

## **Cabinet – 4 September 2019**

### **Corporate Financial Performance 2019/20 – April to July 2019**

**Portfolio:** Councillor M Bird – Leader of the Council (Lead Portfolio)

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** No

**Forward plan:** No

#### **1. Aim**

- 1.1 To identify the forecast revenue and capital position for the year, any underlying pressures and consider plans that may required to address this position in year or ongoing as part of the budget planning process.

#### **2. Summary**

- 2.1 The report provides the latest forecast of the revenue and capital position for 2019/20 as at 31 July 2019.
  - (i) A forecast revenue overspend of £1.70m, after use of reserves and assuming successful delivery of corrective action plans identified to date. On-going pressures identified will need to be considered as part of the 2020/21 budget process.
  - (ii) A number of amendments to the capital programme for approval, as set out in section 4.10 of the report.
  - (iii) The forecast for the council funded capital programme is currently expected to be on budget after rephasing of £3.10m into 2020/21.
  - (iv) Performance against an agreed set of financial health indicators, which are forecast to be achieved.
  - (v) Performance against an agreed set of prudential indicators, which are forecast to be achieved.

#### **3. Recommendations**

- 3.1 That the forecast revenue overspend of £1.70m, after use of reserves and successful delivery of corrective action plans identified to date and that on-going pressures will need to be addressed as part of the 2020/21 budget process be noted.
- 3.2 That amendments to the capital programme as set out in section 4.10 be approved.

- 3.3 That the forecast council funded capital programme is expected to be on budget after rephasing of £3.10m into 2020/21.
- 3.4 That the financial health indicator performance as set out in Appendix 1 be noted.
- 3.5 That the prudential indicators as set out in Appendix 2 be noted.

#### 4. Know

##### Context

- 4.1 Cabinet receives regular financial reports to allow it to oversee the financial performance of the council and consider plans for corrective action, and therefore is familiar with the significant level of demand pressures faced by Adult Social Care and Children's in particular.

##### **Revenue Forecast 2019/20**

- 4.2 Walsall Council has a track record of managing financial pressures and action has been taken to mitigate current and future cost pressures, however demand pressures within Adult Social Care and Children's continue to exist. The current council wide forecast shows an overspend of £1.70m after corrective action and work continues to ensure the council outturns within budget by year-end.
- 4.3 Table 1 below summarises the 2019/20 budget and the draft outturn after successful delivery of corrective actions.

<b>Table 1: Forecast revenue analysis 2019/20 by Directorate</b>			
<b>Directorate</b>	<b>Net Budget £m</b>	<b>Year end forecast £m</b>	<b>Forecast Variation to Budget (Under) / Over £m</b>
Adult Social Care	61.37	61.80	0.43
Children's Services	54.64	55.13	0.49
Economy & Environment	30.11	30.83	0.72
Resources & Transformation	31.07	31.13	0.06
<b>Services Position</b>	<b>177.19</b>	<b>178.89</b>	<b>1.70</b>
Capital Financing	18.91	18.91	0.00
Central budgets	(74.72)	(74.72)	0.00
<b>Total council tax requirement</b>	<b>121.38</b>	<b>123.08</b>	<b>1.70</b>

##### **Directorate Summary**

##### *Adult Social Care*

- 4.4 The current net forecast position, after the net use of reserves and prior to any mitigating action is an overspend of £750k which results from delayed delivery of savings, and areas of spend increases as a result of demand. After mitigating actions of £320k the forecast position is an over spend of £430k.

The main reasons for the current forecast over spend are:

- (£260k) – Net impact of vacant posts within the directorate partially offset against agency staff costs.
- £120k – Additional demand on rapid response, reablement hours and discharge to assess beds.
- £320k – delays in procure to pay savings offset by action plan
- £540k – demand management due to additional package / placement costs

Further actions are being developed which offer potential to mitigate the residual overspend which will be reported in the next report to Cabinet.

### *Children's Services*

- 4.5 The current net forecast position, after the net use of reserves and prior to mitigating action, would be an over spend of £1.53m, which results from delayed delivery of savings, use of agency across Children's Social Care and increases in demand for home to school transport. After mitigating actions of £1.04m the forecast position is an overspend of £489k.

Pressures under review totalling an overspend of £1.04m and currently funded via the directorate action plan include:

- £310k Agency staff costs across children's social care where staff are covering essential posts within the teams. An action plan is to be developed by the service managers to mitigate this pressure.
- £630k home to school transport due to an increase in the number of children being transported along with their transport needs.
- £24k from a pressure in Early Help 0-19 model due to the remaining in-house childcare provision. Discussions are underway about the future of this service and a decision is expected to be made as part of budget setting. This is being mitigated by efficiencies identified by the directorate.
- £76k pressure within children's social care relating to additional management costs.

Unfunded pressures totalling £489k for which mitigating actions need to be identified are:

- £70k social care management costs within the fostering and adoption team that is covered by agency staff;
- £63k part year effect of £250k savings relating to the review of preventative services i.e. Spindletree due to a delay in implementation;
- £57k part year effect of savings relating to review of Bluebells residential short break provision. This is the impact of changes not being implemented until July 2019, realising £115k out of £172k planned savings;

### *Economy and environment*

- 4.6 The current net forecast position, after use of reserves and prior to any mitigating action is an overspend of £719k. The main reasons for the overspend are:

- Clean and Green – relating to the retendering of the Dry Mix Recycling contract £750k. This will be funded from one-off general reserves for 2019/20 only as approved by Cabinet in June 2019.

- Leisure Culture and Operations £452k – £252k relates to Active Living due to a shortfall in income and additional salary costs above budget; Bereavement Services £110k mainly due to income shortfall and coroners costs; Sports Development £54k which mainly relates to Outdoor Pursuits; Non-achievement of 2019/20 saving relating to the District libraries review of staffing £108k (following delays in implementation of OpenPlus), partly offset by vacant posts within other areas of the library and local history centre service resulting in a £55k overspend.
- Energy savings from major street lighting invest to save - due to numerous delays and other issues surrounding the procurement and legal processes it is very unlikely this saving of £450k will be achieved in 2019/20. It will be fully mitigated from use of the Street Lighting reserve.
- Planning, Engineering and Transportation £332k – this is mainly due to income shortfalls in planning of £375k. This is due to the temporary government imposed changes to planning that allowed certain developments without an associated fee, which has now been made permanent from 25 May 2019 and the uncertainty around Brexit continuing to impact on major development applications.

#### *Resources and Transformation*

4.7 The current net forecast position, after use of reserves and prior to any mitigating action is an overspend of £428k. An action plan of £362k reduces the overspend to £66k. The main reasons for the overspend are:

- IFM - £481k relating to increased centralised maintenance costs and pressures within Cleaning. An action plan of £362k has been implemented across business change to reduce this pressure, including a review to identify areas of cost reduction within IFM.
- Electoral services - £108k due to increased administration costs not fully covered by grant income.
- MHJ (£65k) underspend relating to increased housing benefit overpayment recovery income, net of increased IT system costs.
- Other minor underspends of (£96k) across the Directorate

#### *Capital Financing and Central budgets*

4.8 Currently forecast to be on budget.

#### ***Business Rates Retention Scheme***

4.9 The cost to the general fund in 2019/20 is £0.74m, calculated by taking the actual deficit from 2017/18 and then adjusting for the estimated deficit for 2018/19. In line with the 100%, Business Rates Retention Pilot Walsall funds 99% of the deficit with the Fire Authority funding the remaining 1%. The rolling MTFO takes this into account.

## Capital Programme 2019/20

- 4.10 The capital programme as reported to Council on 28 February 2019 totalled £73.48m. **Table 2** summarises amendments, resulting in a programme of £124.00m.

<b>Table 2 : Amendments to Capital Programme 2019/20</b>	
<b>Project</b>	<b>£m</b>
<b>Capital programme 2019/20 per Council 28 February 2019</b>	<b>73.48</b>
<b>Council Funded Resources</b>	
Carry forwards from 2019/20 as approved by Cabinet 19 June 2019	13.96
Strategic Acquisition of Third Sector Hub – part rephased into 2020/21	(1.00)
Highways Maintenance	0.28
Challenge Block	0.87
Oak Park Car Park – funded from 2018/19 underspend	0.14
Two Year old provision*	0.44
SEND Places provision*	0.81
PRU Places provision*	0.45
<b>Externally Funded Resources</b>	
Carry forwards from 2019/20 as approved by Cabinet 19 June 2019	32.75
Capital maintenance school allocation – confirmation of grant	(0.15)
Special Provision Fund – confirmation of grant	0.67
West Midlands Strategic Transport Plan – confirmation of grant	(0.01)
National Productivity Investment Fund – confirmation of grant	(0.01)
Pelsall Memorial Garden – new grant allocation	0.03
Fibbersley Local Nature Reserve – new grant allocation	0.05
M6 J10 Designated Funds - new grant allocation	0.75
Pothole funding – new grant allocation	0.16
Incentive Fund – new grant allocation	0.41
Yorks Bridge – budget held centrally moved from 2016/17 to 2019/20	0.08
Disabled Facilities Grant – confirmation of grant	(0.17)
Devolved Formula Capital – confirmation of funding	0.01
<b>Revised capital programme 2019/20</b>	<b>124.00</b>

*\* funded via a revenue contribution to capital*

- 4.11 **Table 3** summarises the 2019/20 capital programme and forecast outturn after the re-phasing of projects into 2020/21.

<b>Table 3: Forecast capital analysis 2019/20</b>					
<b>Directorate</b>	<b>Budget £m</b>	<b>Predicted year end forecast £m</b>	<b>Variance before Carry forward £m</b>	<b>Carry Forward £m</b>	<b>Variance Over / (Under) £m</b>
Council funded	32.34	29.24	(3.10)	3.10	(0.00)
Externally Funded	91.66	71.71	(19.95)	19.95	(0.00)
<b>Total</b>	<b>124.00</b>	<b>100.95</b>	<b>(23.05)</b>	<b>23.05</b>	<b>(0.00)</b>

- 4.12 The council funded element of the capital programme currently shows predicted re-phasing of £3.10m from 2019/20 to 2020/21 as shown in **table 4**. Re-phasing occurs for a number of reasons such as late confirmation of grant approvals, timing of projects that may fall over more than one financial year, contract delays out of our control as awaiting funding or Government approval, etc.

<b>Table 4: Re-phasing of Council funded schemes 2019/20 to 2020/21</b>	
<b>Project</b>	<b>£m</b>
ICT-Safe and Secure Environment	1.30
ICT-Safe and Secure Environment Wyse	0.60
Proud - ICT	0.13
Civic Centre heating	0.58
Council House rewiring	0.49
<b>Total</b>	<b>3.10</b>

### ***Financial Health Indicators***

- 4.13 Appendix 1 contains financial health indicator performance as at quarter 1 as at 30 June 2019. Management of Resources for Revenue and Capital have both been updated to show position as at 31 July 2019. The primary purpose of these is to advise Cabinet of the current financial health of the authority in order to provide assurance to them in their role. The indicators cover a number of areas as follows:

#### ***Treasury Management***

- 4.14 The indicators show the actual borrowing and investment rates for 2018/19 and the forecast for 2019/20 against set targets. Proactive and robust management of the council's debt and investment portfolios is forecast to result in positive variances against the financial health indicator targets for 2019/20.

Average interest rates on borrowing show a significant improvement against targets as a result of the council taking out new borrowing at favourable rates, whilst repaying older loans at maturity at higher interest rates.

Despite low interest rates the council is currently achieving an average investment rate of 1.20% against a target of 1.08% through negotiations to secure favourable rates when considering investment options, and through the review and identification of new and appropriate opportunities for investment.

#### ***Balance Sheet***

- 4.15 This details ratios for the last 4 financial years 2014/15, 2015/16, 2016/17, 2017/18 and post-audit figures for 2018/19 which show the liquidity of the authority.

#### ***Revenue performance***

- 4.16 This section shows collection rates for council tax and business rates, the average number of days to collect sundry debt and the number of days to process creditor payments for 2018/19 and the performance against profile for 2019/20. Sundry debt collection is better than the target by 5 days with performance in relation to the processing of creditor payments also better by 3 days. Council tax collection is just short of the target with business rates showing a small over achievement against target.

## *Management of Resources*

- 4.17 This section details the outturn position for 2018/19 (post audit) and 2019/20 year-end forecast for revenue and capital, which is based on the financial position as at 31 July 2019. The revenue forecast for 2019/20 shown is an overspend of £1.70m after successful delivery of corrective action plans.
- 4.18 Mainstream capital (funded from the council's own resources) as at 31 July 2019 is forecast to be on budget after rephasing of £3.1m into 2020/21. Capital receipts are currently forecast to achieve the target as set out, but this is dependent on timing and market conditions.

## ***Prudential Indicators***

- 4.19 Appendix 2 contains the prudential indicators as at quarter 1. The primary purpose of these is to provide assurance to Cabinet that the authority is borrowing and investing in a sound and prudent manner. Indicators are approved by Council on an annual basis.

## *National Indicators*

- 4.20 These indicators are nationally set and provide an indication of the council's exposure to interest rate risks, the proportion of the council's budget used to finance capital expenditure and the borrowing limits for the current year.

All of these indicators were met in 2018/19 and are forecast to be met in 2019/20.

## *Local Indicators*

- 4.21 These indicators have been set in consultation with the Treasury Management Panel which is chaired by the s151 Officer, to provide further assurances to the authority that borrowing and investment is being undertaken in a sound and prudent manner.

Key variances to these targets are due to the following reasons:

*L3b Net borrowing costs as % of Tax Revenue* (variance of -68.60%). The target figure of 20.0% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.

*L8 Average interest rate received on short term interest vs. the 7 day LIBID rate* (Variance of 10.30%). Whilst not currently at a target of 75 basis points above LIBID the council is achieving 67 basis points over LIBID as a result of its investment strategy and from seeking new investment opportunities.

*L9, L10 & L11 – Interest Rates received* – all 5 of the indicators within L9, L10 and L11 are currently being exceeded. This is in the main due to the ongoing negotiations being undertaken by the service to secure favourable rates when considering investment options, and through the review and identification of new and appropriate opportunities for investment

## **Council Corporate Plan Priorities**

- 4.22 The annual budget process is designed to ensure that resources follow council priorities as set out in the Corporate Plan.

### **Risk Management**

- 4.23 Risk management is embedded in budget monitoring and forecasting to enable potential budget variances and risks to be identified early and addressed. A number of assumptions have been made in the forecast figures by managers. Significant risks have been identified, monitored and reported on throughout the year, as appropriate. Some significant risks are currently being managed; if they occur, further action may be required.

### **Financial Implications**

- 4.24 The implications are as set out in the main body of this report. Any deficit at year-end will require funding from general reserves, reducing the level of reserves available for future use.

### **Legal implications**

- 4.25 The council is required to set and operate within a balanced budget.

### **Procurement Implications / Social Value**

- 4.26 None directly associated with this report.

### **Property implications**

- 4.27 None directly associated with this report.

### **Health and wellbeing implications**

- 4.28 This report is prepared with consideration of health and wellbeing implications.

### **Staffing Implications**

- 4.29 None directly associated with this report.

### **Reducing Inequalities**

- 4.30 None directly associated with this report.

### **Consultation**

- 4.31 The report is prepared in consultation with the s151 Officer, relevant managers and executive directors.



## 5. Decide

- 5.1 To approve the amendments to the capital programme in year as outlined in 4.10, and to instruct officers to take appropriate action in year to address areas of overspend and to manage risk to ensure the Council outturns within budget.

## 6. Respond

- 6.1 Action plans to be developed by officers to address areas of overspend, to ensure the Council outturns within budget.

## 7. Review

- 7.1 Monitoring reports will be presented to Cabinet on a quarterly basis during 2019/20 to inform them of the latest financial forecast. This will highlight where actions need to be taken, and the effect of these on the financial forecast.

**Background papers:** Various financial working papers.

### Appendices:-

- 1 Financial Health Indicators – Qtr 1 2019/20
- 2 Prudential Indicators – Qtr 1 2019/20
- 3 A. Council Funded Capital Schemes as at 31 July 2019  
B. Externally Funded Capital Schemes as at 31 July 2019  
C. Children's Services Capital Maintenance allocation as at 31 July 2019  
D. Children's Services Basic Need allocation as at 31 July 2019

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James T. Walsh  
Executive Director / s151 Officer  
27 August 2019



Councillor M Bird  
Leader of the Council  
27 August 2019

## Financial Health Indicators – Qtr 1 2019/20

<b>Treasury Management</b>	<b>2018/19 Actual</b>	<b>2019/20 Target</b>	<b>2019/20 Actual</b>
Average Interest Rate (Borrowing)	3.69%	3.69%	3.44%
- Excluding OLA	3.83%	3.93%	3.58%
- Including OLA			
Gearing Effect on Capital Financing Estimates	3.89%	5.00%	3.89%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	4.06%	4.32%	4.30%
Capital Financing Requirement (£m)	357.672	381.564	381.564
Authorised limit for external Debt (£m)	442.096	458.391	458.391
Investment Rate Average	1.37%	1.08%	1.20%

<b>Balance Sheet Ratios</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Current Assets : Current Liabilities	2.44	1.77	1.86	1.03	1.68
Useable Reserves : General Revenue Expenditure	0.66	0.57	0.63	0.65	0.72
Long Term Borrowing : Tax Revenue (Using both council tax and NNDR for tax revenue)	1.69	1.45	1.41	1.20	1.36
Long Term Assets : Long Term Borrowing	2.10	2.29	2.29	2.34	2.05
Total School Reserves : Dedicated School Grant	0.09	0.07	0.05	0.05	0.06

<b>Revenues Performance</b> % collected for financial year	<b>2017/18 Actual Collected in total @ 30.06.19</b>	<b>2018/19 Actual Collected in total @ 30.06.19</b>	<b>2019/20</b>	
			<b>Profiled 2019/20</b>	<b>Actual 2019/20</b>
Council tax %	97.0%	95.5%	26.5%	26.2%
Total Council Tax collected (£m)	£119,727,291	£125,725,099	£36,900,000	£36,477,981
National Non Domestic Rate %	98.6%	98.2%	31.5%	31.9%
Total NNDR collected (£m)	£70,035,222	£71,908,812	£23,750,000	£24,061,504

<b>Debtors and Creditors Performance</b>	<b>2018/19 Actual</b>	<b>2019/20</b>	
		<b>Target</b>	<b>Actual</b>
Sundry Debtors Collection – Average number of days to collect debt	25 days	30 days	25 days
Average number of days to process creditor payments*	10 days	14 days	11 days

<b>Management of Resources</b>	<b>2019/20</b>		
<b>Service Analysis</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Children's Services	54,641,680	55,130,678	488,998
Economy and Environment	30,111,452	30,829,966	718,514
Adult Social Care	61,372,524	61,801,565	429,041
Resources and Transformation	31,065,281	31,131,485	66,204
Council Wide	34,079,617	34,079,617	0
NNDR/Top Up	(89,892,442)	(89,892,442)	0
<b>Total Net Revenue Expenditure</b>	<b>121,378,112</b>	<b>123,080,869</b>	<b>1,702,757</b>
General Reserves	<b>Minimum £6.2m Maximum £15.5m</b>	<b>15,231,303</b>	<b>N/A</b>
Council Funded Capital Expenditure	32,342,015	29,246,921	(3,095,094)
External Funded Capital Expenditure	91,657,336	71,711,307	(19,946,029)
<b>Total Capital Expenditure</b>	<b>123,999,351</b>	<b>100,958,228</b>	<b>(23,041,123)</b>
Capital Receipts	1,869,868	1,869,868	0

<b>Management of Resources</b>	<b>2018/19</b>		
<b>Service Analysis</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Children's Services	70,664,015	71,669,960	1,005,945
Economy and Environment	61,914,032	61,985,735	71,703
Adult Social Care	63,562,891	63,818,184	255,293
Resources and Transformation	22,222,583	20,886,323	(1,336,260)
Council Wide	(5,722,918)	(6,157,256)	(434,338)
NNDR/Top Up	(97,654,687)	(97,654,687)	0
<b>Total Net Revenue Expenditure</b>	<b>114,985,916</b>	<b>114,548,259</b>	<b>(437,657)</b>
General Reserves	<b>Minimum £6.2m Maximum £15.5m</b>	<b>£15,668,960</b>	<b>N/A</b>
Council Funded Capital Expenditure	39,841,056	22,345,885	(17,495,172)
External Funded Capital Expenditure	66,251,411	33,501,767	(32,749,645)
<b>Total Capital Expenditure</b>	<b>106,092,467</b>	<b>55,847,652</b>	<b>(50,244,817)</b>
Capital Receipts	2,081,800	1,130,132	(951,668)

### ***Notes to Management of Resources***

The figures for 2018/19 represent the actual budget and spend for each area within the authority. This will include all internal recharges such as office accommodation, central support services, and accounting adjustments for pension liability in line with FRS17 and capital charges. Capital charges and pension liability year end transactions can change substantially at year end as this is when revaluations of assets and figures from the actuary are received and budgets updated to reflect any changes.

There are planned use of general reserves as approved by Cabinet, which reduces the opening balance of general reserves on 1 April 2019 to £14.85m, in line with the MTFS.

## What this tells us

Treasury Management	
Average Interest Rate (Borrowing)	The average interest rate we are paying on the money we have borrowed compared to our target.
Gearing Effect on Capital Financing Estimates	Shows how a 1% increase in interest rates would affect the total interest cost to the council.
Net Borrowing Costs / Tax Requirement	Borrowing not financed by a grant from government, as a proportion of our Net Revenue Expenditure
Capital Financing Requirement (£m)	How much money we currently borrow to finance our capital programme.
Authorised limit for external Debt (£m)	The maximum amount of debt we should have at any one time
Investment Rate Average	The average interest rate we are receiving on the money we have invested.

Balance Sheet Ratios	
Current Assets : Current Liabilities	Our ability to meet our liabilities
Useable Reserves : General Revenue Expenditure	If our reserves are adequate to meet potential future variations.
Long Term Borrowing : Tax Revenue  Using only council tax for tax revenue Using both council tax and NNDR for tax revenue	The effect of long term borrowing on our budget.
Long Term Borrowing : Long Term Assets	This allows us to understand the relationship between the money we borrow and the assets we have as they both change over time.
Total School Reserves : Dedicated School Grant	If schools reserves are at an appropriate level.

<b>Revenues Performance</b>	
<b>% Collected for Financial Year</b>	As a percentage the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that its related to, but this won't be included in this figure
Council Tax (%)	
National Non Domestic Rate (%)	As a percentage the amount of Business rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it related to.
Total Council Tax Collected (£m)	This tells us the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Total NNDR Collected (£m)	This tells us the amount of Business Rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Sundry Debtors Collection Average number of days to collect debt	How long on average it takes us to collect money owed to us.
Average number of days to process creditors payments	How long on average it takes to pay our bills.

<b>Management of Resources</b>	
<b>Service Analysis</b>	
Children's Services Economy and Environment Adult Social Care Resources and Transformation Council Wide	Shows our forecast for how much we will spend on these services compared to what we planned and compared to how much we spent in the previous year.
General Reserves	Our forecast year end position on reserves against our opening balance.
Contingency	How much we have set aside and for unplanned expenditure, and how much we have left to spend.
Capital Expenditure	Forecast of our spend on capital programmes against our target
Capital Receipts	Forecast of how much money we expect to receive from selling some of our assets, against our target.

## Prudential Indicators – Qtr 1 2019/20

National Indicators – as per CIPFA Prudential Code

Ref	Prudential Indicator Description	2018/19 Actual £m	2019/20 Target £m	2019/20 Actual £m	Variance to Target	
Prl 1	Capital Expenditure	57.07	73.48	73.42	-0.06	-0%
Prl 2	Ratio of financing costs to net revenue stream	4.46%	4.32%	4.30%	-0.02	-1%
Prl 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£24.14	£15.36	£15.36	0.00	0%
Prl 4	Capital Financing Requirement	357.67	381.56	381.56	0.00	0%
Prl 5	Authorised Limit for external debt	442.09	458.39	458.39	0.00	0%
Prl 6	Operational Limit for external debt	401.90	416.72	416.72	0.00	0%

Ref	Prudential Indicator Description	2018/19	2019/20
Prl 7	Gross Borrowing exceeds capital financing requirement	No	No
Prl 8	Authority has adopted CIPFA Code of Practice for Treasury Management	Yes	Yes

Ref	Prudential Indicator Description	2018/19 Actual £m	2019/20 Target £m	2019/20 Actual £m
Prl 9	Total principle sums invested for longer than 365 days must not exceed	15.0	25.0	15.0

Ref	Prudential Indicator Description	Upper Limit	Lower Limit	Actual 2018/19	Actual 2019/20
Prl 10	Fixed Interest Rate Exposure	95.00%	40.00%	93.51%	<b>93.51%</b>
Prl 11	Variable Interest Rate Exposure	45.00%	0.00%	6.49%	<b>6.49%</b>
Prl 12	<b>Maturity Structure of Borrowing:</b>				
	Under 12 months	25.00%	0.00%	12.91%	<b>12.91%</b>
	12 months and within 24 months	25.00%	0.00%	4.87%	<b>6.49%</b>
	24 months and within 5 years	40.00%	0.00%	26.41%	<b>24.78%</b>
	5 years and within 10 years	50.00%	5.00%	8.20%	<b>8.20%</b>
	10 years and above	85.00%	30.00%	47.61%	<b>47.61%</b>

## Local Indicators – As recommended by Treasury Management Panel

Ref	Prudential Indicator Description	2018/19 Actual	2019/20 Target	2019/20 Actual	Numerical Variance to Target	% Variance to Target	Met
L1	Full compliance with Prudential Code.	Yes	Yes	Yes	N/A	N/A	Y
L2	Average length of debt.	18.37 years	15-25 years	18.13	N/A	N/A	Y
L3a	Net borrowing costs as % of net council tax requirement.	6.54%	20.00%	6.30%	-13.70%	-68.50%	Y
3b	Net borrowing costs as % of Tax Revenue.	4.06%	12.50%	3.92%	-8.58%	-68.60%	Y
L4	Actual debt vs. operational debt.	75.20%	85.00%	72.53%	-12.47%	-14.67%	Y
L5	Average interest rate of external debt outstanding excluding former WMCC debt	3.69%	3.69%	3.44%	-0.25%	-6.70%	Y
L6	Average interest rate of external debt outstanding including former WMCC debt	3.83%	3.93%	3.58%	-0.34%	-8.69%	Y
L7	Gearing effect of 1% increase in interest rate (expressed as the potential increase to the rate shown in L6 i.e. shows what the rate included in L6 would change to).	3.89%	5.00%	3.89%	-1.11%	-22.20%	Y
L8	Average interest rate received on STI vs. 7 day LIBID rate.	0.77%	0.75%	0.67%	-0.08%	-10.30%	N
L9	<b>Average interest rate received:</b>						
L9a	AT call investments.	0.55%	0.60%	0.67%	0.07%	11.67%	Y
L9b	Short Term Investments.	1.09%	1.10%	1.24%	0.14%	12.73%	Y
L9c	Long Term Investments.	1.37%	1.40%	1.59%	0.19%	13.57%	Y
L10	Average interest rate on all ST investments (ST and AT call)	0.98%	1.04%	1.20%	0.16%	15.38%	Y
L11	Average rate on all investments.	1.37%	1.08%	1.20%	0.12%	11.11%	Y
L12	% daily bank balances within target range.	100%	99%	100%	1.00%	1.01%	Y



## Appendix 3a

### Council Funded Capital Schemes as at 31 July 2019

COUNCIL FUNDED SCHEMES	2019/20 Budget £	Estimated Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend) / overspend £
<b>ADULT SOCIAL CARE</b>					
Mosaic Implementation (Phase 3)	49,076	49,076	0	0	0
Mosaic Mobile Working	71,835	71,835	0	0	0
<b>ADULT SOCIAL CARE COUNCIL FUNDED TOTAL</b>	<b>120,911</b>	<b>120,911</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHILDREN'S SERVICES</b>					
Looked after children out of borough placements	290,000	290,000	0	0	0
2 year old (RCCO)	437,084	437,084	0	0	0
Corporate Parenting, Contract & Assessment Hub	32,804	32,804	0	0	0
Looked after children small residential home	60,000	60,000	0	0	0
PRU Places Provision (RCCO)	453,999	453,999	0	0	0
School Estate Condition Survey	250,000	250,000	0	0	0
School Temporary Classrooms	250,000	250,000	0	0	0
SEND Places Provision (RCCO)	805,918	805,918	0	0	0
<b>CHILDREN'S SERVICES COUNCIL FUNDED TOTAL</b>	<b>2,579,805</b>	<b>2,579,805</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ECONOMY &amp; ENVIRONMENT</b>					
Arboretum Events Field-drainage scheme (RCCO)	1,433	1,433	0	0	0
Broadway West Playing Fields	92,000	92,000	0	0	0
Clayhanger Playing Fields	53,713	53,713	0	0	0
Open Water	2,000	2,000	0	0	0
St Peter Church repairs to surrounding wall	24,431	24,431	0	0	0
Walsall Arboretum Car Park	9,106	9,106	0	0	0
Walsall Arboretum Restoration Programme - illuminated Park proposals	5,242	5,242	0	0	0
Willenhall Memorial Park	6,168	6,168	0	0	0
Headstone safety in Cemeteries (RCCO)	40,000	40,000	0	0	0

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>Estimated Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend) / overspend £</b>
Installation of air conditioning & refurb of public toilets	215,351	215,351	0	0	0
Replacement cemeteries administration system	75,000	75,000	0	0	0
Replacement Fencing at Streetly Cemetery	16,000	16,000	0	0	0
Willenhall Lawn Cemetery Extension & land development	832,800	832,800	0	0	0
Oak Park Car Park	284,890	284,890	0	0	0
Library Redesign - Lichfield Street Hub	143,708	143,708	0	0	0
Open Plus in Libraries	271,696	271,696	0	0	0
Single Library Management System	54,910	54,910	0	0	0
Community Dropped Crossings	20,000	20,000	0	0	0
District Town Centre's Public Realm Improvements	2,405,330	2,405,330	0	0	0
Highways maintenance	2,927,999	2,927,999	0	0	0
Hatherton Road Car Park	255,093	255,093	0	0	0
Promotion of Community Health & Safety	240,000	240,000	0	0	0
Replacement of obsolete analogue weather stations	30,000	30,000	0	0	0
Replacement of speed enforcement camera	175,000	175,000	0	0	0
A454 Black Country Route carriageway surface treatment	450,000	450,000	0	0	0
Hatherton Road MSCP structural maintenance	200,000	200,000	0	0	0
Challenge Block	881,668	881,668	0	0	0
New Homes Bonus	204,093	204,093	0	0	0
Regenerating Walsall	233,877	233,877	0	0	0
Rushall Olympic Football Club	5,833	5,833	0	0	0
Town and District Centres Public Realm	770,500	770,500	0	0	0
Walsall Market	40,516	40,516	0	0	0
Streetly Youth Club Demolition Works	22,000	22,000	0	0	0
Town Centre Masterplan	250,000	250,000	0	0	0
Town Centre Strategic Acquisition for Third Sector Hub & operational accommodation	1,530,480	1,530,480	0	0	0
DSDA	44,275	44,275	0	0	0
New Rail Stations-local contributions	1,000,000	1,000,000	0	0	0

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>Estimated Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend) / overspend £</b>
Town and District Centres Public Realm	229,500	229,500	0	0	0
Walsall Town Centre Public Realm Improvements	229,500	229,500	0	0	0
Primark & Co-op development	1,640	1,640	0	0	0
Saddlers Centre Shopping Centre	468,444	468,444	0	0	0
<b>ECONOMY AND ENVIRONMENT COUNCIL FUNDED TOTAL</b>	<b>14,744,196</b>	<b>14,744,196</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Bentley Community Facility	10,000	10,000	0	0	0
CCTV	268,511	268,511	0	0	0
Improving security in local neighbourhoods	2,927	2,927	0	0	0
Refurbishment of Orchard Pavilion	148,350	148,350	0	0	0
Council Chamber Refurbishment	200,000	200,000	0	0	0
Procurement system for (HRMS) and Oracle EBS financials	2,317,471	2,317,471	0	0	0
Aids and adaptations (statutory element)	400,000	400,000	0	0	0
Health through warmth and related Retro Fit schemes	75,000	75,000	0	0	0
Data backup system replacement	50,000	50,000	0	0	0
Data Centre Power Backup	266,730	266,730	0	0	0
Essential microsoft upgrades & foundation for Office 365	274,336	274,336	0	0	0
Essential refurb Council's digital data storage facilities	41,588	41,588	0	0	0
Essential upgrade to current supported version of windows server	10,381	10,381	0	0	0
Essential warranty extension & eventual replacement of hardware for Council's finance system	16,325	16,325	0	0	0
ICT-Safe and Secure Environment	3,727,557	2,427,557	(1,300,000)	(1,300,000)	0
ICT-Safe and Secure Environment Wyse	1,810,892	1,210,892	(600,000)	(600,000)	0
ICT Wide Area Network	12,462	12,462	0	0	0
Proud - ICT	200,000	70,000	(130,000)	(130,000)	0
Resource & consultancy to upgrade Win2008 server	200,000	200,000	0	0	0
Single mobile devices for use within the new in-Tune platform	51,000	51,000	0	0	0
Transformation Programme	455,000	455,000	0	0	0
Asbestos Removal	75,191	75,191	0	0	0

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>Estimated Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend) / overspend £</b>
Council House General Heating	50,000	50,000	0	0	0
Council House Smoke & Heat Detection Fire Alarm	333,000	333,000	0	0	0
Operation Repair & Maintenance of Council Buildings	500,000	500,000	0	0	0
Planned property maintenance	42,542	42,542	0	0	0
Print & Design upgraded lighting & ventilation system	24,000	24,000	0	0	0
Safe water supplies	90,602	90,602	0	0	0
Statutory Testing	257,499	257,499	0	0	0
Civic Centre heating	1,146,646	573,323	(573,323)	(573,323)	0
Community Association Refurbishments	59,718	59,718	0	0	0
Council House BMS	68,296	68,296	0	0	0
Council House rewiring	983,542	491,771	(491,771)	(491,771)	0
Darlaston Town Hall-asbestos & fire safety works	18,400	18,400	0	0	0
Fire risk assessment	258,002	258,002	0	0	0
Schools Project	244,005	244,005	0	0	0
Walsall Council House-modern secure reception	44,550	44,550	0	0	0
Willenhall Lane Travellers Site	85,000	85,000	0	0	0
Capital Contingency	77,579	77,579	0	0	0
<b>RESOURCES AND TRANSFORMATION COUNCIL FUNDED TOTAL</b>	<b>14,897,102</b>	<b>11,802,008</b>	<b>(3,095,094)</b>	<b>(3,095,094)</b>	<b>0</b>
<b>TOTAL COUNCIL FUNDED</b>	<b>32,342,015</b>	<b>29,246,921</b>	<b>(3,095,094)</b>	<b>(3,095,094)</b>	<b>0</b>

## Appendix 3b

### Externally Funded Capital Schemes as at 31 July 2019

EXTERNALLY FUNDED SCHEMES	2019/20 Budget £	Estimated Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend) / overspend £
<b>ADULT SOCIAL CARE</b>					
Integrated Community Equipment	750,000	750,000	0	0	0
Better Care Fund Community Capacity Grant	51,990	51,990	0	0	0
<b>ADULT SOCIAL CARE EXTERNALLY FUNDED TOTAL</b>	<b>801,990</b>	<b>801,990</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHILDREN'S SERVICES</b>					
Academies	407,438	407,438	0	0	0
Basic need	30,054,297	10,609,981	(19,444,316)	(19,444,316)	0
Capital maintenance	3,120,646	2,760,459	(360,187)	(360,187)	0
Devolved formula capital	2,405,985	2,405,985	0	0	0
Healthy Pupils Capital Fund	203,185	203,185	0	0	0
Section 106	99,727	99,727	0	0	0
Special Provision Fund	1,306,611	1,306,611	0	0	0
Universal infant free school meals	9,610	9,610	0	0	0
<b>CHILDREN'S SERVICES EXTERNALLY FUNDED TOTAL</b>	<b>37,607,499</b>	<b>17,802,996</b>	<b>(19,804,503)</b>	<b>(19,804,503)</b>	<b>0</b>
<b>ECONOMY &amp; ENVIRONMENT</b>					
Pelsall Memorial Garden	29,909	29,909	0	0	0
Fibbersley Local Nature Reserve	50,000	50,000	0	0	0
Broadway West Playing Fields	150,000	150,000	0	0	0
Reeds, Wood & Water Project	5,166	5,166	0	0	0
Rethinking Parks (Connecting Walsall Green Spaces)	119,000	119,000	0	0	0
Walsall arboretum restoration programme	73,607	73,607	0	0	0
Waste infrastructure capital grant	226,980	226,980	0	0	0

<b>EXTERNALLY FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>Estimated Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend) / overspend £</b>
Additional Highway Maintenance pothole funding	154,600	154,600	0	0	0
Oak Park-Artificial Grass Pitch	300,000	300,000	0	0	0
Development of Highways Asset Management Plan (HAMPS)	9,602	9,602	0	0	0
LTP Highway Maintenance Programme	1,943,000	1,943,000	0	0	0
LTP including bridge strengthening 2010/11	232,363	232,363	0	0	0
LTP Yorks Bridge	80,000	80,000	0	0	0
Network Rail Scheme-Level Crossing	70,615	70,615	0	0	0
Pedestrian Crossing on Northgate	11,379	11,379	0	0	0
Capital Block DFT Fund	1,183,269	1,183,269	0	0	0
Growth Deal	25,944,149	25,944,149	0	0	0
M6 Junction 10 Highway Improvements	14,270,000	14,270,000	0	0	0
Regenerating Walsall - Private Contributions	8,746	8,746	0	0	0
M6 J10 Designated funds NMU Route	750,814	750,814	0	0	0
M6 Junction 10 Highway Improvements	141,526	0	(141,526)	(141,526)	0
National Productivity Investment Fund	3,256,515	3,256,515	0	0	0
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1,955,611	1,955,610	0	0	0
<b>ECONOMY AND ENVIRONMENT EXTERNALLY FUNDED TOTAL</b>	<b>50,966,851</b>	<b>50,825,325</b>	<b>(141,526)</b>	<b>(141,526)</b>	<b>0</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Disabled facilities grant	1,973,225	1,973,225	0	0	0
Off Gas Scheme	307,771	307,771	0	0	0
<b>RESOURCES AND TRANSFORMATION EXTERNALLY FUNDED TOTAL</b>	<b>2,280,996</b>	<b>2,280,996</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNALLY FUNDED</b>	<b>91,657,336</b>	<b>71,711,307</b>	<b>(19,946,029)</b>	<b>(19,946,029)</b>	<b>0</b>

## Appendix 3c

### Children's Services Capital Maintenance allocation as at 31 July 2019

School	Project	Budget £	Forecast £
Oakwood Special School	Upgrade mains cold water/hot water distribution	222,000	222,000
St. Michaels Primary	Replacement heating distribution and emitters to the main building	8,111	8,111
Lindens Primary	Roofing and asphalt works Final Phase	13,320	13,320
Blackwood Primary	Phase 2 Roofing	333,000	333,000
Brownhills Comp	Rewire Final Phase	277,500	277,500
Brownhills West	Replace Boilers/asbestos removal	120,000	120,000
Kings Hill	Phase 2 Pitched Roofing	277,500	277,500
Meadow View	Phase 2 Roofing and playground	41,070	41,070
Jane Lane	Phase 2 Roofing	153,893	153,892
St Johns	Replace Emitters	133,200	133,200
Various	Kitchen Ventilation Upgrades Butts/St Giles x 4	111,000	111,000
Whitehall Infants	Bell Tower Renovation	72,466	72,466
Pool Hayes	Mobile replacements	277,500	277,500
Sailsbury Primary	Hub refurbishment	277,500	277,500
Blakenall Health	Classroom floor replacement	88,800	88,800
Leamore Primary	Lighting	30,000	30,000
Elmore Green	Replacement floors in hall and asbestos removal from 2 classrooms	66,600	66,600
Holy Trinity	Security fencing and access controls	55,500	55,500
Lindens Primary	Security fencing	55,500	55,500
Whitehall Juniors	Lighting	111,000	111,000
Sunshine Infants	Power Supply Upgrade	35,000	35,000
Unallocated	Carry Forward for 2020/2021	360,186	0
<b>Total</b>		<b>3,120,646</b>	<b>2,760,459</b>

## Appendix 3d

### Children's Services Basic Need allocation as at 31 July 2019

School	Project	Budget £	Forecast £
Fibbersley Primary	Primary School Expansion	97,911	97,911
St. Giles Primary	Primary School Expansion	310,279	310,279
King Charles Primary	Primary School Expansion	78,500	78,500
Castle Special School	Primary School Expansion	2,996,057	2,625,551
Old Hall Special School	Primary School Expansion	2,016,483	2,016,483
Shepwell	Primary School Expansion	1,648,237	1,648,237
Old Church C of E Primary School	Primary School Expansion	1,216,080	1,216,080
St Michaels C of E Primary School	Primary School Expansion	601,912	601,912
Manor Primary School	Primary School Expansion	1,489,605	1,489,605
Oakwood School	Primary School Expansion	1,498	1,498
Rosedale / Short Heath Federation / Lane Head	Primary School Expansion	23,925	23,925
Christ Church C of E Primary School	Primary School Expansion	500,000	500,000
Unallocated	Carry Forward for 2020/2021	19,073,810	0
<b>Total</b>		<b>30,054,297</b>	<b>10,609,981</b>