

## Cabinet – 17 June 2020

### Pre-Audit Outturn 2019/20

<b>Portfolio:</b>	Councillor M. Bird – Leader of the Council (Lead Portfolio)
<b>Related Portfolio:</b>	All
<b>Service:</b>	Finance – council wide
<b>Wards:</b>	All
<b>Key decision:</b>	No
<b>Forward plan:</b>	No

#### 1. Aim

- 1.1 To inform Cabinet of the pre-audit revenue and capital financial outturn position for 2019/20 after revenue and capital carry forwards into 2020/21, and financial and treasury indicators for 2019/20.

#### 2. Summary

##### 2.1 *Pre-audit outturn 2019/20*

The overall net revenue pre-audit outturn is £121.08m against a budget of £121.37m, an underspend variance of £291k (0.05% of gross expenditure) net of carry forwards of £144k. The pre-audit capital outturn is a net underspend of £2.51m, net of council funded carry forwards of £18.89m.

##### 2.2 *Treasury Management*

The report confirms that treasury management activity has been undertaken in accordance with the Code of Practice on Treasury Management and Walsall complied with all statutory Prudential Indicators.

#### 3. Recommendations

That Cabinet:

##### *Pre-audit outturn 2019/20*

- 3.1 Note the revenue carry forwards from 2019/20 to 2020/21 set out in table 2 of the report.
- 3.2 Note the capital re-profiling and carry forwards from 2019/20 to 2020/21 set out in **Appendix 1 and 2.**

- 3.3 Note the pre-audit revenue outturn underspend of £291k and the pre-audit capital outturn underspend of £2.51m, after carry forwards, for 2019/20.
- 3.4 Approve that the capital underspend be utilised to support the 2020/21 capital programme approved by Council in February 2020.
- 3.5 Approve a variation to the 2020/21 capital programme for the funding of archiving costs for One Source, up to the value of £300k, to be funded from uncommitted carry forwards and/or underspends that occur during 2020/21, as referred to in 4.12.
- 3.6 Note the financial health indicators for 2019/20 as summarised in **Appendix 3**.
- 3.7 Note the 2019/20 prudential indicators in **Appendix 4** of this report and Walsall's compliance with these indicators.
- 3.8 Note that the opening balances will be £14.38m as at 1 April 2020. This is considered a prudent amount for 2020/21 and is within the parameters required within the current medium term financial strategy (MTFS).

#### **4. Know - Context**

- 4.1 Cabinet received regular financial reports to allow it to monitor the financial position of the council and consider plans for corrective action during 2019/20. Maintaining financial stability is a key requirement of the MTFS. This report contains the pre-audit revenue and capital outturns for 2019/20 along with revenue and capital carry forwards into 2020/21.

##### *Pre-Audit Revenue Outturn 2019/20*

- 4.2 Managers are required to deliver their service targets and improvements within budget. Small variations are normal and insignificant on a gross revenue budget of £627.83m. The council wide pre-audit revenue outturn is an underspend of £291k, and summarised by directorate in **table 1** below. The impact of Covid-19 is estimated at c269k, including loss of income of c£84k and additional one-off costs of c£185k.

<b>Table 1: Pre-audit Revenue Outturn 2019/20</b>			
<b>Directorate*</b>	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>
Adult Social Care	63.32	63.50	0.18
Children's Services	74.41	75.56	1.15
Economy and Environment	59.39	59.51	0.12
Resources and Transformation	20.33	19.82	(0.51)
Capital Financing / Central	(96.08)	(97.31)	(1.23)
<b>Total</b>	<b>121.37</b>	<b>121.08</b>	<b>(0.29)</b>

\* Note: based on directorate responsibilities as at 31 March 2020

- 4.3 A robust risk assessment of the 2019/20 budget was undertaken prior to the budget being set in February 2019. Action was taken corporately in year to address ongoing demand and cost pressures with services, mainly within Children's Services and Adult Social Care. Significant investment has been included within the 2020/21 budget to

manage the identified demand pressures within Adult Social Care and Looked after Children.

- 4.4 The 2019/20 budget included £20.08m of savings / cost reductions and efficiencies. Of these, £11.36m were achieved, with £8.72m not delivered or delivered with alternate actions in year. This included £5m related to transformational change, which was set prior to the current Walsall Proud Programme being approved. Any ongoing unachieved savings were addressed as part of the 2020/21 budget setting process.

*Revenue carry forwards from 2019/20 to 2020/21*

- 4.5 Carry forwards are a means of recognising sound budget management by allowing the carry forward of planned revenue underspends and/or achieved revenue savings (excluding the use of windfalls/ unplanned underspends/savings). This is dependent on achievement of planned service delivery targets/ outcomes, in accordance with the council's approved carry forward protocol. Carry forwards are usually allowed only where the council has outturned on or under budget, and are deemed to be planned for specific purposes.
- 4.6 Total revenue carry forward requests of £144k have been approved by the S151 Officer following approval of delegations from Cabinet in May 2020. These are shown in **table 2**.

<b>Table 2: Revenue carry forwards from 2019/20 to 2020/21</b>	
<b>Use of carry forward</b>	<b>Carry forward £</b>
<b>Children's Services</b>	
Children's Social Care – Regional Adoption Agency underspend returned, to be used to fund contributions in 2020/21	131,455
Children's Social Care – localities move. Contingency given in 2019/20 but due to delays, will now be utilised in 2020/21	12,639
<b>Recommended revenue carry forwards from 2019/20 to 2020/21</b>	<b>144,094</b>

- 4.7 As a result of the above position, opening balances will be £14.38m as at 1 April 2020, which (Pre-Covid-19) was considered a prudent amount for 2020/21 and is within the parameters required within the current medium term financial strategy (MTFS).

*Pre-Audit Capital Outturn 2019/20*

- 4.8 The capital programme budget for 2019/20 was £132.66m, of which spend was £67.91m, resulting in unspent allocations of £64.75m. Following re-profiling, £62.24m of spend in relation to a number of capital projects will be completed in 2020/21. Adjusting for this leaves an underspend of £2.51m. It is recommended that the capital underspend be used to support the 2020/21 capital programme approved by Council in February 2020.
- 4.9 The draft pre-audit position is split between council funded schemes (**Appendix 1**) and external funded schemes (**Appendix 2**), and summarised in **table 3**.

<b>Table 3 : Pre-audit Capital Outturn 2019/20</b>					
<b>Funding</b>	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>	<b>Carry Fwd £m</b>	<b>Underspend £m</b>
Council Funded	36.14	14.74	(21.40)	18.89	(2.51)
Externally Funded	96.52	53.17	(43.35)	43.35	0
<b>Total</b>	<b>132.66</b>	<b>67.91</b>	<b>(64.75)</b>	<b>62.24</b>	<b>(2.51)</b>

- 4.10 In year re-profiling, leading to carry forwards into the following year, is a routine and normal practice. Capital carry forward is defined as a means to carry capital resources from one year to another to cover identifiable commitments that have moved from one year to another, or for where a project spans more than one year. In any large organisation dealing with construction projects, procurement regulations, etc, a level of carry forward is expected and built into resourcing assumptions. It is recognised that capital projects can cross over years and it is often difficult to be accurate in the estimation of which year the expenditure will be incurred.
- 4.11 As indicated above, 69.6% or £43.35m of the total relate to grant funded schemes. Of these, £34.40m relates to schools/children's, £6.89m to major regeneration schemes, £0.80m for leisure / parks schemes, £0.72m to transport / highways schemes, and £0.54m for other schemes. These schemes tend to require carry forward due to the timing of the receipt of the grant versus the actual spend, which in school's is often during the summer of the next financial year.
- 4.12 The council is due to go live with the One Source system during 2020/21. This is an integrated finance, payroll and HR system with Finance and HR scheduled to be implemented from July 2020 and Payroll from October 2020. The One Source programme includes the work required to transfer current years data from existing systems to the One Source system, however the scope of the programme does not cover any data migration or retention requirements relating to previous years.

Work has now been undertaken to understand statutory data retention requirements for Payroll, HR and Finance, and whilst legacy systems within these services are currently available within existing licence and support contracts, these contracts will begin to expire from November 2020. Retention of these legacy systems past current contract periods will prove costly (and for some systems this is not a viable option as suppliers will not provide continued support). This work has therefore identified that an archive solution will be required to store historic data so that services can meet their statutory data retention requirements.

It is envisaged that this archive solution would be a cloud hosted database that is available to a small group of system support staff who can provide services with reports / extracts from the system to meet statutory reporting or data provision requirements. Given the statutory retention periods the archive will be required to be used for up to 13 years, and there will be annual cloud storage and cloud support revenue costs each year, with these costs being incorporated into the revenue budget requirements for the One Source support team that are being finalised at present.

Initial work has been undertaken to identify estimated development costs for an archive solution. A formal procurement exercise would be required to ensure best value, however this initial work shows an estimated capital cost for development of an archive solution to be £300k. As this work will be required to be completed and implemented during the 2020/21 year, to fit in with current legacy system contracts expiring, it is

therefore recommended that Cabinet approve a variation to the 2020/21 capital programme for the funding of archiving costs for One Source, up to the value of £300k, to be funded from uncommitted carry forwards and/ or underspends that occur during 2020/21. The normal cycle of capital programme indicates that sufficient funds should be available for the currently approved capital programme resources to meet this cost.

#### *Financial Health Indicators 2019/20*

4.13 The annual review of financial health indicators is shown at **Appendix 3**. This summarises the following:

- Strong treasury management performance for 2019/20.
- Strong balance sheet financial performance.
- Council tax and business rate collection rates as expected.
- Strong sundry debtor collection rates, showing an overall average number of 25 days.
- Strong creditor performance, showing an overall average number of 10 days.
- Revenue and capital position for 2019/20 – as outlined in the sections above.

#### *Collection Fund*

4.14 *Business Rates Retention Scheme*. 2019/20 was the third year the council participated in the 100% Business Rates Retention pilot with the six other West Midlands Metropolitan Authorities, with each billing authority now retaining 99% of Non-Domestic Rates (NDR) received with the remaining 1% for the West Midlands Fire Service. A shortfall in income due to changes in rateable value, successful appeals, exemptions and discounts resulted in a deficit on the collection fund. The council bears 99% of the overall deficit, which will reduce the councils local share income for 2020/21. The position for 2019/20 on the collection fund is an in year deficit of £0.039m. After taking account of a brought forward deficit from 2018/19, the net position is a deficit of £0.241m to carry forward (of which £0.239m is attributable to Walsall Council).

4.15 *Council Tax*. The collection fund showed a total surplus in 2019/20 of £3.498m for council tax including preceptor's (Fire and Police) amounts, mainly due to the amount billed during the year of £139.186m being higher than the budgeted demand on the collection fund of £136.463m. This is as a result of the number of properties billed and differences in discounts and exemptions applied compared to budget. The budget is based on the council tax base as at January each year and makes assumptions for numbers of properties, new builds, demolitions, discounts, exemptions, collection rates and Council Tax Reduction Scheme. The remaining difference is a net reduction in the bad debt provision of £0.775m following a number of write offs during the year.

With the addition of a brought forward deficit of £0.361m, the carried forward surplus on the council tax Collection Fund is £3.137m (£2.788m attributable to Walsall Council).

The 2020/21 budget has a demand on the collection fund of £0.964m (£0.857m attributable to Walsall Council) based on a statutory forecast as at 15 January 2020. As such the council tax collection fund starts the 2020/21 financial year with a surplus of £2.173m. Any surplus or deficit during 2020/21 will impact the following year's budget setting process and not the in-year general fund position.

## *Treasury Management*

- 4.16 The pre-audit prudential and local indicators as at 31 March 2020 are shown in **Appendix 4**. The S151 Officer confirms that borrowing was only undertaken for cash flow and capital purposes and the statutory borrowing limit (the authorised limit) was not breached.
- 4.17 During 2019/20, the council complied with all legislative and regulatory requirements, as well as local indicators. All indicators are currently being met apart from:
- L5 – Average interest rate of external debt outstanding excluding OLA. The target for this year includes £25m of borrowing for capital expenditure which would have been taken out at lower rates than our historical borrowing rates, resulting in a lower average rate across all of our borrowing. The borrowing has not been taken out meaning that the average rate was not reduced as expected.
- 4.18 The authorised limit for external debt was approved by Council on the 27th February 2020 and the CIPFA Code of Practice only allows these limits to be changed by Council and therefore the actual limit and the target remain the same. The actual debt position for the Council as at 31 March 2020 is £307.612m.
- 4.19 A comprehensive Annual Treasury Report will be reported to Cabinet and on to Council.

## **Council Corporate Plan priorities**

- 4.20 The allocation of resources is aligned to the council's priorities as set out in the Corporate Plan.

## **Risk management**

- 4.21 Managers are required to deliver service and improvement targets on time, to standard and within budget. The resource allocation process is governed by the overarching medium term financials strategy (MTFS). Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential variances and risks to be identified early and addressed.

## **Financial implications**

- 4.22 The outturn position will affect the overall financial standing of the council. The aim is to ensure the councils balances are at a level consistent with the requirements of the MTFS. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium term policy led approach to all decisions on resource allocation. This report sets out that the council has delivered on its financial strategy and outturned with reserves intact for 2019/20.

## **Legal implications**

- 4.23 The council will have due regard to its statutory responsibilities in proposing any changes to service provision and its statutory responsibilities in relation to setting a balanced budget.

## **Procurement Implications / Social Value**

- 4.24 None directly associated with this report.

### **Property implications**

- 4.25 Effective use and management of property related assets is integral to service delivery.

### **Health and wellbeing implications**

- 4.26 The health and wellbeing of communities in Walsall have direct implications on the resources required within the council and the wider public sector, and how resources are allocated.

### **Staffing implications**

- 4.27 None directly associated with this report.

### **Reducing inequalities**

- 4.28 None directly associated with this report.

### **Consultation**

- 4.29 The report is prepared in consultation with the S151 Officer, the Chief Executive, relevant managers and executive directors.

## **5. Decide**

- 5.1 Following approval of the revenue and capital carry forwards outlined in this report, service / project managers will need to ensure that these allocations are solely used for the purpose as set out, and their progress is managed and reported during 2020/21.

## **6. Respond**

- 6.1 Approved revenue carry forwards, as outlined in this report, will be set up as earmarked reserves, for which the service will offset any expenditure incurred in 2020/21.
- 6.2 Approved capital carry forwards, as outlined in this report, will be allocated as a variation to the 2020/21 capital programme, and managed during 2020/21.

## **7. Review**

- 7.1 Both revenue and capital approved carry forwards will be managed alongside the approved 2020/21 revenue budget and capital programme.

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

**Appendices:-**

- 1 Pre-audit Capital Outturn by scheme for 2019/20 – council funded schemes
- 2 Pre-audit Capital Outturn by scheme for 2019/20 – externally funded schemes
- 3 Financial Health Indicators 2019/20
- 4 Pre-audit Prudential and Treasury Indicators 2019/20

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**Interim Executive Director / S151 Officer**  
17 June 2020



**Councillor M. Bird**  
**Leader of the Council**  
17 June 2020



## Appendix 1 – Pre-audit Capital Outturn by Scheme 2019/20 – council funded schemes

COUNCIL FUNDED SCHEMES	2019/20 Budget £	2019/20 Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend)/ overspend £
<b>CHILDREN'S SERVICES</b>					
Looked after children out of borough placements	165,000	75,978	(89,022)	89,022	0
2 year old (RCCO)	174,443	174,443	0	0	0
Corporate Parenting, Contract & Assessment Hub	32,804	25,161	(7,643)	0	(7,643)
Looked after children small residential home	0	0	0	0	0
School Estate Condition Survey	250,000	0	(250,000)	250,000	0
School Temporary Classrooms	250,000	0	(250,000)	250,000	0
<b>CHILDREN'S SERVICES COUNCIL FUNDED TOTAL</b>	<b>872,247</b>	<b>275,582</b>	<b>(596,665)</b>	<b>589,022</b>	<b>(7,643)</b>
<b>ECONOMY &amp; ENVIRONMENT</b>					
Arboretum Events Field-drainage scheme (RCCO)	5,643	5,643	(0)	0	0
Broadway West Playing Fields (Council)	92,000	0	(92,000)	92,000	0
Clayhanger Playing Fields	53,713	53,674	(39)	0	(39)
Open Water	2,000	2,000	0	0	0
St Peter Church repairs to surrounding wall	36,431	3,647	(32,784)	32,784	0
Walsall Arboretum Car Park	4,896	0	(4,896)	4,896	0
Walsall Arboretum Restoration Programme - illuminated Park proposals	5,242	0	(5,242)	5,242	0
Willenhall Memorial Park	6,168	3,092	(3,076)	3,076	0
Headstone safety in Cemeteries (RCCO)	28,715	28,715	(0)	0	0
Installation of air conditioning & refurb of public toilets	215,351	39,521	(175,830)	120,581	(55,249)
Replacement cemeteries administration system	75,000	0	(75,000)	75,000	0
Replacement Fencing at Streetly Cemetery	37,000	35,716	(1,284)	0	(1,284)
Willenhall Lawn Cemetery Extension & land development	811,800	655,266	(156,534)	156,534	0
Oak Park Car Park	284,890	398,798	113,908	0	113,908

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>2019/20 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend)/ overspend £</b>
Walsall Gala Baths-arrest system	15,000	15,000	0	0	0
Library Redesign - Lichfield Street Hub	143,708	103,169	(40,539)	40,539	0
Open Plus in Libraries	271,696	66,154	(205,542)	205,542	0
Single Library Management System	54,910	0	(54,910)	39,757	(15,153)
Community Dropped Crossings	20,000	5,772	(14,228)	14,228	0
District Town Centre's Public Realm Improvements	2,405,330	1,668,750	(736,580)	736,580	0
Highways maintenance	2,927,999	2,927,999	(0)	0	0
CCTV Enforcement Vehicle	44,310	44,310	0	0	0
Hatherton Road Car Park	255,093	29,906	(225,187)	225,187	0
Migration of Urban Traffic control analogue comm network	0	(511)	(511)	0	(511)
Promotion of Community Health & Safety	240,000	0	(240,000)	240,000	0
Replacement of obsolete analogue weather stations	30,000	0	(30,000)	30,000	0
Replacement of speed enforcement camera	175,000	29,684	(145,316)	145,316	0
A454 Black Country Route carriageway surface treatment	450,000	450,000	0	0	0
Hatherton Road MSCP structural maintenance	200,000	0	(200,000)	200,000	0
Challenge Block	881,668	67,863	(813,805)	85,000	(728,805)
New Homes Bonus	204,093	127,094	(76,999)	76,999	0
Regenerating Walsall	233,877	3,872	(230,006)	230,006	0
Rushall Olympic Football Club	5,833	0	(5,833)	5,833	0
Town and District Centres Public Realm	1,000,000	1,794	(998,206)	998,206	0
Walsall Market	40,516	0	(40,516)	40,516	0
Streetly Youth Club Demolition Works	22,000	22,000	0	0	0
Town Centre Masterplan	250,000	0	(250,000)	250,000	0
Town Centre Strategic Acquisition for Third Sector Hub & operational accommodation	1,530,480	899,549	(630,931)	630,931	0
DSDA	44,275	34,474	(9,801)	9,801	0

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>2019/20 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend)/ overspend £</b>
New Rail Stations-local contributions	1,000,000	0	(1,000,000)	0	(1,000,000)
Walsall Town Centre Public Realm Improvements	229,500	0	(229,500)	229,500	0
Regional Materials Recycling Facility	632,000	278,619	(353,381)	353,381	0
Saddlers Centre Shopping Centre	468,444	0	(468,444)	468,444	0
<b>ECONOMY &amp; ENVIRONMENT COUNCIL FUNDED TOTAL</b>	<b>15,434,582</b>	<b>8,001,570</b>	<b>(7,433,012)</b>	<b>5,745,879</b>	<b>(1,687,133)</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Bentley Community Facility	10,000	0	(10,000)	0	(10,000)
CCTV	328,292	328,292	(0)	0	0
Improving security in local neighbourhoods	2,927	0	(2,927)	2,927	0
Refurbishment of Orchard Pavilion	148,350	202,882	54,532	0	54,532
Council Chamber Refurbishment	200,000	12,998	(187,002)	187,002	0
Procurement system for (HRMS) and Oracle EBS financials	5,289,374	2,183,835	(3,105,539)	3,105,539	0
Aids and adaptations (statutory element)	523,080	523,079	(1)	0	(1)
Health through warmth and related Retro Fit schemes	75,000	47,321	(27,679)	27,679	0
Data backup system replacement	50,000	0	(50,000)	50,000	0
Essential Microsoft upgrades & foundation for Office 365	274,336	131,689	(142,647)	142,647	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	7,198	(3,183)	3,183	0
Essential warranty extension & eventual replacement of hardware for Council's finance system	16,325	12,825	(3,500)	0	(3,500)
ICT-Safe and Secure Environment	3,727,557	974,912	(2,752,645)	2,752,645	0
ICT-Safe and Secure Environment Wyse	1,810,892	495,999	(1,314,893)	650,000	(664,893)
ICT Wide Area Network	12,462	10,419	(2,043)	0	(2,043)
Proud - ICT	200,000	0	(200,000)	200,000	0
Resource & consultancy to upgrade Win2008 server	200,000	0	(200,000)	200,000	0
Single mobile devices for use within the new in-Tune platform	51,000	16,180	(34,820)	34,820	0

<b>COUNCIL FUNDED SCHEMES</b>	<b>2019/20 Budget £</b>	<b>2019/20 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2020/21 £</b>	<b>(Underspend)/ overspend £</b>
Enabling Technology	1,500,000	0	(1,500,000)	1,500,000	0
Transformation Programme	455,000	0	(455,000)	455,000	0
COTAG Replacement	40,000	27,945	(12,055)	2,000	(10,055)
Asbestos Removal	9,834	9,834	0	0	0
Council House General Heating	50,000	43,640	(6,360)	6,360	0
Council House Smoke & Heat Detection Fire Alarm	333,000	6,080	(326,920)	326,920	0
Data Centre Power Backup	266,730	147,022	(119,708)	0	(119,708)
Operation Repair & Maintenance of Council Buildings	500,000	123,862	(376,138)	376,138	0
Planned property maintenance	91,786	91,786	(0)	0	0
Print & Design upgraded lighting & ventilation system	24,000	18,556	(5,444)	0	(5,444)
Safe water supplies	92,254	92,254	(0)	0	0
Statutory Testing	214,919	214,920	1	0	0
Civic Centre heating	1,146,646	0	(1,146,646)	1,146,646	0
Community Association Refurbishments	59,718	0	(59,718)	0	(59,718)
Council House BMS	68,296	68,296	0	0	0
Council House rewiring	983,542	10,748	(972,794)	972,794	0
Darlaston Town Hall-asbestos & fire safety works	18,400	1,829	(16,571)	0	(16,571)
Fire risk assessment	341,207	363,968	22,761	0	22,761
Schools Project	244,005	84,587	(159,419)	159,419	0
Walsall Council House-modern secure reception	44,550	18,322	(26,228)	26,228	0
Willenhall Lane Travellers Site	85,000	0	(85,000)	85,000	0
Capital Contingency	109,415	0	(109,415)	109,415	0
<b>RESOURCES AND TRANSFORMATION COUNCIL FUNDED TOTAL</b>	<b>19,649,866</b>	<b>6,312,866</b>	<b>(13,337,000)</b>	<b>12,522,360</b>	<b>(814,640)</b>
<b>ADULT SOCIAL CARE</b>					
All Age Disability Hub	65,488	28,619	(36,869)	36,869	0
Mosaic Implementation (Phase 3)	49,076	49,123	47	0	47

COUNCIL FUNDED SCHEMES	2019/20 Budget £	2019/20 Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend)/ overspend £
Mosaic Mobile Working	71,835	71,834	(1)	0	(1)
<b>ADULT SOCIAL CARE COUNCIL FUNDED TOTAL</b>	<b>186,399</b>	<b>149,576</b>	<b>(36,823)</b>	<b>36,869</b>	<b>46</b>
<b>TOTAL COUNCIL FUNDED SCHEMES</b>	<b>36,143,094</b>	<b>14,739,594</b>	<b>(21,403,500)</b>	<b>18,894,130</b>	<b>(2,509,370)</b>

## Appendix 2 – Pre-audit Capital Outturn by Scheme 2019/20 – externally funded schemes

EXTERNALLY FUNDED SCHEMES	2019/20 Budget £	2019/20 Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend)/ overspend £
<b>CHILDREN'S SERVICES</b>					
Academies	407,438	61,308	(346,130)	346,130	0
Basic need	36,120,283	6,824,552	(29,295,731)	29,295,731	0
Capital maintenance	3,120,646	1,701,766	(1,418,880)	1,418,880	0
Devolved formula capital	2,405,985	825,892	(1,580,093)	1,580,093	0
Healthy Pupils Capital Fund	203,185	139,481	(63,704)	63,704	0
Section 106	486,421	105,151	(381,270)	381,270	0
Special Provision Fund	1,306,611	0	(1,306,611)	1,306,611	0
Universal infant free school meals	9,610	0	(9,610)	9,610	0
<b>CHILDREN'S SERVICES EXTERNALLY FUNDED TOTAL</b>	<b>44,060,179</b>	<b>9,658,150</b>	<b>(34,402,029)</b>	<b>34,402,029</b>	<b>0</b>
<b>ECONOMY &amp; ENVIRONMENT</b>					
Growth Deal	26,026,204	26,026,204	(0)	0	0
LPIF	294,000	85,122	(208,878)	208,878	0
Fibbersley Local Nature Reserve	50,000	49,173	(828)	828	0
Pelsall Memorial Garden	29,909	24,540	(5,369)	5,369	0
Broadway West Playing Fields (External)	150,000	0	(150,000)	150,000	0
Rethinking Parks (Connecting Walsall Green Spaces)	119,000	0	(119,000)	119,000	0
Walsall arboretum restoration programme (PRU)	40,406	40,406	0	0	0
Waste infrastructure capital grant	226,980	0	(226,980)	226,980	0
Oak Park-Artificial Grass Pitch	300,000	0	(300,000)	300,000	0
Additional Highway Maintenance pothole funding	154,600	154,600	0	0	0
Development of Highways Asset Management Plan (HAMPS)	11,202	8,428	(2,774)	2,774	0
Footbridge Coalpool Lane	704,697	213,129	(491,568)	491,568	0
LTP including bridge strengthening 2010/11	123,271	17,950	(105,321)	105,321	0

EXTERNALLY FUNDED SCHEMES	2019/20 Budget £	2019/20 Outturn £	Variance £	Carry forward to 2020/21 £	(Underspend)/ overspend £
LTP Yorks Bridge	109,092	109,092	(0)	0	0
Zebra Crossing	54,560	0	(54,560)	54,560	0
Capital Block DFT Fund	3,126,269	3,063,796	(62,473)	62,473	0
M6 Junction 10 Highway Improvements	10,212,185	5,062,348	(5,149,837)	5,149,837	0
Regenerating Walsall - Private Contributions	8,746	0	(8,746)	8,746	0
Streetly Youth Club Demolition St Annes	26,503	26,503	0	0	0
M6 J10 Designated funds NMU Route	730,900	712,577	(18,323)	18,323	0
National Productivity Investment Fund	3,256,515	2,874,833	(381,682)	381,682	0
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	1,968,860	846,668	(1,122,192)	1,122,192	0
<b>ECONOMY &amp; ENVIRONMENT EXTERNALLY FUNDED TOTAL</b>	<b>47,723,899</b>	<b>39,315,369</b>	<b>(8,408,530)</b>	<b>8,408,529</b>	<b>0</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Affordable Housing Compulsory Purchase Scheme	255,000	0	(255,000)	255,000	0
Contribution Aids and Adaptations	82,931	82,923	(9)	0	(9)
Contribution Health Through Warmth	13,390	13,399	9	0	9
Disabled facilities grant	3,220,613	3,220,613	0	0	0
Off Gas Scheme	307,771	22,398	(285,373)	285,373	0
<b>RESOURCES AND TRANSFORMATION EXTERNALLY FUNDED TOTAL</b>	<b>3,879,705</b>	<b>3,339,333</b>	<b>(540,373)</b>	<b>540,373</b>	<b>0</b>
<b>ADULT SOCIAL CARE</b>					
Integrated Community Equipment	810,000	810,000	0	0	0
Better Care Fund Community Capacity Grant	0	0	0	0	0
Mosaic Implementation (Phase 3) External	51,878	51,878	0	0	0
<b>ADULT SOCIAL CARE EXTERNALLY FUNDED TOTAL</b>	<b>861,878</b>	<b>861,878</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNALLY FUNDED SCHEMES</b>	<b>96,525,661</b>	<b>53,174,730</b>	<b>(43,350,932)</b>	<b>43,350,932</b>	<b>0</b>

## Appendix 3 - Financial Health Indicators 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%	3.74%
- Excluding OLA	3.83%	3.93%	3.86%
- Including OLA			
Gearing Effect on Capital Financing Estimates	3.89%	5.00%	3.92%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	4.06%	12.50%	3.78%
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 (excl Property fund)	1.05%	1.08%	1.20%

<b>Balance Sheet Ratios</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20 (draft)</b>
Current Assets : Current Liabilities	1.77	1.86	1.03	1.68	2.25
Useable Reserves : General Revenue Expenditure	0.57	0.63	0.65	0.72	0.73
Long Term Borrowing : Tax Revenue (Using both council tax and NNDR for tax revenue)	1.45	1.41	1.20	1.36	1.58
Long Term Assets : Long Term Borrowing	2.29	2.29	2.34	2.05	1.72
Total School Reserves : Dedicated School Grant	0.07	0.05	0.05	0.06	0.05



<b>Revenues Performance</b> % collected for financial year	<b>2017/18 Actual Collected in total @ 31.03.20</b>	<b>2018/19 Actual Collected in total @ 31.03.20</b>	<b>2019/20</b>	
			<b>Profiled 2019/20</b>	<b>Actual 2019/20</b>
Council tax %	97.4%	96.6%	94.5%	94.0%
Total Council Tax collected (£m)	£120,171,556	£127,142,661	£131,800,000	£131,183,761
National Non Domestic Rate %	98.7%	98.5%	97.5%	97.3%
Total NNDR collected (£m)	£69,890,254	£71,854,761	£72,950,000	£72,780,756

<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	10 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	74,413,853	75,564,514	1,150,661
Economy and Environment	59,391,898	59,513,597	121,699
Adult Social Care	63,323,488	63,500,820	177,332
Resources and Transformation	20,325,485	19,813,516	(511,969)
Council Wide	(6,188,857)	(7,417,927)	(1,229,070)
NNDR/Top Up	(89,892,422)	-89,892,422	0
<b>Total Net Revenue Expenditure</b>	<b>121,373,443</b>	<b>121,082,098</b>	<b>(291,347)</b>
General Reserves	<b>Minimum £6.2m Maximum £15.5m</b>	<b>(14,410,205)</b>	<b>N/A</b>
Council Funded Capital Expenditure	36,143,094	14,739,594	(21,403,500)
External Funded Capital Expenditure	96,525,661	53,174,730	(43,350,931)
<b>Total Capital Expenditure</b>	<b>132,668,755</b>	<b>67,914,324</b>	<b>(64,754,431)</b>
Capital Receipts	1,869,868	107,246	(1,762,622)

<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</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)

## 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.

Revenues Performance
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<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.

## Appendix 4 – Pre-audit Prudential and Treasury Indicators 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	
PrI 1	Capital Expenditure	57.07	132.67	67.92	-64.75	-49%
PrI 2	Ratio of financing costs to net revenue stream	4.46%	4.32%	4.31%	-0.01%	0%
PrI 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£24.14	£15.36	£15.36	0.000	0%
PrI 4	Capital Financing Requirement	357.672	381.564	381.564	0.000	0%
PrI 5	Authorised Limit for external debt	442.096	458.391	458.391	0.000	0%
PrI 6	Operational Limit for external debt	401.905	416.719	416.719	0.000	0%

Ref	Prudential Indicator Description	2018/19	2019/20
PrI 7	Gross Borrowing exceeds capital financing requirement	No	No
PrI 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
PrI 9	Total principle sums invested for longer than 365 days must not exceed	15.0	25.0	14.0

Ref	Prudential Indicator Description	Upper Limit	Lower Limit	Actual 2018/19	Actual 2019/20
PrI 10	Fixed Interest Rate Exposure	95.00%	40.00%	93.51%	<b>95.20%</b>
PrI 11	Variable Interest Rate Exposure	45.00%	0.00%	6.49%	<b>4.80%</b>
PrI 12	<b>Maturity Structure of Borrowing:</b>				
	Under 12 months	25.00%	0.00%	12.91%	<b>6.51%</b>
	12 months and within 24 months	25.00%	0.00%	4.87%	<b>6.55%</b>
	24 months and within 5 years	40.00%	0.00%	26.41%	<b>31.69%</b>
	5 years and within 10 years	50.00%	5.00%	8.20%	<b>1.89%</b>
	10 years and above	85.00%	30.00%	47.61%	<b>53.36%</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	19.05	N/A	N/A	Y
L3a	Net borrowing costs as % of net council tax requirement.	6.54%	20.00%	6.06%	-13.94%	-69.69%	Y
3b	Net borrowing costs as % of Tax Revenue.	4.06%	12.50%	3.78%	-8.72%	-69.78%	Y
L4	Actual debt vs. operational debt.	75.20%	85.00%	73.72%	-11.18%	-13.16%	Y
L5	Average interest rate of external debt outstanding excluding former WMCC debt	3.69%	3.69%	3.74%	0.05%	1.44%	N
L6	Average interest rate of external debt outstanding including former WMCC debt	3.83%	3.93%	3.86%	-0.06%	1.63%	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%	3.92%	-1.08%	-21.60%	Y
L8	Average interest rate received on STI vs. 7 day LIBID rate.	0.77%	0.75%	1.24%	0.49%	65.62%	Y
L9	<b>Average interest rate received:</b>						
L9a	AT call investments.	0.55%	0.60%	0.63%	0.03%	5.00%	Y
L9b	Short Term Investments.	1.09%	1.10%	1.24%	0.14%	12.73%	Y
L9c	Long Term Investments.	1.37%	1.40%	1.65%	0.25%	17.86%	Y
L9d	Property Fund Investments.	4.17%	4.14%	4.16%	0.02%	0.48%	Y
L10	Average interest rate on all ST investments (ST and AT call)	0.98%	1.04%	1.11%	0.07%	6.73%	Y
L11	Average rate on all investments (excluding property fund)	1.05%	1.08%	1.20%	0.12%	11.11%	Y
L11a	Average rate on all investments (including property fund)	1.37%	1.45%	1.50%	0.05%	3.45%	Y
L12	% daily bank balances within target range.	100%	99%	100%	1.00%	1.01%	Y