions at home
- Suitable equipment (i.e. supportive chair, desk, monitor)
- Considerable impact on collaborative working

\*Please note that these aggregated themes make up around 4% of the overall respondents.

## Nature of the Role - Key Themes

11% of respondents believed that the nature of their role is a barrier to working from home. Key themes are:

- Customer Facing / Frontline Delivery Service
- Statutory Requirements
- Labour intensive role
- Storage of Equipment / Documents
- Collaborative work
- Printing and Scanning Issues



# Positive Experiences Working from Home

## Key Themes

Key themes associated with positive experiences for employees working from home:

- Working in a more flexible manner
- Greater productivity
- Able to balance family / home life with work
- Reduced sickness levels

**NO SICKNESS**  
**NO COLDS** **ROUTINE**  
**CHILD CARE**  
**LESS WORK DISTRACTIONS** **FLEXIBLE**  
**SAVED MONEY** **PRODUCTIVE**  
**NO COMMUTE** **LESS TIME WASTE**  
**BETTER WORK/LIFE BALANCE** **HYBRID**



# Negative Experiences Working from Home

## Key Themes

Key themes associated with negative experiences for employees working from home:

- Poor mental health due to lack of social interaction (although this may change with COVID rules being relaxed)
- Working longer hours and not taking regular breaks
- ICT / network issues
- Limited printing

PRINTING  
PHYSICAL HEALTH **IT ISSUES** NEW STARTER  
NO CAREER DEVELOPMENT  
**SOCIAL INTERACTION**  
NO BREAKS  
NETWORK ISSUES NO SPACE AT HOME  
FUTURE PLANS NO ROUTINE **MENTAL HEALTH**  
**LONGER HOURS**

# Conclusion



- Overall the results show that employees feel positive about working from home and would like to continue to work in this fashion for the foreseeable future.
- There are no significant differences between responses made by part time and full time staff, although employees would like to be engaged more about the councils future working arrangements/plans. This is especially true for those employees who do not manage staff and those employees who are aged between 16-34.
- The vast majority of employees would like to come occasionally into the office (less than 3 days a week), only 5% would like to come in 4 days or more. A number of these employees were likely to be frontline staff because the nature of their work was a leading barrier.
- 905 employees stated that there were no barriers affecting them working from home, which makes up nearly half of the employees who responded to the survey.
- For all employees, mental health and isolation from work colleagues were the two leading barriers affecting them working from home. Although, the results suggest that these employees would only need occasional visits to the office to help mitigate this barrier.

A small proportion of staff (13%) do not want to come into the office at all, although this could be due to underlying health conditions or the effects of the pandemic on human behaviour.

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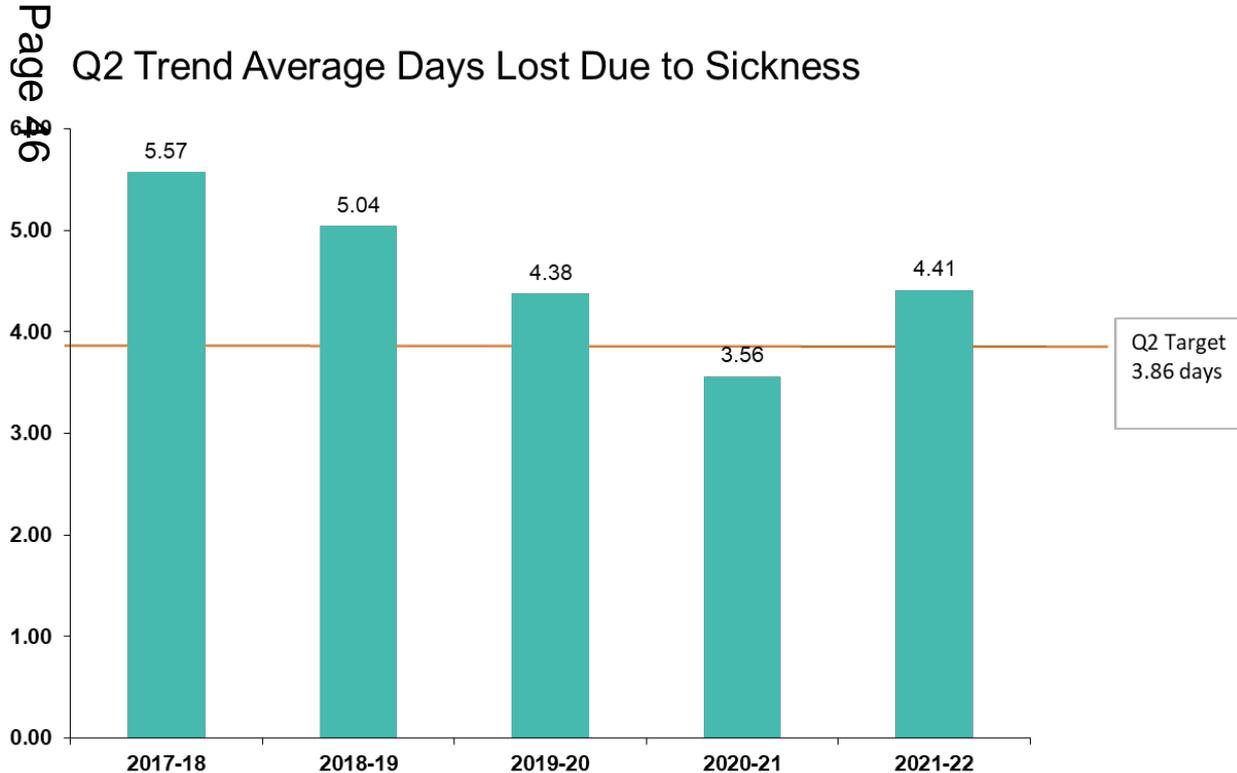
# Impact of Covid-19 on sickness absence data –

Q2 (Apr-Sep) 2019 compared to Q2 (Apr-Sep 202)

# Average days lost per employee

## Q2 Trend (April – Sept)

+ SICKNESS ABSENCE 2021-22 Q2



This chart shows six months data on average days lost due to sickness from Apr-Sept over a period of 5 years.

The Q2 average prior to Covid-19 (2019-20) was 4.38 days. Last year this dropped to 3.56 days and has since risen to 4.41 days.

Performance was missing the Council target of 3.86 days by just over 0.5 days.

Q2 performance this year has reversed the year on year trend of a reduction in sickness over 4 consecutive years.

### Q2 Sickness Absence (Apr21 - Sep21)

Total Working Days Lost  
**15,577**

Total Employees taking  
time off sick **1,292**

Total occurrences of  
sickness **1,671**

Q2 Trend  
compared to  
Apr-Sep 2020

+2,972  
(+23.6%)

+497 (62.5%)

+730 (+77.6%)

Q2 Trend  
compared to  
Apr-Sep 2019

- 77 (-0.5%)

-160 (-11.0%)

-258 (-13.4%)

Sickness absence has reduced marginally (-77 working days) compared to the pre pandemic levels and this has been a balancing affect of people working from home and the rising covid-19 absences.

The coronavirus pandemic started in March 2020 and the number of working days lost has risen by almost 3000 at the end of Q2 this year compared to the same period last year. Possible underlying reasons for the increase could be:-

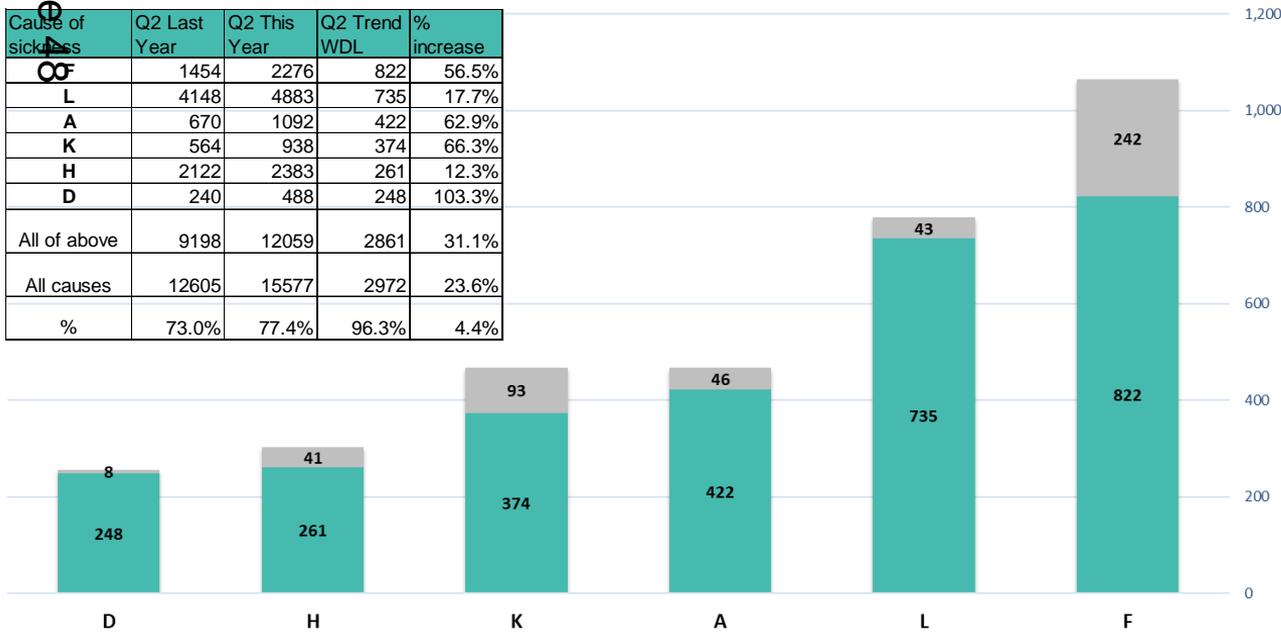
- Ending of strict lockdown measures – people mixing more.
- Wider availability of testing – a higher proportion of employees reporting positive with Covid-19.
- Higher levels of coronavirus in the local and national population.

# Causes of sickness – Trend

### Q2 Trend by Causes of Sickness

■ Q2 Trend for WDL (+2,972) ■ Q2 Trend for Occurrences (+730)

Cause of sickness	Q2 Last Year	Q2 This Year	Q2 Trend WDL	% increase
F	1454	2276	822	56.5%
L	4148	4883	735	17.7%
A	670	1092	422	62.9%
K	564	938	374	66.3%
H	2122	2383	261	12.3%
D	240	488	248	103.3%
All of above	9198	12059	2861	31.1%
All causes	12605	15577	2972	23.6%
%	73.0%	77.4%	96.3%	4.4%



The chart shows the top six causes of sickness in ascending order of increase.

Infections have increased by 822 working days lost and 242 separate occurrences. This is more than 50% increase in working days lost.

Stress related sickness has increased by 735 working days lost and 43 separate occurrences.

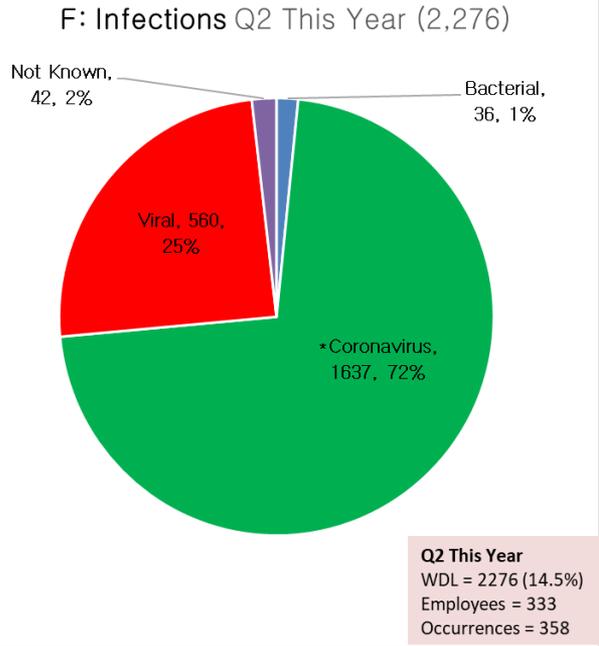
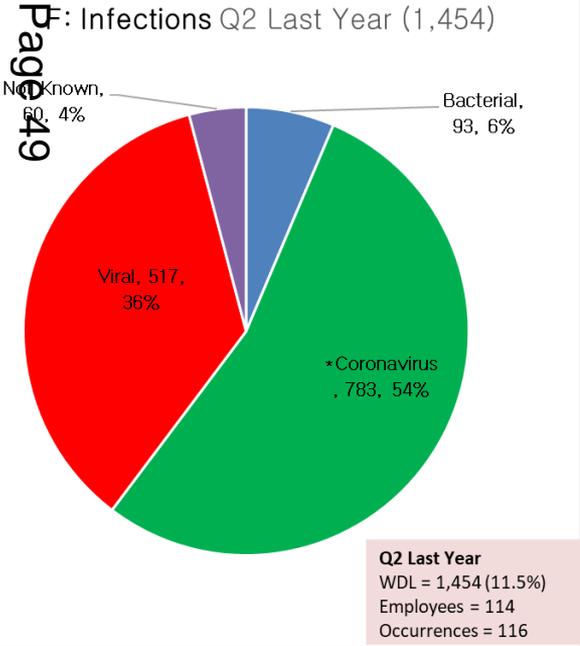
MSD related sickness (A+H) has increased by 683 days (24.5%).

#### KEY

- A Back & neck problems
- B Chest & Respiratory
- C Eye, ear, nose, mouth & dental
- D Genito-urinary/gynaecological
- E Heart, blood pressure & circulation
- F Infections
- G Neurological
- H Other muscular-skeletal problems
- J Pregnancy related
- K Stomach, liver, kidney & digestion
- L Stress, depression, mental health
- M Other

# F: Infections

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A closer look at the detailed reasons for Infections reveals that almost all of this increase is due to Coronavirus related Infections.

193 employees have taken time off sick as a result of a confirmed Covid-19 cases to the end of Q2 this year compared 40 during the same period last year.

PCR tests are widely available this year compared to last year, hence 153 more employees tested positive at the end of Q2 this year compared to same period last year.

Coronavirus*	Q2 Last Year	Q2 This Year	Trend
Employees	40	193	153
Occurrences	41	196	155

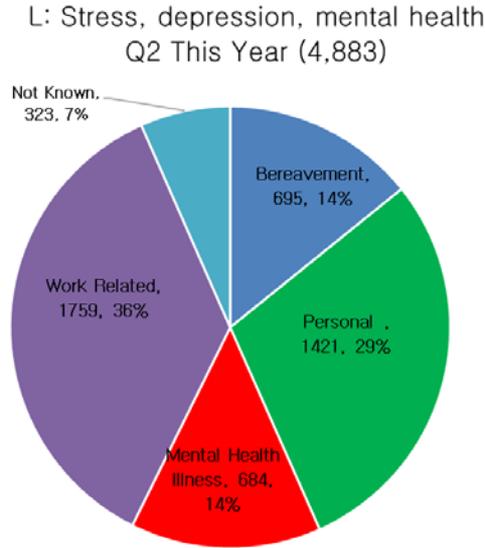
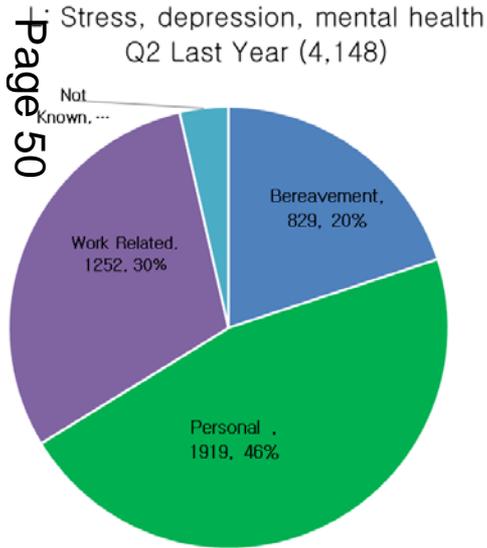
\* These are WDL due to confirmed Covid-19 cases.



# L: Stress, depression, mental health

## + SICKNESS ABSENCE 2021-22 Q2

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Just under 5000 working days were lost due to stress, depression and mental health to the end of Q2 this year. This is an increase of 735 days (17.7%) compared to Q2 last year.

Mental Health sickness is now being recorded as a separate category, which explains the reduction in Personal reasons for stress related sickness.

1,759 working days were lost due to work related sickness which is an increase of 508 days and 13 more occurrences compared to Q2 last year. This could be a consequence of indefinite period of employees working from home, where the sense of isolation has been reported in the recent employee survey.

**Q2 Last Year**  
WDL = 4,148  
Employees = 153  
Occurrences = 161

Detailed Absence Reason	Trend WDL	Trend Occurrences
Bereavement	-134	-4
Mental Health Illness	684	37
Not Known	175	-3
Personal	-498	0
Work Related	508	13
<b>Grand Total</b>	<b>735</b>	<b>43</b>

**Q2 This Year**  
WDL = 4,883  
Employees = 195  
Occurrences = 204

## Report to Budget and Corporate Scrutiny Management Board

**1 December 2021**

<b>Subject:</b>	Quarter 2 Budget Monitoring 2021/22
<b>Director:</b>	Simone Hines – Director of Finance
<b>Contact Officer:</b>	Simone Hines – Director of Finance and Section 151 Head of Finance – Rebecca Maher

### 1 Recommendations

- 1.1 That the Budget and Corporate Scrutiny Management Board considers the 2021/22 Budget Monitoring 2 report and identify any recommendations it wishes to make to Cabinet.

### 2 Reasons for Recommendations

- 2.1 At its meeting on 24 November 2021, the Cabinet will consider the 2020/21 Budget Monitoring report for Quarter 2 and be requested to refer the report to the Budget and Corporate Scrutiny Management Board for consideration and comment.
- 2.2 Any recommendations arising from the consideration of this report will be reported to the Cabinet.

### 3 How does this deliver objectives of the Corporate Plan?

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



	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell

#### 4 Context and Key Issues

4.1 The Scrutiny Management Board has been requested to consider the Quarter 2 Budget Monitoring 2020/21 to ensure the Council can conduct its business efficiently, act to provide for the security of the assets under its control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

#### 5 Alternative Options

5.1 If the Scrutiny Management Board does not consider the information presented the opportunity to make recommendations would be lost.

#### 6 Implications

<b>Resources:</b>	Further details on the financial implications will be presented to the meeting.
<b>Legal and Governance:</b>	The Local Government Act 2003 places a requirement on local authorities to provide Members with regular financial monitoring.
<b>Risk:</b>	This information is contained within the main body of this report.



<b>Equality:</b>	There is no requirement to conduct an Equality Impact Assessment.
<b>Health and Wellbeing:</b>	The financial prosperity of the Council provides a foundation for health and wellbeing across the remit of the Council.
<b>Social Value</b>	Implications for social value and how the proposals are meeting this (for e.g. employment of local traders, young people)

## 7. Appendices

Cabinet report – 24 November 2021

## 8. Background Papers

None



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# Report to Cabinet

**24 November 2021**

<b>Subject:</b>	Q2 Budget Monitoring 2021/22
<b>Cabinet Member:</b>	Cllr Crompton – Cabinet Member for Finance & Resources
<b>Director:</b>	Simone Hines - Director of Finance
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Rebecca Maher (Head of Finance) <a href="mailto:Rebecca_Maher@sandwell.gov.uk">Rebecca_Maher@sandwell.gov.uk</a>

## 1 Recommendations

### That Cabinet:

- 1.1 Receive the financial monitoring for individual directorates as at 30 September 2021 (Quarter 2 2021/22) and refer them to the Budget and Corporate Scrutiny Management Board for consideration and comment.
- 1.2 Note the projected financial position; services are projecting an overspend of £10.337m against allocated budgets and an underspend of £4.490m after adjusting for the movement on reserves, use of corporate resources and the application of centrally held Covid-19 grant funding.
- 1.3 Approve the following budget virements above the higher of £0.250m or 1% of the Gross Budget of the service area:



<b>Virements above £0.250m or 1% of Gross Budget for approval by Cabinet</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Adult Social Care</u></b>		
Redirection of unallocated placement budget to reduce target savings	415	415
Redirection of unallocated placement budget to reduce target savings		415
Redirection of unutilised inflation budget to reduce target savings	455	455
Redirection of unutilised inflation budget to reduce target savings		455
<b><u>Public Health</u></b>		
Wider Determinants - Prevention & Promotion Better Mental Health		371
Grant funded expenditure for Prevention & Promotion Better Mental Health	371	
<b><u>Central Items</u></b>		
Transfer of Waste budget to Borough Economy		29,489
<b><u>Borough Economy</u></b>		
Transfer of Waste budget from Central Items	29,489	
<b>TOTAL</b>	<b>30,730</b>	<b>30,730</b>

- 1.4 Approve an allocation of £0.112m to Sandwell Children's Trust to fund Covid-19 pressures which will be funded from the Covid-19 emergency funding. This is in addition to the £0.514m that was approved at quarter 2.
- 1.5 Approve the revised treatment of Earmarked Balances as Earmarked Reserves as set out in paragraphs 4.14 to 4.18 and Appendix 4.
- 1.6 Approve a Revenue Contribution to Capital Outlay of £0.318m from the ICT revenue budget to support and progress ongoing capital projects.
- 1.7 Approve the proposed spend against the Contain Outbreak Management Fund (ICOMF) as outlined in paragraph 4.16, totalling £680,812.
- 1.8 Approve the Treasury Management Report which is attached at Appendix 10.



## 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.

### 3. How does this deliver objectives of the Corporate Plan?

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

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell



## 4 Context and Key Issues

4.1 Services are projecting an overspend of £10.337m against allocated budgets however, after adjusting for reserves, corporate resources, RCCO and the application of centrally held Covid-19 grant funding the adjusted projected outturn is an underspend of £4.490m. This projected outturn is summarised in the following table, a more detailed analysis is provided in Appendices 1 to 1G and the reasons for significant variances from budget are outlined in the following narrative.

Area	Appendix	Total Budget £'000	Projected Outturn £'000	Projected Variance from Budget £'000	(Use of) Reserves / Corporate Resources & RCCO £'000	Corporate Funding of Covid Pressures £'000	Projected Variance £'000
Corporate Management	1A	(246)	(246)	0	0	0	0
Borough Economy	1B	32,283	34,214	1,931	415	(2,222)	124
Adult Social Care	1C	84,485	84,894	409	(933)	(1,150)	(1,674)
Regeneration & Growth	1D	10,896	11,377	481	(372)	0	109
Housing	1E	5,217	5,096	(121)	0	(201)	(322)
Children's Services	1F	86,156	92,209	6,053	(686)	(4,218)	1,149
Business Strategy & Change	1G	12,153	11,955	(198)	164	(1,020)	(1,054)
Finance	1H	9,297	10,542	1,245	(708)	(1,187)	(650)
Law & Governance	1I	1,582	2,419	837	(816)	(1,114)	(1,093)
<b>Net Service Expenditure (ex PH)</b>		<b>241,823</b>	<b>252,460</b>	<b>10,637</b>	<b>(2,936)</b>	<b>(11,112)</b>	<b>(3,411)</b>
Public Health	1J	300	0	(300)	(125)	(654)	(1,079)
<b>Total Net Service Expenditure</b>		<b>242,123</b>	<b>252,460</b>	<b>10,337</b>	<b>(3,061)</b>	<b>(11,766)</b>	<b>(4,490)</b>
Central Items	2	(5,595)	13,080	18,676	(20,375)	(367)	(2,066)
<b>Total Net Expenditure (inc Central Items)</b>		<b>236,528</b>	<b>265,540</b>	<b>29,013</b>	<b>(23,436)</b>	<b>(12,133)</b>	<b>(6,556)</b>
Housing Revenue Account (HRA)	1K	(29,300)	(33,755)	(4,455)	750	0	(3,705)
Individual Schools Budgets (ISB)	3	0	(2,947)	(2,947)	0		(2,947)
<b>Total Net Expenditure</b>		<b>207,228</b>	<b>228,838</b>	<b>21,611</b>	<b>(22,686)</b>	<b>(12,133)</b>	<b>(13,208)</b>



## Reasons for the Variances from Budget

### 4.2 Overview

Services are continuing to experience the financial impact of Covid, most significantly a loss of income due to suspended or significantly reduced services. Pressures of £12.133m are expected to be managed through the centrally held Covid funding which is from the unused balance of grants received in 2020/21 and additional grants received or anticipated for part of 2021/22.

In addition to the Covid related issues, services are reporting a number of significant ongoing operational pressures which will need to be incorporated into the next refresh of the corporate Medium-Term Financial Strategy; these issues are highlighted within the relevant directorate narrative.

### 4.3 Borough Economy (£1.931m overspend)

The directorate continues to experience budget pressures as a result of Covid-19, mainly linked to a reduction in income for services such as Sandwell Valley, markets and car parking. These are currently being offset by Covid-19 grant income, but it is acknowledged that some will continue following the end of this grant income. They have therefore been incorporated into the budget planning exercise for 2022/23 onwards.

Budget pressures that are not related to Covid-19 include expenditure on high priority highways maintenance work and a reduction in taxi licensing income which are being offset by vacancy savings across the directorate.

### 4.4 Adult Social Care (£0.409m overspend)

The position on Adult Social Care has changed from a projected underspend of approx. £2m at quarter 1 to a projected overspend of £0.409m. The main reason for this relates to placements costs, in particular for placements for people with mental health concerns, which have shown a 4% increase (139 placements) between Q1 and Q6. The number of older people homecare placement numbers are have increased by over 3,115 hours per week since April 2021 and this is likely to generate an overspend at year-end. These budget pressures are being offset by vacancies across the directorate along with brought forward balances from previous years.



The directorate is also incurring staffing costs relating to Covid-19 which are being funded through Covid-19 grant income.

#### 4.5 **Regeneration & Growth (£0.481m overspend)**

The main reason for the projected overspend against Regeneration and Growth are continued pressures related to the Property Maintenance Account although these are partly offset by vacancy savings across the directorate.

#### 4.6 **Housing (£0.121m underspend)**

In general, the Homelessness grants received by the Housing directorate are sufficient to offset any pressures on this area. There are other minor reasons for the projected underspend including additional income and vacancies in some services.

#### 4.7 **Children's Services – (£6.053m overspend)**

The projected variance from budget is predominantly due to the loss of income from residential centres of £0.999m and the cost of holiday alternatives to free school meals of £1.554m which will be funded from the Covid grant.

However, the projected outturn variance also includes a £1.871m overspend against SEND Transport budgets. Despite a significant increase (+£3.1m) between the 2020/21 and the 2021/22 budget to reflect the increase in demand, the cost of existing demand (899 pupils compared to 818 pupils in 2020/21) is projected to exceed budget. There may be additional budget pressures in this area going forward based on the constantly increasing demand for this service and the delay in using the Dynamic Purchasing System Framework from September 2021 as originally planned.

After the application of corporate resources and Covid grant funding the adjusted outturn projection is an overspend of £1.148m.



#### 4.8 **Business Strategy & Change (£0.198m underspend)**

Vacancy savings account for the majority of the underspend in the directorate. There has also been a reduction in the cost of learning and development due to the move to online training following Covid-19. The directorate has incurred a loss of printing income in ICT, partly as a result of staff working from home due to the pandemic and this is being funded from Covid-19 grant funding.

#### 4.9 **Finance (£1.245m overspend)**

The projected overspend is mainly due to the delay in implementation of Oracle Fusion, the costs of which are being funded from corporate resources and Covid-19 emergency funding.

#### 4.10 **Law & Governance (£0.837m overspend)**

The directorate have been impacted by Covid-19 in several ways, both in terms of additional income for Registration Services but also additional costs relating to overtime, Covid-19 secure elections and a loss of traded income for the Legal team. Most of these pressures are being offset by Covid-19 grant income but there is expected to be a continuing budget pressure associated with elections costs which has been included in the budget planning process for 2022/23.

#### 4.11 **Public Health – (£0.300m underspend)**

Public Health services are funded from a ring-fenced grant of £25.1m and previous underspends against the grant are held within a reserve, which is subject to the same ring-fence restrictions. After the use of specific reserves and Covid grant funding, the adjusted outturn projection is an underspend of £1.079m which is planned to be transferred to the ring-fenced PH Reserve.

#### 4.12 **Central Items**

The council has a number of centrally held budgets. The nature of these is such that they are not within a specific directorate's control. The projected variance from budgets is an overspend of £18.676m, however after adjusting for the use of reserves, corporate resources and Covid funding the adjusted position is an underspend of £2.066m which predominantly relates to an underspend within the Waste Partnership of £2.271m. Further detail of the Central Items is provided in **Appendix 2**.



#### 4.13 Individual Schools Budgets

The Dedicated Schools Grant allocation is expected to generate an underspend of £2.947m arising from staffing vacancies and surplus Early Years DSG funding which is expected to be adjusted for in 2022/23. Further details are provided within **Appendix 3**.

#### 4.14 Use of Reserves

The council has historically held two different types of reserves; Earmarked Reserves and Earmarked Balances.

Earmarked Reserves are those that are currently reported to Cabinet on a quarterly basis. Earmarked Balances are those that are less certain in terms of value and necessity.

This position has been reconsidered and it has been decided that all commitments should now be treated as Earmarked Reserves. Earmarked reserves are funds set aside to fund specific future projects or manage future risks. **Appendix 4** shows the revised Earmarked Reserves position following this change in treatment, with those highlighted having previously been treated as earmarked balances. Cabinet are requested to approve this change in treatment.

At the end of 2020/21 £134.020m was held in earmarked reserves and it is projected that £63.995m will be used during the year, most significantly £20.245m of Covid Emergency Funding and £34.390m Section 31 Relief Funding. The year-end balance of earmarked reserves is projected to be £69.656m and further detail is provided in **Appendix 4**.

It is important to note that the Council is required to hold a prudent level of reserves in order to manage the financial risks that it faces. The S151 Officer is required to confirm as part of the budget setting process that the level of reserves that the Council holds is reasonable and prudent. Approximately £16m of the reserves forecast to be held at 31/03/2022 relate to specific ring-fenced grants and over £20m is for capital and regeneration projects. The Council also keeps reserves to cover potential future risks, such as the Insurance Fund which currently stands at £8.9m.

A review of these reserves is currently being undertaken and the revised position following this will be presented to Cabinet as part of the quarter 3 budget monitoring report.



#### 4.15 **Additional Grants**

Details of new grants received or announced during Quarter 1 are provided in **Appendix 5**. This represents additional resources of £41.719m, largely accounted for by Covid-19 Contain Outbreak Management Fund, Business Rates Compensation Grant and Housing Subsidy Grants.

#### 4.16 **Contain Outbreak Management Fund (COMF)**

The Leadership Team has continued to identify projects/initiatives that can be funded from the COVID-19 COMF grant. Three of these are: -

- An additional Development Worker within the Early Years and Child Development Centre in order to assist with increased social distancing - £67,000
- The development of an adult learning programme for the BAME community by the STEPS centre which will include information about vaccinations for 11-16 year olds and signs/symptoms of COVID - £197,562
- A pool of care staff to cover COVID related absences within the Adults Social Care Direct Care internal care services - £416,250

#### 4.17 **Capital**

Expenditure on the Council's capital programme is forecast to be £169.276m during 2021/22. Appendix 6 provides an overview of the programme.

The main changes that have taken place since the Quarter 1 2021/22 monitoring are as follows: -

- A decrease of £1.103m in the Adults Social Care budget mainly in respect of slippage of Adult Social Care Grant resources into 2022/23.



- A decrease of £2.003m in the Borough Economy budget mainly in respect of the introduction of a Heritage Lottery Fund budget for West Smethwick Park £1.200m offset by the slippage of resources into 2022/23 to continue the following schemes, £0.342m Smethwick Hall Pool scheme, £0.241m on the Manor House Conversion scheme. There is also £2.620m of slippage in to 2022/23 for the Birchley Island scheme, to continue the scheme following its public consultation stages. This is due to use of external funding initially and using Council capital funding for the later stages of the scheme.
- A decrease of £2.108m in the Regeneration & Growth budget mainly in respect of the following slippage of resources into 2022/23 to continue the schemes, £0.981m Wednesbury High Streets Heritage Action Zone (HAZ) scheme, £1.000m Regional Housing Board Allocation scheme.
- A decrease of £5.880m in the Housing & Assets budget mainly in respect of the slippage of resources into 2022/23 to continue the following schemes, £0.341m The Public – Conversion to College scheme, £0.600m Empty Properties and £4.939m Disabled Facilities Grant in respect of disabled adaptations in private premises
- An increase of £0.175m in the Children & Education budget mainly to reflect the use of Basic Need resources to continue various school improvement schemes.
- An increase of £1.819m in the Housing Revenue Account (HRA) budget mainly in respect of 1-4-1 Property Purchases.

#### 4.18 Section 106 / Community Infrastructure Levy (CIL)

Section 106 monies are paid by developers towards the cost of providing community and social infrastructure but must be used for specific purposes. The Council currently holds **£2.520m** in Section 106 monies and is forecasting to spend **£0.181m** of this leaving a remaining balance of **£2.339m**.



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. The Council currently holds **£2.105m** in Capital 80% pot CIL monies and is not forecasting any expenditure against this.

Further details of the S106 and CIL resources are provided in **Appendix 7**.

#### 4.19 **Budget Adjustments (virements)**

In addition to the virements which Cabinet are asked to approve within recommendation 1.3 there have been smaller value budget adjustments which can be approved by Chief Officers. Details of all virements are provided in **Appendix 8**.

### 5 **Alternative Options**

5.1 There are limited decisions within the recommendations, Cabinet could vary the proposed transfer of Covid funding to the Sandwell Children's Trust or the requested virements within Public Health which reflect increases in the available resources since the 2021/22 budgets were approved.

### 6 **Implications**

<b>Resources:</b>	Resource implications are contained within the main body of the report.
<b>Legal and Governance:</b>	No direct implications arising from the recommendations.
<b>Risk:</b>	This information is contained within the main body of this report.
<b>Equality:</b>	No direct implications arising from the recommendations.
<b>Health and Wellbeing:</b>	No direct implications arising from the recommendations.
<b>Social Value</b>	No direct implications arising from the recommendations.



## 7. Appendices

- 1 Summary Outturn Projection
- 1A Corporate Management
- 1B Borough Economy
- 1C Adult Social Care
- 1D Regeneration & Growth
- 1E Housing
- 1F Children's Services
- 1G Business Strategy & Change
- 1H Finance
- 1I Law & Governance
- 1J Public Health
- 1K Housing Revenue Account (HRA)
- 2 Central Items
- 3 Individual Schools Budgets (ISB)
- 4 Reserves
- 5 New Grants
- 6 Capital
- 7 S106 / CIL
- 8 Virements
- 9 Treasury Management Report

## 8. Background Papers

None



Area	Appendix	Annual Target Budget £'000	BFwd from Previous Year £'000	Total Budget £'000	Projected Outturn £'000	Projected Variance from Budget £'000	(Use of) Reserves / Corporate Resources & RCCO £'000	Corporate Funding of Covid Pressures £'000	Projected Variance £'000
Corporate Management	1A	(246)	0	(246)	(246)	0	0	0	0
Borough Economy	1B	32,203	80	32,283	34,214	1,931	415	(2,222)	124
Adult Social Care	1C	79,757	4,728	84,485	84,894	409	(933)	(1,150)	(1,674)
Regeneration & Growth	1D	10,896	0	10,896	11,377	481	(372)	0	109
Housing	1E	5,217	0	5,217	5,096	(121)	0	(201)	(322)
Children's Services	1F	86,156	0	86,156	92,209	6,053	(686)	(4,218)	1,149
Business Strategy & Change	1G	11,718	435	12,153	11,955	(198)	164	(1,020)	(1,054)
Finance	1H	8,863	434	9,297	10,542	1,245	(708)	(1,187)	(650)
Law & Governance	1I	1,522	60	1,582	2,419	837	(816)	(1,114)	(1,093)
<b>Net Service Expenditure (ex PH)</b>		<b>236,086</b>	<b>5,737</b>	<b>241,823</b>	<b>252,460</b>	<b>10,637</b>	<b>(2,936)</b>	<b>(11,112)</b>	<b>(3,411)</b>
Public Health	1J	300	0	300	0	(300)	(125)	(654)	(1,079)
<b>Total Net Service Expenditure</b>		<b>236,386</b>	<b>5,737</b>	<b>242,123</b>	<b>252,460</b>	<b>10,337</b>	<b>(3,061)</b>	<b>(11,766)</b>	<b>(4,490)</b>
Central Items	2	(5,595)	0	(5,595)	13,080	18,676	(20,375)	(367)	(2,066)
<b>Total Net Expenditure (inc Central Items)</b>		<b>230,791</b>	<b>5,737</b>	<b>236,528</b>	<b>265,540</b>	<b>29,013</b>	<b>(23,436)</b>	<b>(12,133)</b>	<b>(6,556)</b>
Housing Revenue Account (HRA)	1K	(29,300)	0	(29,300)	(33,755)	(4,455)	750	0	(3,705)
Individual Schools Budgets (ISB)	3	0	0	0	(2,947)	(2,947)	0	0	(2,947)
<b>Total Net Expenditure</b>		<b>201,491</b>	<b>5,737</b>	<b>207,228</b>	<b>228,838</b>	<b>21,611</b>	<b>(22,686)</b>	<b>(12,133)</b>	<b>(13,208)</b>

Corporate Management

APPENDIX 1A

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	284	0	284	284	0	0	0	0
Corporate Management	(530)	0	(530)	(530)	0	0	0	0
			0		0	0	0	0
			0		0	0	0	0
			0		0	0	0	0
<b>TOTAL</b>	<b>(246)</b>	<b>0</b>	<b>(246)</b>	<b>(246)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tourism, Culture & Leisure	9,778	0	9,778	10,234	456	415	(1,094)	(223)
Commercial Services	4,360	0	4,360	4,397	37	0	(145)	(108)
Regulated Services	2,815	80	2,895	3,607	712	0	(483)	229
Highways Services	15,250	0	15,250	15,823	573	0	(500)	73
Directorate Management	0	0	0	153	153	0	0	153
<b>TOTAL</b>	<b>32,203</b>	<b>80</b>	<b>32,283</b>	<b>34,214</b>	<b>1,931</b>	<b>415</b>	<b>(2,222)</b>	<b>124</b>

Adult Social Care

APPENDIX 1C

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management Team	(1,011)	4,648	3,637	2,548	(1,089)	0	(739)	(1,828)
Business Management	2,273	0	2,273	2,053	(220)	0	0	(220)
Social Work & Therapy	4,776	0	4,776	4,478	(298)	0	0	(298)
External Placements	63,741	0	63,741	65,024	1,283	0	(252)	1,031
Integrated Hub	477	0	477	819	342	0	0	342
Direct Services	6,453	0	6,453	6,124	(329)	0	0	(329)
Commissioning	3,048	80	3,128	2,756	(372)	0	0	(372)
Better Care Fund	0	0	0	1,092	1,092	(933)	(159)	0
			0		0			
<b>TOTAL</b>	<b>79,757</b>	<b>4,728</b>	<b>84,485</b>	<b>84,894</b>	<b>409</b>	<b>(933)</b>	<b>(1,150)</b>	<b>(1,674)</b>

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Growth and Spatial Planning Service	2,199	0	2,199	2,274	75	(372)	0	(297)
Development Planning and Building	507	0	507	663	156	0	0	156
Strategic Assets and Land Service	7,570	0	7,570	8,045	475	0	0	475
Management	620	0	620	395	(225)	0	0	(225)
<b>TOTAL</b>	<b>10,896</b>	<b>0</b>	<b>10,896</b>	<b>11,377</b>	<b>481</b>	<b>(372)</b>	<b>0</b>	<b>109</b>

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance (£000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communities Team	1,541		1,541	1,450	(91)	0	0	(91)
Homelessness	750		750	629	(121)	0	0	(121)
Other Housing Services	1,428		1,428	1,359	(69)	0	(30)	(99)
Community Safety & Resilliance	621		621	637	16	0	0	16
Business Excellence	877		877	1,021	144	0	(171)	(27)
<b>TOTAL</b>	<b>5,217</b>	<b>0</b>	<b>5,217</b>	<b>5,096</b>	<b>(121)</b>	<b>0</b>	<b>(201)</b>	<b>(322)</b>

**Childrens Services**

Children's  
Service

**APPENDIX 1F**

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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	9,379	0	<b>9,379</b>	9,153	<b>(226)</b>	<b>(56)</b>	0	<b>(282)</b>
Education Support Services	1,864	0	<b>1,864</b>	2,530	<b>666</b>	0	<b>(774)</b>	<b>(109)</b>
Learning Improvement	3,288	0	<b>3,288</b>	3,067	<b>(221)</b>	0	<b>(60)</b>	<b>(281)</b>
Inclusive Learning	6,384	0	<b>6,384</b>	8,215	<b>1,831</b>	0	0	<b>1,831</b>
Director of Children's Services	6,692	0	<b>6,692</b>	9,569	<b>2,877</b>	<b>(130)</b>	<b>(2,758)</b>	<b>(11)</b>
Sandwell Children's Trust	58,549	0	<b>58,549</b>	59,675	<b>1,126</b>	<b>(500)</b>	<b>(626)</b>	<b>0</b>
Children's Social Care	0	0	<b>0</b>	0	<b>0</b>	0	0	<b>0</b>
			<b>0</b>		<b>0</b>			<b>0</b>
			<b>0</b>		<b>0</b>			<b>0</b>
			<b>0</b>		<b>0</b>			<b>0</b>
			<b>0</b>		<b>0</b>			<b>0</b>
			<b>0</b>		<b>0</b>			<b>0</b>
<b>TOTAL</b>	<b>86,156</b>	<b>0</b>	<b>86,156</b>	<b>92,209</b>	<b>6,053</b>	<b>(686)</b>	<b>(4,218)</b>	<b>1,148</b>

Directorate - Business Strategy and Change

APPENDIX 1G

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Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director	0		0	0	0	0	0	0
ICT	5,907	318	6,225	5,888	(337)	318	(736)	(755)
Human Resources	3,347	82	3,429	3,936	507	(154)	(191)	162
Service Improvement	1,876	35	1,911	1,790	(121)	0	(93)	(214)
Business Excellence	587		587	340	(247)	0	0	(247)
<b>TOTAL</b>	<b>11,718</b>	<b>435</b>	<b>12,153</b>	<b>11,955</b>	<b>(198)</b>	<b>164</b>	<b>(1,020)</b>	<b>(1,054)</b>

Directorate - Finance

APPENDIX 1H

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Directorate	183		183	61	(122)	0	0	(122)
Financial Management	4,021	20	4,041	5,371	1,330	(708)	(705)	(83)
Revenues and Benefits	2,937	414	3,351	3,538	187	0	(482)	(295)
Business Management	1,721		1,721	1,571	(150)	0	0	(150)
<b>TOTAL</b>	<b>8,863</b>	<b>434</b>	<b>9,297</b>	<b>10,542</b>	<b>1,245</b>	<b>(708)</b>	<b>(1,187)</b>	<b>(650)</b>

Directorate - Law and Governance

APPENDIX 11

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Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Directorate	356		356	388	32	(18)	0	14
Governance Services	1,602	60	1,662	2,245	583	(348)	(375)	(140)
Registration Services	(1,575)		(1,575)	(1,673)	(98)	0	(361)	(459)
Legal	1,140		1,140	1,460	320	(450)	(378)	(508)
<b>TOTAL</b>	<b>1,522</b>	<b>60</b>	<b>1,582</b>	<b>2,419</b>	<b>837</b>	<b>(816)</b>	<b>(1,114)</b>	<b>(1,093)</b>

Public Health

APPENDIX 1J

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communicable Disease	3,220		3,220	3,178	(42)	0	(654)	(696)
Long Term Conditions	2,370		2,370	1,843	(527)	0	0	(527)
Childrens	10,055		10,055	10,107	53	0	0	53
Substance Misuse & Smoking	3,570		3,570	3,550	(21)	0	0	(21)
Wider Determinants	4,142		4,142	4,079	(64)	0	0	(64)
Public Health Management	2,275		2,275	2,354	78	0	0	78
Public Health Grant	(25,111)		(25,111)	(25,111)	0	(125)	0	(125)
Public Health Savings Target	(222)		(222)	0	222	0	0	222
	0		0	0	0	0	0	0
	0		0	0	0	0	0	0
	0		0	0	0	0	0	0
	0		0	0	0	0	0	0
	0		0	0	0	0	0	0
<b>TOTAL</b>	<b>300</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>(300)</b>	<b>(125)</b>	<b>(654)</b>	<b>(1,079)</b>

Housing Revenue Account (HRA)

APPENDIX 1K

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Management & Maintenance	39,031		39,031	36,664	(2,367)	0	0	(2,367)
Business Excellence	3,357		3,357	3,284	(73)	0	0	(73)
Commercial Services	4,374		4,374	4,446	72	0	0	72
Corporate HRA	19,776		19,776	19,958	182	0	0	182
Housing Management	12,205		12,205	11,258	(947)	0	0	(947)
PFI	(471)		(471)	(1,895)	(1,424)	750	0	(674)
Rents & Other Charges	(115,007)		(115,007)	(114,905)	102	0	0	102
SLA's	7,435		7,435	7,435	0	0	0	0
			0		0	0	0	0
<b>TOTAL</b>	<b>(29,300)</b>	<b>0</b>	<b>(29,300)</b>	<b>(33,755)</b>	<b>(4,455)</b>	<b>750</b>	<b>0</b>	<b>(3,705)</b>

Area	Annual Target Budget	BFwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves / Corporate Resources & RCCO	Corporate Funding of Covid Pressures	Projected Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Borough Economy</b>								
Waste Partnership	29,489	0	29,489	27,218	(2,271)	0	0	(2,271)
<b>Children's Services</b>								
BSF FM Contribution	400	0	400	400	0	0	0	0
<b>Finance</b>								
Local Authority Subscriptions	104	0	104	123	19	0	0	19
Wolverhampton: WMCC and WMRE	45	0	45	30	(15)	0	0	(15)
Combined Authority	1,373	0	1,373	1,373	0	0	0	0
External Audit Fee	144	0	144	227	83	0	0	83
New Homes Bonus Grant	(1,254)	0	(1,254)	(1,254)	0	0	0	0
No Recourse to Public Funds	531	0	531	720	189	0	0	189
Business Rates Compensation Grant	(49,948)	0	(49,948)	(49,948)	0	0	0	0
Corporate Projects	1,000	0	1,000	1,000	0	0	0	0
Insurance	(395)	0	(395)	(395)	0	0	0	0
Bank Charges	335	0	335	338	3	0	0	3
Airport Rent Income	(100)	0	(100)	(100)	0	0	0	0
Apprenticeship Levy	480	0	480	480	0	0	0	0
Past Service Pension Costs	5,387	0	5,387	5,387	0	0	0	0
Local Welfare Provision	0	0	0	130	130	(130)	0	0
Housing Benefits	501	0	501	501	0	0	0	0
Pensions General	4,560	0	4,560	4,560	0	0	0	0
Coroners	346	0	346	664	318	0	(290)	28
Members Allowances	1,446	0	1,446	1,341	(105)	0	0	(105)
Public Law Fees	366	0	366	366	0	0	0	0
Special Events	25	0	25	15	(10)	0	0	(10)
Templink	(429)	0	(429)	(417)	12	0	0	12
COVID19 Facilities	0	0	0	77	77	0	(77)	0
COVID19 Emergency Funding	0	0	0	20,245	20,245	(20,245)	0	0
COVID-19 Containing Outbreak Management Fund	0	0	0	0	0	0	0	0
COVID-19 Local Council Tax Support Scheme	0	0	0	0	0	0	0	0
COVID-19 Restart Grant	0	0	0	0	0	0	0	0
COVID-19 Local Restriction Support Grants (LRSG)	0	0	0	0	0	0	0	0
COVID-19 Business Support Grants	0	0	0	0	0	0	0	0
COVID-19 Test and Trace	0	0	0	0	0	0	0	0
<b>Finance Total</b>	<b>(35,484)</b>	<b>0</b>	<b>(35,484)</b>	<b>(14,538)</b>	<b>20,947</b>	<b>(20,375)</b>	<b>(367)</b>	<b>205</b>
<b>Grand Total</b>	<b>(5,595)</b>	<b>0</b>	<b>(5,595)</b>	<b>13,080</b>	<b>18,676</b>	<b>(20,375)</b>	<b>(367)</b>	<b>(2,066)</b>

Individual Schools Budget

APPENDIX 3

Service Area	Annual Target Budget	B/fwd from Previous Year	Total Budget	Projected Outturn	Projected Variance	(Use of) Reserves/ Corporate Resources/ RCCO	Corporate Funding of COVID-19 Pressures	Projected Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ISB High Needs	53,447		53,447	52,039	(1,408)	0	0	(1,408)
Early Years	24,877		24,877	23,338	(1,539)	0	0	(1,539)
Central Services Services Block	2,249		2,249	2,249	0	0	0	0
Schools	151,641		151,641	151,641	0	0	0	0
Dedicated Schools Grant	(232,214)		(232,214)	(232,214)	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
			0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,947)</b>	<b>(2,947)</b>	<b>0</b>	<b>0</b>	<b>(2,947)</b>

<b>Earmarked Reserve</b>	<b>Balance as at 31 March 2021</b>	<b>Use of / (Contribution to) Reserves</b>	<b>Projected Balance 31 March 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Corporate Management</u></b>			
Brexit Funding	(74)	0	(74)
<b><u>Adult Social Care</u></b>			
Adult Social Care Reserve	(1,047)	0	(1,047)
Integrated Care Record	(171)	0	(171)
Better Care Fund	(8,952)	933	(8,019)
<b><u>Children's Services/ISB</u></b>			
Regeneration and Economy	(90)	0	(90)
BSF FM Sinking Fund	(2,983)	0	(2,983)
BSF PFI Sinking Fund	(4,286)	0	(4,286)
SCT Contingency	(1,600)	0	(1,600)
SIPS Redundancy Reserve	(652)	0	(652)
SCT Invest to Save	(470)	470	0
External Review - SEND Contract	(50)	50	0
SEND Transport	(1,500)	1,500	0
SCT High Cost Placement Reserve	(1,000)	500	(500)
<b><u>Borough Economy</u></b>			
Portway Lifestyle Centre	(658)	0	(658)
Physical Activity Board	(24)	0	(24)
Taxi Licensing	(105)	0	(105)
Dartmouth Park HLF	(318)	0	(318)
Aquatics Centre UOW	(100)	0	(100)
SERCO Waste Commitments	(3,816)	0	(3,816)
<b><u>Public Health</u></b>			
Learning for Public Health	(405)	125	(280)
Public Health Grant Reserve	(7,862)	0	(7,862)
<b><u>Housing</u></b>			
Private Sector Landlord	(142)	0	(142)
<b><u>Regen &amp; Growth</u></b>			
Sinking Fund RBC building	(591)	0	(591)
Sinking Fund Central 6th Building	(999)	0	(999)
West Midlands Regional Research	(234)	15	(219)
Black Country Core Strategy Reserve (REQUEST THIS P6)	0	(170)	(170)
Aquatic Centre Legacy Funding	(1,000)	0	(1,000)
Workplace Vision	(2,000)	2,000	0
Levelling Up Fund Capacity	(258)	125	(133)
Forge Mill Farm Demolition	(230)	230	0
Asset Measurements	(200)	200	0
Queens Square	(2,300)	0	(2,300)
Friar Park Development	(7,000)	0	(7,000)
Commonwealth Games	(500)	369	(131)
School Repair Reserve	(120)	120	0
Bull Street Demolition	(130)	0	(130)
<b><u>Finance - Target</u></b>			
Grants Irregularities Reserve	(1,031)	0	(1,031)
E-Business financial suite	(639)	639	0
P.O.C.A. (Proceeds of Crime)	(39)	39	0
Sandwell Children's Trust	(77)	30	(47)
Housing Benefit Debtor	(2,500)	0	(2,500)
<b><u>Finance - Central Items</u></b>			
Insurance Reserve	(8,875)	0	(8,875)
COVID Emergency Funding	(20,245)	20,245	0
Sct 31 Relief Payment	(34,390)	34,390	0
<b><u>Law and Governance</u></b>			
Elections	(268)	268	0
Non-BAU Work	(450)	450	0
SLaP Liquidator	(50)	50	0
<b><u>Business Strategy &amp; Change</u></b>			

ICT Refresh	(2,000)	0	(2,000)
<b>Corporate Items</b>			
Aquatic Centre - Replacement of PRU Borrowing	(7,000)	0	(7,000)
New Asset Register System	(500)	0	(500)
Cost of Exit packages	(2,000)	397	(1,603)
Business Rates Growth	(131)	131	0
Pay Award	(1,000)	1,000	0
Brushstrokes Invest to Save	(27)	27	0
Debt Charges	(700)	0	(700)
Oracle Fusion Delay	(231)	231	0
<b>Total</b>	<b>(134,020)</b>	<b>64,364</b>	<b>(69,656)</b>

Additional Specific Grants Announced during the Quarter	£'000
<b><u>Adult Social Care</u></b>	
Corporate restructure - Domestic Violence & independent Complaints Advocacy	1,007
Rapid Testing Grant (July to September 2021)	(604)
Infection Prevention & Control Grant 3 extension (July to September 2021)	(767)
Self Isolation & Practical support Grant	(622)
CEV grant paid 2021/22	(692)
<b><u>Borough Economy</u></b>	
Countryside Management General	(46)
Library Operations	(13)
Community History & Archives Service	(2)
P E & Sports Strategy Team	(805)
Managerial Support	(38)
Titford Pools - Canals & River Trust APPRAISAL STAGE	(233)
Remittance received 23.06.2021 - The Reading Agency	(1)
Bequest for livemusic project - Federation of Friends of Sandwell Libraries	(2)
Safer Streets	(119)
MOD	(1)
Arts Council - Cultural Recovery Grant	(46)
<b><u>Childrens</u></b>	
Kickstart Grant	(370)
Violence Reduction Unit	(48)
<b><u>Housing</u></b>	
External Temporary Accomodation	(100)
Homeless Prevention Grant	(2,272)
Rough Sleepers Incentive (RSI)	(160)
Emergency Assistance Grant	(36)
WNF/ABG - Preventing Extremism Paid Quarterly in arrears	(176)
Community Safety - West Midlands Crime Commissioner	(165)
Preventing Homelessness Grant Strict Council - CLG Communities (Housing First)	(345)
Housing Benefit - Department for Work and Pensions (TA)	(279)
Housing Benefit - Department for Work and Pensions (PSL)	(85)
Housing Benefit - Department for Work and Pensions (Own Stock)	(5)
<b><u>Public Health</u></b>	
COVID 19 Grant Track & Trace carry forward	(1,142)
LGA Behavioural Insights carry forward	(18)
Community Champions LA Fund carry forward	(154)
Prevention & Promotion for Better Mental Health	(371)
<b><u>Regeneration &amp; Growth</u></b>	
Custom Build Grant - Department of Communities and Local Government	(45)

Housing Zone - Capacity Funding - Department of Communities and Local Government	(133)
New Burdens Grant - Department of Communities and Local Government	(28)
Historic England - Growth Fund	(17)
LAD 2 Energy Efficiency Project - Department of Communities & Local Government (Central Item)	(283)
Levelling Up Fund - Department of Communities & Local Government	(125)
<b><u>Finance - Target</u></b>	
Housing Subsidy - Benefit Administration Grant	(299)
<b><u>Finance - Central Items</u></b>	
Containing Outbreak Management Fund	(3,222)
Additional Restrictions Grant	(1,660)
Test and Trace Programme Costs	(86)
New Homes Bonus Grant	(314)
Business Rates Compensation Grant	(7,592)
Housing Subsidy - Rent Rebates Grant	(11,462)
Housing Subsidy - Rent Allowances Grant	(7,748)
Repayment of grant to BIES	5
<b>Total Grants</b>	<b>(41,719)</b>

## SANDWELL METROPOLITAN BOROUGH COUNCIL

## CAPITAL MONITORING 2021/2022 - PERIOD 6 SEPTEMBER

Page 85	SUMMARY	Original Budget 2021/22 (Main Programme)	Additional Approvals / Adjustments	Re-Profile to Future Years	Revised Budget 2021/22 (Main Programme)	Self Financing	Total Budget 2021/22	2021/22			(Surplus) / Deficit for the Year
								Actual Spend to Date	Remaining Spend	Total Forecast Expenditure	
	SEPTEMBER 2021/22	£	£	£	£	£	£	£	£	£	£
	Director of Finance	6,000	0	(6,000)	0	-	0	-	0	0	0
	Law & Governance	3,200,000	0	0	3,200,000	-	3,200,000	153,744.72	3,046,255	3,200,000	0
	Business Strategy & Change	2,770,000	0	(65,000)	2,705,000	-	2,705,000	154,406.87	2,550,593	2,705,000	0
	Adults Social Care	11,784,000	0	(10,000)	11,774,000	781,000	12,555,000	3,957,953.06	8,597,047	12,555,000	0
	Borough Economy	5,646,000	195,000	(3,046,000)	2,795,000	11,587,000	14,382,000	6,371,412.86	8,010,587	14,382,000	0
	Regeneration & Growth	17,264,000	2,000,000	(291,000)	18,973,000	24,065,000	43,038,000	22,964,091.93	20,073,908	43,038,000	0
	Housing & Assets	1,673,000	0	(970,000)	703,000	3,813,000	4,516,000	1,709,334.82	2,806,665	4,516,000	0
	Children & Education	81,000	0	(81,000)	0	12,338,000	12,338,000	7,217,075.84	5,120,924	12,338,000	0
	Housing Revenue Account (HRA)	87,872,000	700,000	(13,349,000)	75,223,000	1,319,000	76,542,000	31,236,639.16	45,448,172	76,684,811	142,811
	<b>GRAND TOTAL</b>	<b>130,296,000</b>	<b>2,895,000</b>	<b>(17,818,000)</b>	<b>115,373,000</b>	<b>53,903,000</b>	<b>169,276,000</b>	<b>73,764,659.26</b>	<b>95,654,151</b>	<b>169,418,811</b>	<b>142,811</b>

Section 106					
Section 106 Scheme	Service Area	Description of Project	Balance Available @ 01/04/21 £	Forecast Expenditure for 2021/22 £	Balance Remaining @ 31/03/22 £
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	Borough Economy	Planting scheme to improve welcoming aspect - Oldbury	5,800	5,800	0
Barnford Park DC/07/48918	Borough Economy	Treeworks - Oldbury	3,600	3,600	0
Mary MacArthur Gardens	Borough Economy	Fencing, Steps & Re-Painting of Infrastructure - Rowley	32,300	32,300	0
Jubilee Park DC/04/43090 & DC/06/47114	Borough Economy	Treeworks - Tipton	8,100	8,100	0
Farley Park DC/08/50253	Borough Economy	Play Provision improvements - Tipton	4,000	4,000	0
Norman Rd Dams DC/05/45598	Borough Economy	Play Provision improvements	15,000	15,000	0
Charlemont Playing Fields - DC/14/56717	Borough Economy	Improvements to Car Parking Facilities & Skate Board Park - West Bromwich	33,000	33,000	0
Redhouse Park - DC/05/45586	Borough Economy	Scheme being developed including Entrance & Car Parking - West Bromwich	18,000	18,000	0
Yew Tree Estate - DC/13/56577	Borough Economy	Play Provision improvements - West Bromwich	61,200	61,200	0
<b>Total Section 106</b>			<b>2,520,000</b>	<b>181,000</b>	<b>2,339,000</b>

Community Infrastructure Levy (CIL)					
CIL Scheme	Service Area	Description of Project	Balance Available @ 01/04/21 £	Forecast Expenditure for 2021/22 £	Balance Remaining @ 31/03/22 £
Balance in CIL fund to date - not allocated to individual projects	Regeneration & Growth		2,104,600	0	2,104,600
<b>Total Community Infrastructure Levy (CIL)</b>			<b>2,104,600</b>	<b>0</b>	<b>2,104,600</b>

## Appendix 8

Virements above £0.250m or 1% of Gross Budget for approval by Cabinet	£'000	£'000
<b><u>Adult Social Care</u></b>		
Redirection of unallocated placement budget to reduce target savings	415	
Redirection of unallocated placement budget to reduce target savings		415
Redirection of unutilised inflation budget to reduce target savings	455	
Redirection of unutilised inflation budget to reduce target savings		455
<b><u>Public Health</u></b>		
Wider Determinants - Prevention & Promotion Better Mental Health		371
Grant funded expenditure for Prevention & Promotion Better Mental Health	371	
<b><u>Central Items</u></b>		
Transfer of Waste budget to Borough Economy		29,489
<b><u>Borough Economy</u></b>		
Transfer of Waste budget from Central Items	29,489	
<b>TOTAL</b>	<b>30,730</b>	<b>30,730</b>

Virements between Directorates/Service Areas below £0.250m for information in Cabinet Report	£'000	£'000
<b><u>Business Strategy &amp; Change</u></b>		
Transfer of post from Finance (Revenues and Benefits) to Business Strategy & Change (ICT)	116	
<b><u>Finance</u></b>		
Transfer of post from Finance (Revenues and Benefits) to Business Strategy & Change (ICT)		116
<b>TOTAL</b>	<b>116</b>	<b>116</b>

### Treasury Management Strategy Statement and Prudential Indicators Mid-Year Monitoring Report 2021/22

## 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 2021/22 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

### **3. Economics and Interest Rates**

#### **3.1 UK Summary Economic Update**

UK GDP grew by 3.6% in the three months to July 2021, down from a 4.8% expansion in the previous three-month period. The y/y figure grew by 7.5% for July 2021 compared to the expansion of 15.2% y/y growth in June 2021. The Monetary Policy Committee voted unanimously to keep interest rates on hold at 0.1% and the stock of sterling non-financial investment-grade corporate bond purchases at £20bn. Bank Rate is likely to be unchanged at 0.10% until 2023. It will probably take that long for spare capacity in the UK economy to be eroded and for inflationary forces to become sufficient for the MPC to take action to raise Bank Rate.

The IHS Markit/CIPS UK Composite PMI was revised down to 54.1 in September 2021, slightly below forecasts of 54.5 and below 54.8 in August. The reading pointed to the slowest growth in private sector activity since February.

The consumer price inflation rate in the UK jumped to 3.2% in August of 2021, the highest since March 2021, from 2% in July and above market forecasts of 2.9%. A low base effect from last year had the biggest impact, because, in part, of discounted restaurant and café prices in August 2020 resulting from the government's Eat Out to Help Out scheme and, to a lesser extent, reductions in Value Added Tax across the same sector.

The number of people in work in the UK rose by 183 thousand on quarter to 32.36 million in the three months to July 2021, the fourth increase in this measure since the initial outbreak of COVID-19 after a 95,000 figure in the three months to June. The UK unemployment rate fell to 4.6 percent in the three months to July 2021, the lowest level since the June-August 2020 period and in line with market expectations. The number of people claiming for unemployment benefits in the United Kingdom fell by 58,600 in August, after falling by 7,800 in July, which is the sixth consecutive month of declining joblessness. Average weekly earnings, excluding bonuses, rose by 6.8% y/y in the three months to July compared to a 7.3% y/y rise in the three months to June. Including bonuses, earnings eased to 8.3% from 8.8% in the previous period.

The Halifax House Price Index rose 7.1% y/y in August. On a monthly basis, prices were up 0.7%, the smallest gain in house prices since March as much of the impact from the stamp duty holiday faded.

### 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		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave eamings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave eamings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave eamings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to 0.10%, it left the Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 2023/24 and a third one to 0.75% in quarter 4 of 2023/24.

#### Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.

- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

### **The balance of risks to the UK**

- The overall balance of risks to the economic growth in the UK is now to the downside, including residual risks from Covid and its variants – both domestically and their potential effects worldwide.

## **4. Treasury Management Strategy Statement and Annual Investment Strategy Update**

The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by this Council on 24 February 2021.

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:

	<b>2021/22</b>	
	<b>Original Estimate</b> £'m	<b>Revised Prudential Indicator</b> £'m
Authorised Limit	786.001	859.111
Operational Boundary	586.702	781.010
Capital Financing Requirement	786.001	781.010

## **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 February 2021.

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
<b>Capital Expenditure</b>		
General Fund	94.804	92.734
HRA	70.808	76.541
<b>Total</b>	<b>165.612</b>	<b>169.275</b>
<b>Resourced by:</b>		
Capital Receipts	32.836	25.630
Capital Grants & Contributions	44.591	53.902
Revenue	18.536	25.058
<b>Capital Expenditure Financed from Borrowing</b>	<b>69.649</b>	<b>64.685</b>

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 General Fund 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.

	2021/22					
	Original Estimate			Projected Outturn		
	HRA	General Fund	Total	HRA	General Fund	Total
	£'m	£'m	£'m	£'m	£'m	£'m
<b>Opening Capital Financing Requirement</b>	<b>442.251</b>	<b>299.833</b>	<b>742.084</b>	<b>442.244</b>	<b>299.833</b>	<b>742.077</b>
add: Capital Expenditure funded from Borrowing	53.721	15.928	69.649	50.213	14.472	64.685
less: MRP	-10.000	-10.449	-20.449	-10.000	-10.470	-20.470
add: Movement on Other Long Term Liabilities	-1.324	-3.959	-5.283	-1.323	-3.959	-5.282
<b>Closing Capital Financing Requirement</b>	<b>484.648</b>	<b>301.353</b>	<b>786.001</b>	<b>481.134</b>	<b>299.876</b>	<b>781.010</b>
<b>External Debt / Operational Boundary</b>						
Borrowing			520.645			535.661
Other Long Term Liabilities*			66.057			64.651
<b>Total Debt at 31 March (Operational Boundary)</b>			<b>586.702</b>			<b>600.312</b>

\* - Represents the estimated finance lease creditors liability as at 31 March 2021 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 2021/22 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.

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
Gross Borrowing	520.645	535.661
add: Other Long Term Liabilities*	66.057	64.651
<b>Total Debt</b>	<b>586.702</b>	<b>600.312</b>
<b>CFR (Year end position)</b>	<b>786.001</b>	<b>781.010</b>

\* 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.

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
Borrowing	719.944	716.359
add: Other Long Term Liabilities*	66.057	64.651
<b>Total Operational Limit</b>	<b>786.001</b>	<b>781.010</b>
<b>Total Authorised Limit</b>	<b>786.001</b>	<b>859.111</b>

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

## 6. Borrowing / Debt Activity during 2021/22

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.

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
External Debt as at 1 April	520.645	535.661
Expected need to 31 March	0.000	0.000
Other Long Term Liabilities*	66.057	64.651
<b>Estimated Debt as at 31 March</b>	<b>586.702</b>	<b>600.312</b>
<b>Capital Financing Requirement</b>	<b>786.001</b>	<b>781.010</b>
(-)Under / (+)Borrowed	-199.299	-180.698
Investment as at 31 March	-25.000	-25.000
<b>Net Debt Position as at 31 March</b>	<b>561.702</b>	<b>575.312</b>

\* - 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 2021/22. 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 0.011%, long

term borrowing rates are approximately 2.41%). 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:

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
Debt Charges	45.155	44.740

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 and following the various increases in the margins added to gilt yields which have 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 2021/22 – 2025/26

### 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 £101.630m of investments at 30 September 2021 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 2021 the Council is reporting a risk of default percentage of 0.000%:

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
Bank of Scotland Plc (RFB)	0	0.65%		Call	A+	0.000%
First Abu Dhabi Bank PJSC	0	0.43%		Call	AA-	0.000%
Santander UK PLC	0	0.40%		Call	A	0.000%
Shinhan Bank	0	0.45%		Call	A	0.000%
The Royal Bank of Scotland Plc (RFB)	679,810	0.01%		Call	A	0.000%
MMF Aberdeen Standard Investments	10,000,000	0.01%		MMF	AAAm	
MMF Aviva	10,700,000	0.01%		MMF	AAAm	
MMF BlackRock	20,000,000	0.01%		MMF	AAAm	
MMF BNP Paribas	20,000,000	0.00%		MMF	AAAm	
MMF CCLA	10,000,000	0.02%		MMF	AAAm	
MMF Federated Investors (UK)	10,000,000	0.01%		MMF	AAAm	
MMF Fidelity	10,000,000	0.01%		MMF	AAAm	
MMF Invesco	10,000,000	0.01%		MMF	AAAm	
* 6 Towns Credit Union	250,000	1.49%	13/11/2017	14/11/2022	Not Rated	
<b>Total Investments</b>	<b>£101,629,810</b>	<b>0.01%</b>				<b>0.000%</b>

The section 151 Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the 6 months of 2021/22.

The revised budget position for investment income is shown in the table below; it shows the estimated interest earned based on average temporary deposits of £78.324m (placed between 1 April 2021 and 30 September 2021), the estimated interest accrued by non-general fund deposits and HRA estimated internal borrowing interest for 2021/22:

	2021/22	
	Original Estimate £'m	Projected Outturn £'m
Interest on Temporary Deposits	0.040	0.007
Interest Payable on Non GF Deposits	-0.062	-0.006
Interest on HRA Internal Borrowing	2.486	2.040
<b>Interest Receivable</b>	<b>2.464</b>	<b>2.041</b>

## 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)	-0.08%	-0.07%	-0.05%	-0.02%	0.07%

## 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 Director of Resources can report that the return to date has averaged 0.011%, against an average 7-day LIBID at 30 September 2021 of -0.08%.

## **8. Other**

### **8.1 Compliant with Treasury and Prudential Limits**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

### **8.2 Full Economic Update**

The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.

There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline

in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, the MPC had been prepared to look through a temporary spike in inflation.

So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement; this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

- Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
- Raising Bank Rate to 0.50% before starting on reducing its holdings.
- Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
- Once Bank Rate had risen to at least 1%, it would start selling its holdings.

COVID-19 vaccines. These have been the game changer which have enormously boosted confidence that life in the UK could largely return to normal during the summer after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing

power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

**US.** See comments below on US treasury yields.

**EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time. German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

**China.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

**Japan.** 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large

fiscal stimulus package after the November general election – which his party is likely to win.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

### **Forecasts for Bank Rate**

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?

- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

### **Forecasts for PWLB rates and gilt and treasury yields**

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the "taper tantrums" in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations,

especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

### **Gilt and treasury yields**

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when: -

- A fast vaccination programme has enabled a rapid opening up of the economy.
- The economy had already been growing strongly during 2021.
- It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries.
- And the Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings. In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of "substantial further progress towards the goal of reaching full employment". However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look

much stronger in the US than in the UK. As an average since 2011, there has been a 75% correlation between movements in 10-year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

There are also possible DOWNSIDE RISKS from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

There is a balance of upside risks to forecasts for medium to long term PWLB rates.

### **A new era – a fundamental shift in central bank monetary policy**

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ and the ECB now has a similar policy.
- For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national

debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

### **8.3 Changes in Risk Appetite**

There is no change to the Council Risk appetite at present however, the authority is currently assessing the potential rewards and risks of investing in property funds.

The following items set out key decisions to be taken by the Executive in public session:-

	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
1	<p><b>SEND Transport – Future Arrangements</b></p> <p>Contact Officer: Sue Moore</p> <p>Director – Children’s Services</p>	Children and Education (Cllr Simms)	15 December 2021	CSE Scrutiny Board 27 September	



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
2	<p><b>Domestic Abuse Safe Accommodation Strategy 2021-24</b></p> <p>Contact Officer: Maryrose Lappin</p> <p>Director: Nicholas Austin – Director of Borough Economy</p>	Community Safety (Cllr Piper)	15 December 2021		
3	<p><b>B2022 Commonwealth Games – Host Integration Project</b></p> <p>Contact Officer: Chris Jones</p> <p>Director: Tony McGovern</p>	Culture and Tourism (Cllr Millard)	15 December 2021		Cabinet Report



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
4	<p><b>B2022 Commonwealth Games Live Site</b></p> <p>Contact Officer: Jane Lillystone/Chris Jones</p> <p>Director: Nicholas Austin – Interim Director of Borough Economy</p>	<p>Culture and Tourism (Cllr Millard)</p>	<p>15 December 2021</p>	<p>No</p>	<p>Cabinet Report</p>



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
5	<p><b>Award a Contract Plant Hire Equipment</b></p> <p>Contact Officer: Robin Weare/ Barry Ridgway</p> <p>Director: Nicholas Austin – Interim Director of Borough Economy</p>	Environment (Cllr Bostan)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
6	<p><b>Award a Contract for Coated Road Stone and Instant Road Repair Materials</b></p> <p>Contact Officer: Robin Weare/Barry Ridgway</p> <p>Director: Nicholas Austin – Interim Director of Borough Economy</p>	Environment (Cllr Bostan)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
7	<p><b>Direct Award of Contract for eCapture and Webcapture Services</b></p> <p>Contact Officer: Ian Dunn</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>15 December 2021</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
8	<p><b>Contract for the provision of a Revenues and Benefits application, a corporate document management solution and scanning and indexing services</b></p> <p>Contact Officer: Sue Knowles</p> <p>Director: Simone Hines – Director of Finance</p>	Finance and Resources (Cllr Crompton)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
9	<p><b>Draft General Fund Budget Report 2022/23</b></p> <p>Contact Officer: Rebecca Maher</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>15 December 2021</p>		
10	<p><b>Council Tax Base Calculation 2022/23</b></p> <p>Contact Officer: Ian Dunn</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>15 December 2021</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
11	<p><b>Business Rates Retention Estimates 2022/23</b></p> <p>Contact Officer: Ian Dunn</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>15 December 2021</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
12	<b>Council Tax Reduction Scheme 2022/23</b>  Contact Officer: Ian Dunn  Director: Simone Hines – Director of Finance	Finance and Resources (Cllr Crompton)	15 December 2021		
13	<b>Review of council tenant rents and housing related property charges</b>  Contact Officer: Nigel Collumbell  Director: Director of Housing Gillian Douglas	Housing (Cllr Ahmed)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
14	<p><b>Day to Day Repairs to Housing</b></p> <p>Contact Officer: J Rawlins</p> <p>Director: Gillian Douglas – Director of Housing and Communities</p>	Housing (Cllr Ahmed)	15 December 2021		Report



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
15	<p><b>Provision of new council homes via Construction West Midlands Framework- Design stage</b></p> <p>Contact Officer: Mark Drake/Alan Martin</p> <p>Tony McGovern – Director of Regeneration and Growth/Gillian Douglas – Director of Housing and Communities</p>	Housing (Cllr Ahmed)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
16	<p><b>Provision of 10 new council homes at Britannia Road, Rowley Regis – Award of contract through Exemption to Procurement and Contract Procedure Rules</b></p> <p>Contact Officer: Alan Martin</p> <p>Director: Tony McGovern – Director of Regeneration and Growth/Gillian Douglas – Director of Housing and Communities</p>	Housing (Cllr Ahmed)	15 December 2021	N/A	Report



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
17	<p><b>Additional Licensing (West Bromwich Area) – consultation findings and proposed recommendation</b></p> <p>Contact Officer: Karl Robinson / Gary Wright</p> <p>Director: Gillian Douglas - Director of Housing</p>	Housing (Cllr Ahmed)	15 December 2021		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
18	<p><b>Appropriation of 148 Tower Road, Tividale</b></p> <p>Contact Officer: Stefan Hemming</p> <p>Director: Tony McGovern, Director – Regeneration and Growth</p>	Regeneration and Growth (Cllr I Padda)	15 December 2021		
19	<p><b>Land on the west side of Tunnel Road, West Bromwich</b></p> <p>Contact Officer: George Singh Gurcha</p> <p>Director: Tony McGovern – Director of Regeneration and Growth</p>	Regeneration and Growth (Cllr I Padda)	15 December 2021 (Private Item)		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
20	<p><b>Information Governance Records Retention</b></p> <p>Contact Officer: Maria Price</p> <p>Director of Law and Governance - Surjit Tour</p>	Leader	12 January 2022		<p>The Corporate Retention Policy</p> <p>E-mail Retention Policy</p> <p>Information Rights Policy</p>



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
21	<p><b>Sandwell and Community Caring Trust Contract</b></p> <p>Contact Officer: Christine Guest</p> <p>Director: Rashpal Bishop – Director of Adult Social Care</p>	<p>Adults, Social Care and Health (Cllr Hartwell)</p>	<p>12 January 2022 (Private Item)</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
22	<p><b>Determination of Admission Priorities for Sandwell’s Community and Voluntary Controlled Schools 2023/2024</b></p> <p>Contact Officer: Martyn Roberts</p> <p>Director Children and Education</p>	Children and Education (Cllr Simms)	12 January 2022	N/A	Report by Director Children and Education Appendix 1: Admission arrangements for community and voluntary controlled schools in Sandwell for 2023/24



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
23	<p><b>Ormiston Sandwell Community Academy – Proposed Expansion</b></p> <p>Contact Officer: Martyn Roberts</p> <p>Director: Katharine Willmette - Interim Strategic Director Children and Education/Melanie Barnett – Acting Operational Director Children and Education</p>	Children and Education (Cllr Simms)	12 January 2022		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
24	<p><b>School Organisation Plan 2021/2022</b></p> <p>Contact Officer: Martyn Roberts Director Children and Education</p> <p>Director of Finance – Simone Hines</p>	<p>Children and Education (Cllr Simms)</p>	<p>12 January 2022</p>	<p>tbc</p>	<p>Report by Director Children and Education</p> <p>Appendices</p> <p>School Organisation Plan 2021/22</p>



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
25	<p><b>Schools Funding 2022/2023</b></p> <p>Contact Officer: Rose Kerr</p> <p>Director: Director of Finance – Simone Hines</p>	<p>Children and Education (Cllr Simms)</p>	<p>12 January 2022</p>	<p>N/A</p>	<p>Report by:</p> <p>Director of Children and Education</p> <p>Appendices</p> <p>Source documents</p>
26	<p><b>Street Naming, Renaming and Property Numbering Policy</b></p> <p>Contact Officer: Robin Weare/ Barry Ridgway</p> <p>Director: Nicholas Austin – Interim Director of Borough Economy</p>	<p>Environment (Cllr Bostan)</p>	<p>12 January 2022</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
27	<p><b>Housing Revenue Account Business Plan 2021-2051</b></p> <p>Contact Officer: Rebecca Maher</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>12 January 2022</p>		
28	<p><b>Procurement of a Corporate Asset Management System</b></p> <p>Contact Officer: Simone Hines</p> <p>Director: Simone Hines – Director of Finance</p>	<p>Finance and Resources (Cllr Crompton)</p>	<p>12 January 2022</p>		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
29	<p><b>Provision of 18 new council homes at Beaver Road, Tipton</b></p> <p>Contact: Alan Martin</p> <p>Director: Tony McGovern – Director of Regeneration and Growth/Gillian Douglas – Director of Housing and Communities</p>	Housing (Cllr Ahmed)	12 January 2022		Report



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
30	<p><b>Provision of 15 new council homes at Hawes lane Rowley Regis</b></p> <p>Contact: Alan Martin</p> <p>Director: Tony McGovern – Director of Regeneration and Growth/Gillian Douglas – Director of Housing and Communities</p>	Housing (Cllr Ahmed)	12 January 2022		



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
31	<p><b>Retro-fitting of Sprinklers in high-rise flats</b></p> <p>Contact Officer: J Rawlins</p> <p>Director: Gillian Douglas - Director – Housing and Communities</p>	Housing (Cllr Ahmed)	12 January 2022		Report



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
32	<p><b>West Bromwich Interim Planning Statement/Masterplan</b></p> <p>Contact Officer: Jenna Langford/Richard Reeves</p> <p>Director: Tony McGovern - Director of Regeneration &amp; Growth</p>	Regeneration and Growth (Cllr Padda)	12 January 2022		West Bromwich Interim Planning Statement/Masterplan



<p><b>33</b></p>	<p><b>Towns Fund Programme: Approval of Full Business Cases for Towns Fund Projects Tranche 3</b></p> <p>Tranche 3 Projects: -</p> <ul style="list-style-type: none"> <li>• West Bromwich Retail Diversification Programme</li> <li>• West Bromwich Town Hall Quarter</li> <li>• Smethwick Ron Davis Centre Expansion</li> <li>• Smethwick Midland Met Learning Campus</li> <li>• Smethwick Grove Lane Regeneration</li> <li>• Smethwick Rolfe Street Canalside Regeneration</li> <li>• Rowley Regis Canal Connectivity</li> <li>• Rowley Regis Satellite Education Hub</li> <li>• Rowley Regis Britannia Park Community Hub and Greenspace Improvements</li> <li>• Rowley Regis Blackheath Bus Interchange and Public Realm</li> <li>• Smethwick Albion Family in the Park West Bromwich, Smethwick and Rowley Regis Cycle and Walking Transport Schemes</li> </ul>	<p>Regeneration and Growth (Cllr I Padda)</p>	<p>January 2022 February 2022 (Private Item)</p>		<p>Towns Fund Heads of Terms Agreements with Government</p> <p>Full Business Case Document</p> <p>Capital Appraisal outcome</p>
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	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
	Contact Officer: Jenna Langford  Director – Tony McGovern, Regeneration and Growth				
34	<b>High Needs Block Funding Consultation</b>  Contact Officer: Moira Tallents  Director Children and Education	Children and Education (Cllr Simms)	9 February 2022	N/A	Report by  Director Children and Education



	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
35	<p><b>Domestic Abuse Strategy</b></p> <p>Contact Officer: Maryrose Lappin</p> <p>Director: Nicholas Austin – Director of Borough Economy</p>	Community Safety (Cllr Piper)	23 February 2022		



**Annual Programme Reminder (these items are not added automatically)**

	Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
	Review of Fees and Charges		January		
	Determination of Admission Priorities for Sandwell's Community and Voluntary Controlled Schools		January/February		
	Schools Funding		December/January		
	Quarter 3 Budget Monitoring		February		
	Council Finances		February		
	Financial Regulations		February		
	Business Plans		February		
	Highways Asset Management Plan		March		
	Local Transport Settlement		March		



Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
Revenues and Benefits Policy framework 2022/23		March		
Schools Capital Programme		April to June		
Financial Outturn		May		
Procurement and Contract Procedure Rules		July		
Review of Fees and Charges Sandwell Residential Education Services Centre Charges		May – July		
Childcare Sufficiency Report		July - September		
Quarter 1 Budget Monitoring		August		
Model Schools Pay Policy		October/ November		
Winter Service Operational Plan		October/November		
Road Safety Plan		November		



Title/Subject	Cabinet Portfolio Area	Decision Date	Pre-decision Scrutiny to be carried out? (Board and date)	List of documents to be considered
Quarter 2 Budget Monitoring		November		
Council Tax Base Calculation		December		
Business Rates Retention Estimates		December		
Council Tax Reduction Scheme		December		



The following items set out key decisions to be taken by the Executive in private session:-

Title/Subject	Cabinet Portfolio Area	Decision Date	Private Item – Reason for Exemption	List of documents to be considered
<p><b>SEND Transport – Future Arrangements</b></p> <p>Contact Officer: Sue Moore</p> <p>Director – Children’s Services</p>	<p>Children and Education (Cllr Simms)</p>	<p>15 December 2021</p>	<p>Commercial sensitivity</p>	
<p><b>Sandwell and Community Caring Trust Contract</b></p> <p>Contact Officer: Hannah Soetendal</p> <p>Director: Rashpal Bishop – Director of Adult Social Care</p>	<p>Adults, Social Care and Health (Cllr Hartwell)</p>	<p>15 December 2021</p>	<p>Commercial Sensitivity</p>	



Title/Subject	Cabinet Portfolio Area	Decision Date	Private Item – Reason for Exemption	List of documents to be considered
<p><b>Land on the west side of Tunnel Road, West Bromwich</b></p> <p>Contact Officer: George Singh Gurcha</p> <p>Director: Tony McGovern – Director of Regeneration and Growth</p>	<p>Regeneration and Growth (Cllr I Padda)</p>	<p>15 December 2021 (Private Item)</p>	<p>Contains financial information which may prejudice future negotiations &amp; personal information</p>	
<p><b>Towns Fund Programme: Approval of Full Business Cases for Towns Fund Projects Tranche 3</b></p> <p>Tranche 3 Projects: -</p> <ul style="list-style-type: none"> <li>West Bromwich Retail Diversification Programme</li> </ul>	<p>Inclusive Economic Growth</p>	<p>January 2022 February 2022</p>	<p>Commercial Sensitivity</p>	<p>Towns Fund Heads of Terms Agreements with Government</p> <p>Full Business Case Document</p>



Title/Subject	Cabinet Portfolio Area	Decision Date	Private Item – Reason for Exemption	List of documents to be considered
<ul style="list-style-type: none"> <li>• West Bromwich Town Hall Quarter</li> <li>• Smethwick Midland Met Learning Campus</li> <li>• Smethwick Grove Lane Regeneration</li> <li>• Smethwick Rolfe Street Canalside Regeneration</li> <li>• Rowley Regis Satellite Education Hub</li> <li>• Rowley Regis Britannia Park Community Hub and Greenspace Improvements</li> <li>• Rowley Regis Blackheath Bus Interchange and Public Realm</li> </ul> <p>Contact Officer: Rebecca Jenkins</p> <p>Director: Director for Regeneration and Growth</p>				<p>Capital Appraisal outcome</p>





## Work Programme 2021/22 Budget and Corporate Scrutiny Management Board

Meeting Date	Item	Links with Strategic Aims	Notes (Director Lead)
21 July 2021	Outturn 2020/21		Details of 2020/21 financial outturn including reasons for variances against budget for each directorate
21 September 2021	Qtr 1 Budget Monitoring 2021/22  Draft Corporate Plan  Update on Senior Management Staffing		Projected outturn for 2021/22 and reasons for projected variances  Engagement and outcomes of refresh of Corporate Plan and consideration of draft plan ( <b>Neil Cox</b> )  Requested at meeting held on 21/7
17 November 2021	Update on Senior Management Staffing		<b>Sue Stanhope</b>
1 December 2021	Health and wellbeing of the workforce linked to productivity and engagement		<b>Sue Stanhope</b>
	Qtr 2 Budget Monitoring 2021/22		As Qtr 1

26 January 2022	Update on the aquatic centre (financial implications)		Tony McGovern Chris Jones
8 February 2022	Budget 2022-23/Directorate Business Plans;		
16 March 2022	Q3 Budget Monitoring 2021/22		As Qtr 1

<b>Items to be scheduled</b>
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Digital platforms for council services linked with balancing the finance needed to invest in a new digital infrastructure and how the Council will measure the return on current communication platforms – Neil Cox
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<b>Scrutiny Review</b>
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