

REVENUE AND CAPITAL OUTTURN REPORT 2019/20

SECTION 1: REVENUE BUDGET OUTTURN 2019/20

- 1.1 The outturn position, subject to audit, is summarised in Table 1 below. The table shows the position after:
- (i) Neutral adjustments in accounting treatment and movements on “uncontrollable” budgets (e.g. depreciation and support service charges);
 - (ii) the carry forward of unspent budget provision for any continuing earmarked reserve funded schemes (£1,059k) into future years as detailed in Annex D;
 - (iii) the acceleration of the usage of earmarked reserves from future years (£442k) as detailed in Annex D; and
 - (iv) allowing for a (£367k) carry forward of budget provision from 2019/20 where specific service commitments continue into 2020/21, as detailed in Table 2.

Table 1 - Outturn variations against approved budget 2019/20	Variance 2019/20 + / - £000	Ref Annex
Developing Young People	+34	A (i)
Protecting Young People	+3,315	A (ii)
Adult Social Care and Health	+3,712	A (iii)
Public Health, Leisure, Libraries, Arts and Heritage	+993	A (iv)
Finance	(1,318)	A (v)
Corporate Services, Estates and Communication	+413	A (vi)
Environmental Services	+965	A (vii)
Economic Regeneration and Housing	+1,553	A (viii)
Community Safety	(582)	A (ix)
TOTAL PORTFOLIO BUDGETS	+9,085	
Council-Wide budgets	(3,567)	B
TOTAL OUTTURN VARIATION AGAINST APPROVED BUDGET 2019/20*	+5,518	

* When considering the outturn position, it must be recognised that the approved budget for 2019/20 contained a contribution of £3.329m from general balances.

- 1.2 The position detailed above highlights that net portfolio spend exceeded budget by £9.085m. The Council-Wide variations have reduced the Council’s net position for 2019/20 by £3.567m, with the net variation for the year therefore being £5.518m.

- 1.3 An analysis of the budget variations are detailed in Annex A. These will have generally been previously reported to Cabinet via the regular Financial Monitoring Report. A brief explanation of the variances is provided within the annex.
- 1.4 The Councils Financial Procedure Rules and Budget Strategy determine that any overspends in one year are ordinarily funded by a corresponding reduction in the Directorate budgets in the subsequent year. Given the potential for pressures on departmental budgets in 2020/21, it is proposed that approval is given to waive this requirement for those Directorate and portfolio budgets whose outturn exceeded budget in 2019/20.
- 1.5 Table 2 below details proposed carry forward of budget provision from 2019/20 into 2020/21 where specific service commitments are ongoing. Some of these have previously agreed approval for carry forward.

Table 2 – Proposed carry forward of budget provision into 2020/21	£000
<u>Corporate Services, Estates & Communication</u>	
Funding for the development of the KinoDB Development Platform, which was committed and planned for 2019/20, but was deferred as a consequence of the COVID-19 pandemic.	45
Funding to support the Schools ICT arrangements and developments during 2020/21.	75
Funding to support the Apprentice training programme during 2020/21.	10.5
Approved capital works to be undertaken during 2020/21 at Sherdley Road site.	60
<u>Economic Regeneration and Housing</u>	
Match funding to support the Ways to Work employment programme as detailed in Delegated Executive Decision 0115 2019/20.	110
Funding for the development of St Helens Local Plan as detailed in Delegated Executive Decision 0034 2019/20.	55
<u>Public Health, Leisure, Libraries, Arts and Heritage</u>	
Funding to promote sport and physical activity, which was originally planned for the period May to August 2020 as approved in Administrative Decision ENVP001635. It is now proposed to promote sporting activities during the recovery period later in the year from COVID-19.	2
Development of an Arts Strategy as detailed in Administrative Decision ENVP001661.	9.5
<u>Total</u>	367

SECTION 2: CAPITAL PROGRAMME OUTTURN 2019/20

2.1 The outturn figures for 2019/20, subject to audit, are summarised in Table 3 below. The table shows a net decrease (for 2019/20) of £3,949k from the previously reported position.

Table 3 – Capital Programme summary outturn 2019/20	Approved Provision 2019/20 £000	Provisional Outturn 2019/20 £000	Variance 2019/20 £000
PORTFOLIO SPENDING			
Developing Young People	3,898	3,484	(414)
Protecting Young People	40	35	(5)
Adult Social Care and Health	173	166	(7)
Public Health, Leisure, Libraries, Arts and Heritage	3,621	3,414	(207)
Corporate Services, Estates and Communication	1,987	1,856	(131)
Environmental Services	16,821	15,069	(1,752)
Economic Regeneration and Housing	1,645	299	(1,346)
Community Safety	3,057	2,970	(87)
Total	31,242	27,293	(3,949)
FINANCED BY			
Grants and Other Contributions	17,933	15,934	(1,999)
Capital Receipts *	2,868	2,274	(594)
Revenue Contribution	4,540	4,406	(134)
Borrowing *	5,901	4,679	(1,222)
Total	31,242	27,293	(3,949)

* The financing profile between Borrowing and Capital Receipts has been amended by £673k to enable savings to be generated against the Council's debt servicing costs in future years.

2.2 The net variance (for 2019/20) since the previously reported position arises from a combination of factors as detailed in Table 4:

Table 4 – Variations in 2019/20 Capital Programme spend (outturn compared to previously reported position)	£000
Rephasing of schemes into 2020/21	(4,427)
Rephasing of schemes from future years into 2019/20	+385
Additional Revenue Contribution to Existing Scheme	+86
New Schemes – Environmental Services	+74
Other Variations	(67)
Total	(3,949)

Annex C summarises the revised capital programme for the period 2019/20 to 2021/22 and details the variations for 2019/20.

SECTION 3: RESERVES AND BALANCES

3.1 General Balances

The movement in General Balances is summarised in the Table 5. The revenue and capital budget approved by Cabinet on the 26 February 2020 noted, after having regard to a series of potential risks including the deliverability of services within the baseline level of available resources, that an underlying level of approximately £8.0m general fund balances was considered appropriate. This was **before** the Covid-19 pandemic.

Table 5 - Movement in General Balances	£000
General Balances as at 1 April 2019	17,807
Approved use of general balances in the approved budget for 2019/20	(3,329)
Outturn variation against approved budget 2019/20 (see table 1)	(5,518)
Available General Balances as at 31 March 2020*	8,960

* This figure assumes the provisional carry forwards (£367k) from 2019/20 into 2020/21 as detailed in section 1.5 are all approved. The level of General Balances prior to any carry forward is £9.327m.

3.2 Earmarked Balances

The position in relation to Earmarked Balances at 31st March 2020 is provided in Table 6. It should be noted there are approved commitments on these reserves extending to 2023/24.

Table 6 – Earmarked Balances	Balance at 1 April 2019 £000	Set aside in year £000	Transfer in year £000	Utilised in year £000	Balance at 31 March 2020 £000
Transformation Reserve	6,330	7,401	(2,000)	(981)	10,750
Growth Reserve	2,431	-	3,000	(1,013)	4,418
Children's Services Reserve	8,445	-	-	(4,189)	4,256
Essential Equipment Fund	2,180	-	-	(1,756)	424
Councillor Improvement Fund	766	-	30	(119)	677
Insurance & Contingent Liability Reserve (see section 3.2.1)	6,932	986	(1,000)	-	6,918
Waste Management Development Fund	3,544	-	-	(1,903)	1,641
Inflation Reserve	3,000	2,000	-	(1,000)	4,000
Equal Pay Reserve	425	-	-	-	425
Town Centre Reserve	463	-	-	(463)	-
Community Improvement Reserve	1,831	-	(30)	(509)	1,292
Strategic Priorities Fund	600	-	-	(33)	567
Service Investment Reserve	1,876	-	-	(123)	1,753
COVID-19 Funding Reserve (see section 3.2.2)	-	6,177	-	-	6,177
Restructuring Reserve (see section 3.2.3)	-	465	-	-	465
TOTAL	38,823	17,029	-	(12,089)	43,763

- 3.2.1 The Council commissioned an actuarial review of its insurance claims liability as at 31 March 2020. This review considered that a lower level of provision was necessary than the existing position based on data, methods, assumptions, limitations and techniques used. However, it must be recognised that additional and unforeseen future claims may emerge and / or settlements could deviate from the actuarial assumptions. It is widely accepted that the risk profile of Local Authorities is such that there may be exposure to long tail claims (claims that are as yet unreported that arise from previous year events), and there is potential for these to be of a material value. As a consequence, a further sum of £986k has been earmarked into the Insurance & Contingent Liability Reserve. There is also potential for future liabilities to emerge as the Council responds to the COVID-19 pandemic, and enhancement of this reserve may be necessary to support the Council's position.
- 3.2.2 On 20 March, recognising the vital role that local authorities play in supporting communities and local economies during the Covid-19 Pandemic, government announced the first tranche of £1.6bn of national additional funding intended to help address the pressures Councils are facing in response to the pandemic across all the services delivered. The Council was allocated £6.391m of this first round of funding and received payment on 27 March 2020. The grant is not ringfenced and £214k was applied during March 2020 and therefore the remaining £6.177m is to be earmarked and to be utilised during 2020/21 to meet part of the additional budgetary pressures facing the Council arising from the pandemic.
- 3.2.3 The Council is in a significant period of transformation and as transition develops there may be some additional costs incurred to support service reviews and new structures. It is proposed to create a new reserve from the uncommitted restructuring budget 2019/20 to be utilised in future years to support the Councils modernisation programme.

3.3 Schools Balances

The position in respect of school balances is detailed in Table 7.

Table 7 – School Balances	£000
School Balances as at 1 April 2019	8,317
In Year movements 2019/20	(1,210)
Balances as at 31 March 2020	7,107

- 3.3.1 The above balances are ringfenced for schools, and in accordance with the requirements of the Department for Education, the local Scheme for Financing Schools makes provision to permit the carry forward of resources into future financial years. This is an important mechanism for schools to support the delivery of a medium-term budgeting strategy, particularly in a challenging financial climate of which the reducing level of available balances is illustrative.

3.4 Usable Capital Receipts

The position in respect of general capital receipts is detailed in Table 8.

Table 8 – Usable Capital Receipts	£000
Available Capital Receipts brought forward at 1 April 2019	30,078
Receipts generated in year:	
(i) Sale of Council Assets and Grant Repayments	117
(ii) Repaid - Other Loans and Advances	110
Amounts applied to finance new capital investment in the year	(2,274)
Available Balance 31st March 2020 (prior to future commitments)	28,031

SECTION 4: REVENUE BUDGET 2020/21

4.1 The current years Revised Estimate is shown in Table 9 below and has been updated since the previously approved budget to take account of the following issues:

- (i) the carry forward of unspent budget provision from 2019/20 for continuing earmarked reserve funded schemes (£1,059k) as detailed in Annex D;
- (ii) the acceleration of earmarked reserves from 2020/21 (£442k) utilised in 2019/20 as detailed in Annex D; and
- (iii) the carry forward of budget provision from 2019/20 where specific service commitments continue into 2020/21 as detailed in Table 2.

Table 9 – Revised Revenue Budget 2020/21	REVISED ESTIMATE 2020/21 £000
Developing Young People	12,260
Protecting Young People	44,733
Adult Social Care and Health	51,316
Public Health, Leisure, Libraries, Arts and Heritage	5,457
Finance	3,267
Corporate Services, Estates and Communication	3,938
Environmental Services	21,103
Economic Regeneration and Housing	4,220
Community Safety	8,033
TOTAL PORTFOLIO BUDGETS	154,327
Council-Wide budgets	(153,960)
NET POSITION 2020/21	367
Balances Brought forward from 2019/20 (see Table 5)	9,327
BALANCES AVAILABLE	8,960

SECTION 5: TREASURY MANAGEMENT OUTTURN REPORT 2019/20

5.1 A summary of the Council's Treasury position at the end of March 2020 is included in Table 10. The Treasury Management Outturn Report for 2019/20 is included at Annex E.

Table 10 – Treasury position 2019/20	As at 1 April 2019	As at Previous Period	As at 30 March 2020
Investments Outstanding	£107.8m	£114.5m	£118.5m
Investment Returns (average for the year)	-	1.03%	1.03%
Benchmark Returns	-	0.78%	0.79%
Borrowing	£103.3m	£124.7m	£124.7m

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The following tables analyse portfolio budget outturn variations across services and provide some narrative where appropriate:

- (i) Developing Young People Portfolio
- (ii) Protecting Young People Portfolio
- (iii) Adult Social Care and Health Portfolio
- (iv) Public Health, Leisure, Libraries, Arts and Heritage Portfolio
- (v) Finance Portfolio
- (vi) Corporate Services, Estates and Communication Portfolio
- (vii) Environmental Services Portfolio
- (viii) Economic Regeneration and Housing Portfolio
- (ix) Community Safety Portfolio

Service Analysis - Developing Young People Portfolio

Annex A(i)

Developing Young People	Outturn Variance 2019/20 £000	Explanation of Variances
People's Services Directorate		
Schools		
Schools Delegated Budget	0	
Schools Total	0	
Non Schools		
Other Expenditure Attributable to Schools	(155)	Includes an underspend (£152k) in relation to historical retirement costs associated with school-based staff.
Early Years Development (incl PVI's)	+2	
Support for Children with SEND	(262)	There have been underspends in respect of the Educational Psychology Service (£134k); and the St Helens Information, Advice and Support Service (£27k). In addition, the figure reported also includes a variation against earmarked balances awarded (£101k).
Behaviour Support Services	0	
Home to School/College Transport	+624	Pressure due to the number of students with special educational needs and disabilities (SEND) requiring transport assistance to attend an educational establishment.
Youth Service	(47)	
Management & Other Support Services	(128)	Includes a variation against funding from earmarked balances (£40k) for which there is no further requirement in future years.
Non Schools Total	+34	
Portfolio Total	+34	

Service Analysis - Protecting Young People Portfolio

Annex A(ii)

Protecting Young People	Outturn Variance 2019/20 £000	Explanation of Variances
People's Services Directorate		
Social Care and Commissioning Teams	+289	Variance against frontline social care team staffing budgets +£169k and supplies and service budgets +£211k, together with additional income (£83k). The figure reported also includes a variation against earmarked balances (£8k) for which there is no further requirement in future years.
Children Looked After	+2,994	The budget pressure primarily relates to the costs associated with accommodating children looked after, including asylum seeking children +£2.824m; the provision of leaving care services +£361k; and Adoption Services +£82k. There have also been underspends in relation to staffing costs (£205k) and supplies and services (£54k). There is also a variation against earmarked balances (£14k) for which there is no further requirement in future years.
Child Protection	(55)	Includes a variation against earmarked balances (£55k) for which there is no further requirement in future years.
Children's Centres/Early Help Service	+125	There is a variance against staffing (£166k); supplies and services +£284k; and income +£16k budgets. The pressure against the supplies and services budget is primarily attributable to the operating costs of two children's centres that are not controlled by the Authority. The figure reported also includes a variation against earmarked balances (£9k) for which there is no further requirement in future years.
Support for Disabled Children	+2	
Family Support Services	(91)	There was a variance against staffing (£104k); supplies and services +£22k and income (£9k) budgets.
Management & Other Support Services	+51	
Portfolio Total	+3,315	

Service Analysis - Adult Social Care and Health Portfolio

Annex A (iii)

Adult Social Care and Health	Outturn Variance 2019/20 £000	Explanation of Variances
People's Services Directorate		
Physical Support - Frail and Elderly	+853	The pressure in respect of physical support for the frail and elderly is due to increased activity within domiciliary care services +£302k, nursing +£206k and residential respite +£203k.
Sensory Support	(240)	Variance relates to activity below budget for direct payments (£91k) and Domiciliary Care (£119k) in this area.
Support with Memory and Cognition	(458)	There has been a higher level of client contributions in this area due to the uptake of deferred payments for residential services (£460k).
Learning Disability Support	+3,694	The outturn position includes the underachievement of savings in this area relating to Supported Living and Day Care services equating to +£1.490m for 2019/20. The service has seen increases in demand (including more complex support packages) across service areas equating to around +£600k. In addition, both demand for and the average cost of direct payments packages have led to an overall pressure of +£927k in this area, which also includes a lower level of recoupment of direct payment balances than anticipated. A pressure of +£711k is attributable to the in-house Supported Living service due to a combination of staff cover during the year and an additional provision for potential claims in relation to enhanced payments for sleep ins for 2019/20.
Mental Health Support	(108)	The variance represents a reduction in activity in relation to nursing and residential placements contained within the pooled budget (£136k) offset by an increase in Supported Living activity.
Assistive Equipment and Technology	+97	The variance relates to an increase in activity in relation to the Community Equipment store +£187k along with a corresponding increase in aids, adaptations and Assistive Technology +£40k. The outturn figure also includes underspends in relation to the Occupational Therapy Team due to the level of staffing vacancies through the year.

Adult Social Care and Health	Outturn Variance 2019/20 £000	Explanation of Variances
Care Management - Assessment and Review	+5	
Transport and Generic Services	+59	An increase in transport for service users has generated additional costs in this area.
Management, Commissioning and Support Services	(190)	This represents the level of staff vacancies throughout the year along with underspends on supplies and services in this area.
Management & Other Support Services	0	
Portfolio Total	+3,712	

Service Analysis - Public Health, Leisure, Libraries, Arts and Heritage Portfolio

Annex A (iv)

Public Health, Leisure, Libraries, Arts and Heritage	Outturn Variance 2019/20 £000	Explanation of Variances
People's Services Directorate		
Sexual Health	+131	Additional contract costs for Contraception and Sexual Health services due to increased activity.
Primary Care	(42)	This variance represents a lower level of activity in relation to Health Checks than budgeted.
Public Health Advice	0	
Obesity	+5	
Physical Activity	+16	
Substance Misuse	(79)	Reduction in staff costs in relation to the Young Peoples Drug and Alcohol Team and reduced activity for inpatient detox.
Stop Smoking Services & Interventions	(37)	Reduced activity in relation to smoking cessation.
Healthy Child Programme	(35)	Under spend staffing due to vacancies through the year.
Miscellaneous Public Health Services	(31)	Reduction in costs in various services, including mental health services and workplace mental health due to a lower level of activity than budgeted for.
Management & Support Services	(7)	Staff slippage, including temporary reduction in hours.
Public Health Grant	+79	Public Health grant carried forward into 2020/21.
Public Health Grant Funded Services	0	

Service Analysis - Public Health, Leisure, Libraries, Arts and Heritage Portfolio**Annex A (iv)**

Public Health, Leisure, Libraries, Arts and Heritage	Outturn Variance 2019/20 £000	Explanation of Variances
Place Services Directorate		
Adult Community Learning	0	
Arts Development & Support	(16)	
Archiving	(3)	
Sports Development	(4)	
Indoor Sports & Recreation	+161	Shortfall Fee Income +£73k, and School Swimming Income +£84k.
Outdoor Sports & Recreation	(1)	
Library Services	+846	Unachieved Savings +£840k.
Tourism & Events	+10	
Total Leisure, Libraries Arts and Heritage Services	+993	
Portfolio Total	+993	

Service Analysis – Finance Portfolio**Annex A (v)**

Finance	Outturn Variance 2019/20 £000	Explanation of Variances
Corporate Services Directorate		
Local Tax Collection	(91)	Business Rates Credit balances (£160k), Staff Slippage (£33k), Housing Benefit costs +£102k.
Emergency Planning	(274)	Brexit Grant not utilised and no conditions attached to the funding (£250k) and Supplies & Services underspend (£24k).
Local Welfare Assistance Schemes	0	
Grants and Donations	0	
Non-Distributed Costs	(563)	Savings Made Early (£659k), Retirement Benefits saving not achieved +£96k.
Finance	(390)	Staff slippage (£225k), YPO (£72k), Supplies & Services (£93k).
Portfolio Total	(1,318)	

Service Analysis - Corporate Services, Estates and Communication Portfolio

Annex A (vi)

Corporate Services, Estates and Communication	Outturn Variance 2019/20 £000	Explanation of Variances
Corporate Services Directorate		
Corporate Management	+101	Staffing +£114k, Recruitment +£40k, Funding from the Regional Leaders Board (£25k), Credit Balances (£28k).
Democratic Representation and Management	+23	Staffing +£23k.
Coroners Court Services	0	
Registration of Births, Deaths and Marriages	(50)	Additional Income (£50k).
Elections	(37)	Supplies & Services (£37k).
I.T.	(76)	Staffing - IT (£50k), Customer Relations (£34k), additional revenue contribution to capital scheme +17k
Human Resources	0	
Legal Services	(23)	
Governance and Administration	(61)	Staffing (£61k).
Press and Public Affairs	(60)	Liverpool City Region Secondment (£60k).
Other Services	0	
Corporate Services & Communication Total	(183)	
Place Services Directorate		
Building Support Services	+614	Unachieved Savings +£334k, Staffing (£13k), Net spend against Other Expenditure Budgets +£219k, Shortfall of Income +£74k
Estates Management	(18)	
Building Support and Estates Total	+596	
Portfolio Total	+413	

Service Analysis - Environmental Services Portfolio

Annex A (vii)

Environmental Services	Outturn Variance 2019/20 £000	Explanation of Variances
Place Services Directorate		
Environmental Health	+95	Staffing (£30k), Net spend against Other Expenditure Budgets +£12k, and Shortfall of Income +£113k.
Trading Standards	(18)	
Parks & Open Spaces	+37	
Street Cleansing	(22)	
Cemetery and Crematorium	+41	Net spend on Expenditure Budgets +£18k and Shortfall of Income +£22k.
Waste Collection	+197	Staffing +£29k, Transport costs +£38k, Trade Waste Tipping Fees +£136k, Net spend on Other Expenditure Budgets (£31k), and Shortfall of Bulky Waste & School Trade Waste Income of +£25k.
Recycling	+409	Staffing +£266k, Transport +£72k, Net spend on Other Expenditure Budgets (£60k), Shortfall in Recycling Income +£75k.
Parking Services	+326	Staffing (£27k), Rates & Utilities (£66k), Parking Enforcement Contract +£36k, Net spend on Other Expenditure Budgets (£18k), and Shortfall of Parking Income +£401k.
Highways Maintenance	(366)	Staffing (£173k), Third Party Contractor payments (£130k), Revenue Contribution to Capital Flood Mitigation Scheme at Rainford Brook +£63k, Net spend on Other Expenditure Budgets (£51k), and a Net Overachievement of Income of (£75k).
Street Lighting	+97	Energy Costs (£15k), Third Party Contractor payments +£96k, Net spend on Other Expenditure Budgets (£18k), and Shortfall of Capital Fee Income +£36k.
Traffic Management & Road Safety	(25)	Staffing (£24k), Third Party Contractor payments +£63k, Net spend on Other Expenditure Budgets (£39k), and a Net Overachievement of Income (£25k).

Environmental Services	Outturn Variance 2019/20 £000	Explanation of Variances
Direct Services	+105	Staffing (£136k), Provisions for School Meals Service + £140k, Shortfall in School Meals Income +£49k and Careline Income + £51k.
Management & Support Services	0	
Licensing & Land Charges	+89	Shortfall in Income +£72k.
Councillor Improvement Fund	0	
Portfolio Total	+965	

Service Analysis - Economic Regeneration and Housing Portfolio

Annex A (viii)

Economic Regeneration and Housing	Outturn Variance 2019/20 £000	Explanation of Variances
Place Services Directorate		
Building Control	+3	
Development Control	+173	Staffing (£45k), Supplies & Services +£35k and Shortfall of Income +£183k.
Planning Policy	(15)	
Estates - Industrial & Commercial Premises (including Town Centre)	+1,231	Church Square Void Rates/Service Charges +£235k, Shortfall in Rental Income +£786k. Hardshaw Centre Shortfall in Rental Income +£244k. Other Commercial Property: Repairs, Maintenance & Utilities (£36k), Supplies & Services +£43k, Overachievement in Rental Income (£41k).
Market Undertakings	+305	Staffing (£14k), External Security Charges +£31k, Shortfall in Rental Income +£283k.
Economic Development	(12)	
Place & Economic Delivery	(3)	
Management & Support Services	(99)	Staffing (£93k).
Transport Planning, Policy & Strategy	(30)	Staffing (£29k).
Portfolio Total	+1,553	

Service Analysis - Community Safety Portfolio**Annex A (ix)**

Community Safety	Outturn Variance 2019/20 £000	Explanation of Variances
Place Services Directorate		
Housing Services	(46)	Staffing +£13k, Utility costs at Sherdley Caravan Site +£22k, Additional Fee Income (£80k).
Homelessness	(12)	
Housing Benefit Admin	0	
Supporting People	(273)	Supporting People contracts (£239k), Income Contributions (£29k).
Management & Support Services	(4)	
Community Safety	(177)	Staffing (£145k) & Net spend on Other Expenditure Budgets (£32k).
People's Services Directorate		
Youth Offending Teams	(70)	Staffing (£101k), Supplies & Services +12k and, Income +24k. Includes a variation against earmarked balances (£5k) for which there is no further requirement in future years.
Portfolio Total	(582)	

Council Wide Variations**Annex B**

Council Wide Variations	Outturn Variance 2019/20 £000	Explanation of Variances
Pensions Fixed Costs	(520)	Changes in the staffing profile during 2019/20 resulted in a forecast reduction in the pensions contribution.
Levies	(21)	Relates to Apprenticeship Levy payable to HMRC.
Formula Top Up	(14)	
Set Aside of Projected Gains arising from the Liverpool City Region Business Rates Pilot	(1,332)	The final position with regard to each of the members of the Liverpool City Region Pilot remains subject to official confirmation from 2 authorities. However, at this stage no authority has indicated a position of detriment in relation to 2019/20 and therefore, it is anticipated there will no requirement to set aside any sums to make a future detriment payment. This has been the projected position as reported previously through the Financial Management Report.
Section 31 Grants	(498)	Additional Section 31 funding is primarily related to small business/retail rates relief and compensates the Council for losses in business rates yield as a result of Government policy.
Investment Interest	(437)	The increase in investment income at outturn was due to a combination of additional interest earned through deposits (as a result of a favourable cash holding position and securing enhanced investment returns) and interest received from third parties.
Debt Management Costs	(411)	Costs of Minimum Revenue Provision reduced by £139k as a consequence of capital financing decisions made in relation to the 2018/19 capital programme. In addition, the cost of borrowing was £272k less than budget as a result of deferred borrowing decisions (see Annex E).
Mid Mersey Business Rates Pool	(408)	As part of the Mid Mersey Business Rates pooling arrangement with Warrington and Halton Councils, the Council received a proportionate share of the levy savings that would otherwise have been payable to MHCLG in relation to Warrington Business Rates growth.
Business Rates Retention Levy Account	(155)	This represents the distribution of the surplus on the Business Rates Retention System Levy Account for 2019/20 as announced by Government as part of the 2020/21 Settlement.

Council Wide Variations	Outturn Variance 2019/20 £000	Explanation of Variances
Earmarked Balances Budgeted contribution approved for use in 2019/20 and no longer required	+233	This represents earmarked balances which were budgeted for use during 2019/20, where that use is no longer required. Primarily this relates to the Developing and Protecting Young People portfolios, where permanent funding has been built into the 2020/21 budget and 'slippage' of funding is therefore not necessary.
Other	(4)	
Total	(3,567)	

Portfolio	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Developing Young People	3,898	3,484	-414	12,963	13,377	414	3,182	3,182	0
Protecting Young People	40	35	-5	45	50	5	0	0	0
Adult Social Care and Health	173	166	-7	50	57	7	0	0	0
Public Health, Leisure , Libraries, Arts & Heritage	3,621	3,414	-207	353	560	207	0	0	0
Corporate Services,Estates and Communication	1,987	1,856	-131	3,243	3,391	148	500	500	0
Environmental Services	16,821	15,069	-1,752	40,169	41,963	1,794	15,015	15,015	0
Economic Regeneration and Housing	1,645	299	-1,346	275	1,621	1,346	20	20	0
Community Safety	3,057	2,970	-87	3,421	3,508	87	3,182	3,182	0
TOTAL	31,242	27,293	-3,949	60,519	64,527	4,008	21,899	21,899	0

Source of Funding	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Grants & Other Contributions	8,114	7,403	-711	19,459	20,044	585	8,169	8,169	0
Other Contributions	9,819	8,531	-1,288	23,089	24,476	1,387	11,526	11,526	0
Capital Receipts	2,868	2,274	-594	3,509	4,083	574	737	737	0
Revenue Contribution	4,540	4,406	-134	1,992	2,212	220	500	500	0
Borrowing	5,901	4,679	-1,222	12,470	13,712	1,242	967	967	0
TOTAL	31,242	27,293	-3,949	60,519	64,527	4,008	21,899	21,899	0

DEVELOPING YOUNG PEOPLE PORTFOLIO	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools									
Allanson Street Primary Internal Decoration	1	0	-1	0	1	1	0	0	0
Allanson Street Primary Windows	20	20	0	0	0	0	0	0	0
Ashurst Primary Roof Repairs	20	18	-2	0	2	2	0	0	0
Ashurst Primary Rebuild	133	3	-130	5,100	5,230	130	639	639	0
Bleak Hill Primary Expansion	708	762	54	1,764	1,710	-54	43	43	0
Broad Oak Primary Playing Field Drainage	40	23	-17	40	57	17	0	0	0
Broad Oak Primary Roof Replacement	50	7	-43	0	43	43	0	0	0
Broad Oak Primary Veranda Refurbishment and Nursery Remodel	65	63	-2	0	2	2	0	0	0
Eaves Primary Remodel Entrance	35	41	6	0	0	0	0	0	0
Eaves Primary Roof Repairs	37	36	-1	0	1	1	0	0	0
Eaves Primary Windows	76	78	2	0	0	0	0	0	0
Grange Valley Primary Office & Works	1	1	0	0	0	0	0	0	0
Grange Valley Primary External Works	1	1	0	0	0	0	0	0	0
Legh Vale Primary Roofing Repairs	78	72	-6	0	6	6	0	0	0
Longton Lane Primary Condition and Risk Assessment Works	264	258	-6	0	6	6	0	0	0
Merton Bank Primary Platform Lift	21	20	-1	0	1	1	0	0	0
Newton Le Willows Primary School Remodelling	0	2	2	11	11	0	0	0	0
Newton Le Willows Primary School Brickwork Repairs	53	51	-2	0	2	2	0	0	0
Newton Le Willows Primary Security Fencing	0	0	0	0	0	0	0	0	0
Newton Le Willows Primary Water Main	0	0	0	0	0	0	0	0	0
Oakdene Primary Heating	36	34	-2	0	2	2	0	0	0
Queens Park Primary Refurbishment & Roofing Works	83	82	-1	0	1	1	0	0	0
Rainford CE Primary School DDA	20	16	-4	0	4	4	0	0	0
Rectory CE Primary ASD Unit Roof	30	27	-3	0	3	3	0	0	0
Robins Lane Primary Heating	165	153	-12	0	12	12	0	0	0
Robins Lane Primary Remodel	0	0	0	0	0	0	0	0	0
Sutton Manor Primary Floor Replacement	0	0	0	0	0	0	0	0	0
Sutton Oak CE Primary School Window Replacement	3	2	-1	0	1	1	0	0	0
Sutton Oak Primary Condition Works	55	55	0	0	0	0	0	0	0
Thato Heath Primary - Flooring	40	32	-8	12	20	8	0	0	0
Thatto Heath Primary Fire Compartmentation Works	26	25	-1	0	1	1	0	0	0
The District CE Primary Safeguarding/DDA Works	61	54	-7	0	7	7	0	0	0
The District CE Primary Window Replacement	0	4	4	0	0	0	0	0	0
The District CE Primary Heating	80	60	-20	0	20	20	0	0	0
Wargrave Primary WC's	43	40	-3	0	3	3	0	0	0
Wargrave CE Primary External Facia	65	61	-4	0	4	4	0	0	0
Secondary Schools									
Cowley High Boiler Replacement	28	2	-26	0	26	26	0	0	0
Cowley High Health & Safety	60	66	6	0	0	0	0	0	0
Cowley High Ventilation	1	0	-1	0	1	1	0	0	0
Haydock High Lift / DDA	0	0	0	18	18	0	0	0	0
Haydock High Phase 3 Rewire	74	83	9	0	0	0	0	0	0
Special & Other Schools									
Lansbury Bridge Retile Pool	0	0	0	50	50	0	0	0	0
Lansbury Bridge Roof Repairs	100	104	4	27	23	-4	0	0	0
Mill Green Key Stage 5 Base	355	344	-11	0	11	11	0	0	0
Mil Green Boiler Replacement	0	0	0	30	30	0	0	0	0
Launchpad Roof Renewal	0	0	0	100	100	0	0	0	0
Penkford Refurbishment	249	143	-106	797	903	106	0	0	0
Pupil Referral Unit Condition and Suitability	49	50	1	0	0	0	0	0	0

DEVELOPING YOUNG PEOPLE PORTFOLIO	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Other Schemes									
Early Education for 2 year Olds	0	0	0	75	75	0	0	0	0
Harnessing Technology	53	38	-15	0	15	15	0	0	0
Healthy Pupils Capital Funding	0	0	0	125	125	0	0	0	0
Various Schools Roller Shutters	25	0	-25	15	40	25	0	0	0
Various Schools Fire Risks	94	85	-9	0	9	9	0	0	0
Previous Years Schemes	0	34	34	0	0	0	0	0	0
Committed Grant Funding									
School Devolved Formula Capital	500	434	-66	815	875	60	300	300	0
Uncommitted Grant Funding									
Basic Need Uncommitted	0	0	0	1,287	1,254	-33	1,000	1,000	0
School Condition Funding Uncommitted	0	0	0	2,697	2,672	-25	1,200	1,200	0
SEND Special Provision Fund Uncommitted	0	0	0	0	0	0	0	0	0
TOTAL	3,898	3,484	-414	12,963	13,377	414	3,182	3,182	0

PROTECTING YOUNG PEOPLE PORTFOLIO	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children & Families Accommodation	4	0	-4	45	49	4	0	0	0
Free Early Educational Entitlement - Rainhill Nursery	1	0	-1	0	1	1	0	0	0
Free Early Educational Entitlement - Sutton Manor Primary	35	35	0	0	0	0	0	0	0
TOTAL	40	35	-5	45	50	5	0	0	0

ADULT SOCIAL CARE AND HEALTH PORTFOLIO	2019/20			2020/21			2021/22		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Integrated Activity	13	6	-7	50	57	7	0	0	0
Supported Living Development	160	160	0	0	0	0	0	0	0
TOTAL	173	166	-7	50	57	7	0	0	0

PUBLIC HEALTH, LESIURE, LIBRARIES, ARTS AND HERITAGE PORTFOLIO	2017/18			2018/19			2019/20		
	Period 4	Outturn	Variance	Period 4	Outturn	Variance	Period 4	Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Libraries ICT Refresh	0	0	0	53	53	0	0	0	0
Newton Le Willows Health and Fitness Centre Equipment	325	333	8	0	0	0	0	0	0
Refurbishment of Newton Le Willows Health and Fitness Centre	3,196	3,046	-150	50	192	142	0	0	0
St Helens Arts and Cultural Centre	100	35	-65	250	315	65	0	0	0
TOTAL	3,621	3,414	-207	353	560	207	0	0	0

ECONOMIC REGENERATION AND HOUSING PORTFOLIO			
Ground Conditions Survey			
Town Centre - Car Park Lighting			
Town Centre Development			
Town Centre Strategic Acquisition			
Urban Skatepark			
TOTAL			

2019/20		
Period 4	Outturn	Variance
£000	£000	£000
104	83	-21
201	186	-15
30	30	0
1,310	0	-1,310
0	0	0
1,645	299	-1,346

2020/21		
Period 4	Outturn	Variance
£000	£000	£000
20	41	21
63	78	15
0	0	0
0	1,310	1,310
192	192	0
275	1,621	1,346

2021/22		
Period 4	Outturn	Variance
£000	£000	£000
20	20	0
0	0	0
0	0	0
0	0	0
0	0	0
20	20	0

COMMUNITY SAFETY PORTFOLIO			
Community Safety Schemes			
Alley Gates - Extended Scheme			
Extension of CCTV			
Housing Schemes			
Disabled Facilities Grants and Adaptations			
General Fund Housing (Housing Assistance)			
Gypsy and Traveller Site			
Housing Clearance and Enforcement			
Insulation Measures and Fuel Poverty			
TOTAL			

2019/20		
Period 4	Outturn	Variance
£000	£000	£000
0	0	0
0	0	0
2,807	2,796	-11
40	14	-26
0	20	20
5	3	-2
205	137	-68
3,057	2,970	-87

2020/21		
Period 4	Outturn	Variance
£000	£000	£000
14	14	0
21	21	0
2,823	2,834	11
40	66	26
150	130	-20
95	97	2
278	346	68
3,421	3,508	87

2021/22		
Period 4	Outturn	Variance
£000	£000	£000
0	0	0
0	0	0
2,814	2,814	0
40	40	0
0	0	0
50	50	0
278	278	0
3,182	3,182	0

Continuation of funding from Earmarked Reserves into 2020/21 and Acceleration of funding

Annex D

	Continuation of Funding into 2020/21			Acceleration of Funding from 2020/21		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Developing Young People	43	-	43	-	-	-
Protecting Young People	109	-	109	-	-	-
Adult Social Care & Health	13	-	13	-	-	-
Public Health, Leisure, Libraries, Arts & Heritage	-	-	-	20	-	20
Finance	-	-	-	-	-	-
Corporate Services, Estates & Communication	75	145	220	-	-	-
Environmental Services	21	476	497	-	402	402
Economic Regeneration & Housing	172	-	172	20	-	20
Community Safety	5	-	5	-	-	-
Total	438	621	1,059	40	402	442

TREASURY MANAGEMENT OUTTURN REPORT 2019/20

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2019/20 the agreed reporting requirements were as follows:
- (i) An annual Treasury Management Strategy Statement (approved by Cabinet on 20 February 2019, by Council on 27 February 2019 and considered by Audit and Governance Committee on 20 March 2019);
 - (ii) A mid-year treasury update report (approved by Cabinet on 13 November 2019 and considered by Audit and Governance Committee on 12 November 2019);
 - (iii) An annual review following the end of the year describing the activity compared to the strategy (this report); and
 - (iv) In addition, the Cabinet has received regular treasury management reports via each Financial Monitoring Report.
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies, previously approved by Members.
- 1.4 The Council confirms that it has complied with the requirement under the Code to give scrutiny to the relevant treasury management reports by the Cabinet before they were reported to the full Council.
- 1.5 The main contents of this report are:
- (i) Borrowing activity 2019/20;
 - (ii) Investment activity 2019/20;
 - (iii) Effects on the Council budget;
 - (iv) The Council's treasury position at 31 March 2020;
 - (v) Performance measurement; and
 - (vi) Compliance with Treasury Limits and Prudential Indicators.

BORROWING ACTIVITY 2019/20

- 2.1 The Treasury Management Strategy Statement for 2019/20 did not envisage any new borrowing being undertaken outside any prudential borrowing agreed within the capital programme. Whilst the Council's Capital Financing Requirement at that point indicated that the Council had an underlying need to borrow, the general strategy adopted by the Council has been to finance capital expenditure by running down reserves and balances in lieu of new borrowing. However, the Strategy Statement also acknowledged that there may be a benefit in locking in some certainty in borrowing rates at favourable terms and, as a result, lowering the external interest payments made by the Council.

- 2.2 As previously reported within the Period 2 Financial Monitoring Report, considered by Cabinet on 13 November 2019, a new loan of £25million of was undertaken secured with PWLB during the third quarter of 2019. A loan of £5million was secured with Wychavon District Council on 23 December 2019, for a period of 14 days, as a short-term borrowing solution to meet cashflow obligations, over the Christmas and New Year period.
- 2.3 During the year, the Council monitored PWLB certainty rates. Table 1 below shows how rates have overall remained fairly subdued, although there has been volatility in rates during the year, with a historic low reached during September 2019.

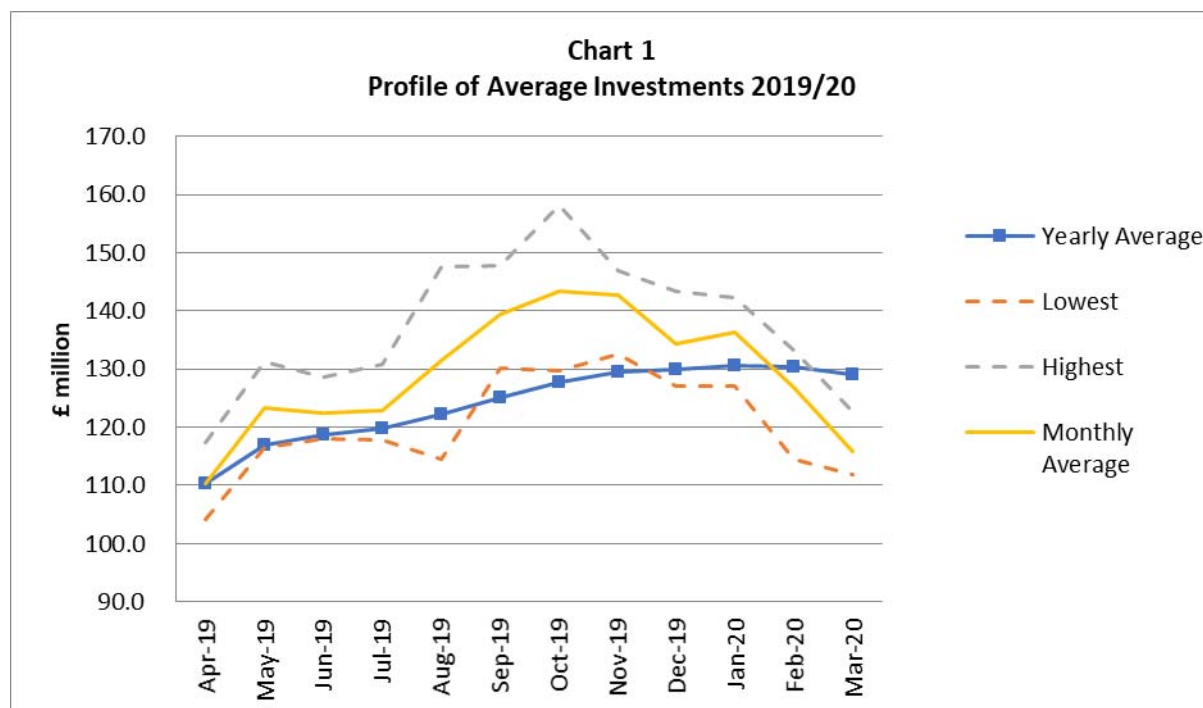
Table 1 - PWLB borrowing rates 2019/20 for 1, 5, 10, 25 & 50 years					
	1 Year	5 Year	10 Year	25 Year	50 Year
1 April 2019	1.46%	1.52%	1.84%	2.41%	2.24%
31 March 2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

- 2.4 On 9 October 2019, the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps, on top of the current margin of 80bps, which the Council can access under the Certainty Rate. This meant that overnight, interest rates that were charged on new borrowing from PWLB increased by 1% from the previous day.
- 2.5 Rates remained at the new higher rate for the majority of the remainder of the year, before seeing significant reductions in the last couple of weeks due to the COVID-19 pandemic.
- 2.6 Despite PWLB borrowing attracting low rates of interest for a significant part of the year, no debt rescheduling was undertaken during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

INVESTMENT ACTIVITY 2019/20

- 3.1 The Bank Rate started the year at 0.75% and remained at this level for most of the year, before two rate decreases were approved by the Monetary Policy Committee, one of 0.50% on 11 March and a second of 0.15% on 19 March, taking Bank Rate to a record low-level of 0.10%, in response to the COVID-19 pandemic. Economic forecasters' original expectations were that the Bank Rate would increase slightly during 2019. These forecasts were subsequently revised, with no increases forecast until the fourth quarter of 2020, with one further increase to 1.25% in March 2022.
- 3.2 Continued uncertainty in the financial markets, which has existed since the 2008 financial crisis, has promoted a cautious approach whereby investments continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

- 3.3 As detailed in the Annual Investment Strategy the general policy objective of the Council is the prudent investment of its surplus funds. The Council's investment priorities are the security of capital and liquidity of investments. The Council's investment dealings in the year have been undertaken in order to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity and having properly assessed all inherent risks. All investments made during the year have been made in accordance with this strategy.
- 3.4 The Council maintained an average balance of £129.119m during the year; Chart 1 profiles the monthly average balances.



EFFECTS ON THE COUNCIL BUDGET

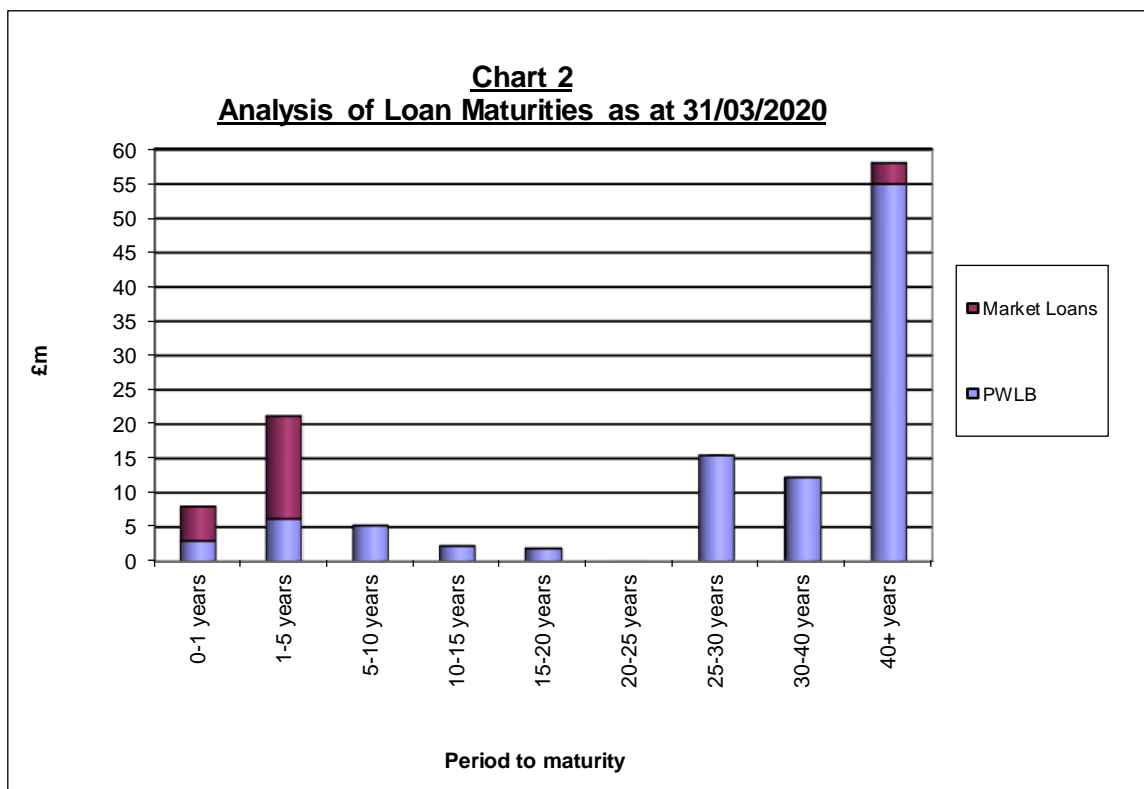
- 4.1 The overall effect on the Council's General Fund budget in 2019/20 was as follows:

Table 2 - Treasury Allowed Estimate & Outturn 2019/20		
	Allowed Estimate £m	Outturn £m
Minimum Revenue Provision (MRP)	3.079	2.940
Debt Management Costs	8.437	8.165
SUB-TOTAL	11.516	11.105
Investment Income	(1.140)	(1.577)
NET TREASURY COSTS	10.376	9.528

- 4.2 The increase in investment income at outturn was due to a combination of additional interest earned through deposits (as a result of a favourable cash holding position and securing enhanced investment returns) and interest received from third parties.

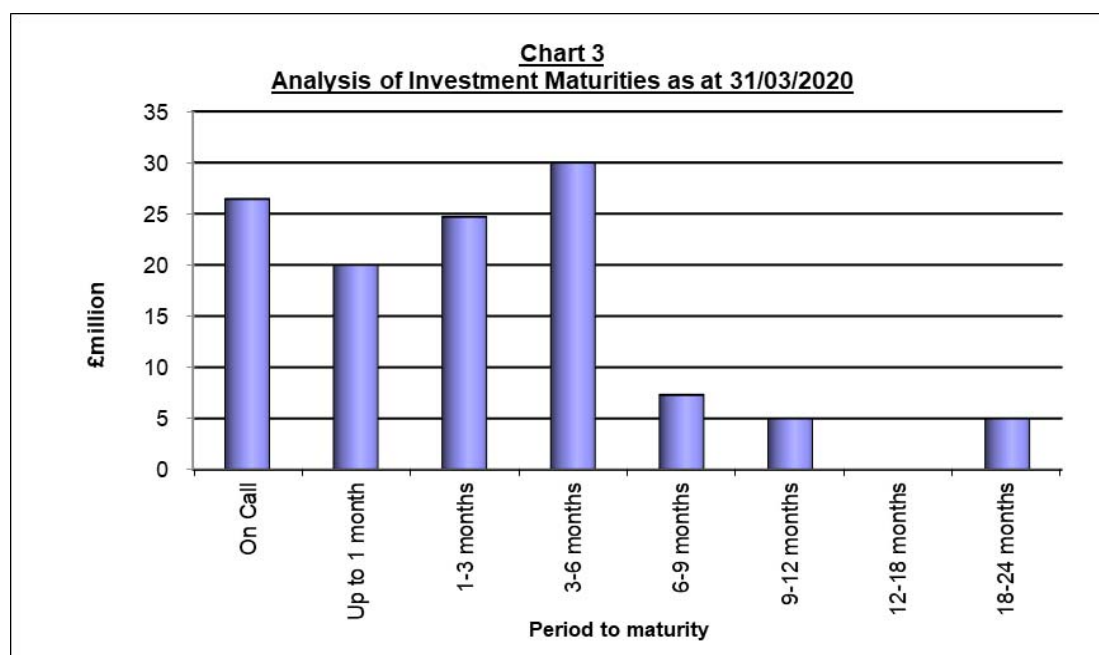
COUNCIL'S TREASURY POSITION

- 5.1 As at 31 March 2020, the Council's debt portfolio comprised of PWLB and market debt totalling £124.665m. The maturity profile of the debt outstanding is highlighted in Chart 2.



In accordance with the revised Prudential Code, the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender does have the right to increase the interest rate payable (as is the case with a Market Loan (LOBO – Lender Option Borrower Option loan)), then this should be treated as a right to require payment. Due to this guidance the maturity dates of the Council's LOBO loans have been profiled as the next call date for each. This has made the Council's position look much more short-term when all of these loans have maturity dates of 28+ years. In the current interest climate, it is unlikely that these loans will be called imminently.

- 5.2 The investments held at 31 March 2020 amounted to £118.5m. The composition of these are shown in Chart 3 and includes those managed on behalf of Schools (balances of circa £7.1m) and MRWA (cash of circa £7.8m).



5.3 The detailed investment holdings as at 31 March 2020 are included at Annex (i).

PERFORMANCE MEASUREMENT

6.1 The performance measure for any new borrowing is to compare the average rate secured for the year compared to the average available for the year. The Council secured borrowing over 50 years at an average rate of 1.67%, whereas the average rate for PWLB loans over 50 years, as reported in Table 1, was 2.40%.

6.2 When analysing performance of the Council's investment activity there are more readily identifiable indicators available to determine performance, as detailed in Table 3.

Table 3 - Investment Returns 2019/20

Month	Returns Achieved			Benchmark Returns			Performance relative to Benchmarks		
	Fixed Term Investments	Call Accounts	Combined Return	1 Year LIBID	7 Day LIBID	Combined LIBID	Fixed Term	Call	Overall +/- return
April	1.068%	0.765%	1.023%	0.960%	0.570%	0.901%	0.108%	0.195%	0.121%
May	1.080%	0.703%	1.006%	0.920%	0.570%	0.851%	0.160%	0.133%	0.155%
June	1.096%	0.746%	1.044%	0.850%	0.570%	0.808%	0.246%	0.176%	0.236%
July	1.104%	0.722%	1.036%	0.750%	0.560%	0.716%	0.354%	0.162%	0.320%
August	1.098%	0.713%	1.033%	0.720%	0.560%	0.693%	0.378%	0.153%	0.340%
September	1.101%	0.733%	1.049%	0.780%	0.570%	0.750%	0.321%	0.163%	0.298%
October	1.093%	0.659%	1.012%	0.820%	0.570%	0.773%	0.273%	0.089%	0.239%
November	1.064%	0.729%	1.020%	0.840%	0.570%	0.804%	0.224%	0.159%	0.216%
December	1.066%	0.796%	1.020%	0.850%	0.570%	0.840%	0.216%	0.226%	0.180%
January	1.070%	0.764%	1.042%	0.750%	0.550%	0.732%	0.320%	0.214%	0.310%
February	1.095%	0.719%	1.039%	0.740%	0.560%	0.713%	0.355%	0.159%	0.326%
March	1.099%	0.750%	1.047%	0.600%	0.180%	0.538%	0.499%	0.570%	0.510%
Average rate of return *	1.086%	0.726%	1.029%	0.798%	0.533%	0.787%	0.288%	0.193%	0.271%

* Inclusive of treasury costs and exclusive of interest from third parties.

- 6.3 Throughout the year, the Council has performed in line with the accepted benchmark levels even though these fluctuated throughout the year. Higher returns have been achieved at the start of the year, with average returns slipping just below benchmark at certain points in the year as a result of rises in the LIBID rates. Any sudden changes in rates will impact upon performance against benchmarks as investment decisions need to be made based upon both the desire to maximise interest returns and, more importantly, managing the liquidity of the authorities investments for cashflow purposes. For a number of years, where possible, the Council has taken advantage of favourable rates and locked into investment deals for longer periods.

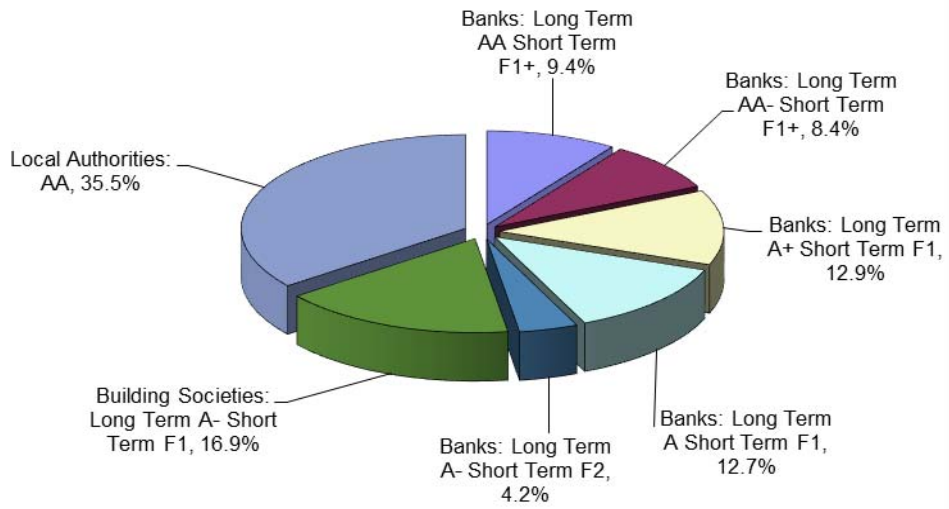
COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

- 7.1 During 2019/20 the Council complied with its legislative and regulatory requirements. The revised Treasury Limits and Prudential Indicators are included at Annex (ii) and, where appropriate, outturn figures for the indicators have been produced by analysis.

Annex (i)

Investments held as at 31 March 2020			
Counterparty	Sum Invested £m	Maturity Date	Interest Rate %
Banks			
ANZ	10.0	19/08/2020	0.95%
Bank of Scotland	5.0	13/05/2020	1.25%
Close Brothers	5.0	16/04/2020	1.25%
Danske	15.0	Call	0.80%
Handelsbanken	11.2	Call	0.55%
NatWest	0.3	Call	0.15%
Santander	10.0	18/08/2020	1.25%
Building Societies			
Coventry BS	5.0	16/06/2020	1.01%
Leeds BS	5.0	03/04/2020	1.04%
Leeds BS	5.0	08/05/2020	0.93%
Yorkshire BS	5.0	16/09/2020	0.90%
Local Authorities			
Barking Council	5.0	28/04/2020	0.90%
Broxbourne Borough Council	4.7	10/06/2020	0.95%
Cambridgeshire County	5.0	29/01/2021	1.45%
Croydon Council	5.0	24/07/2020	0.89%
Eastleigh Borough Council	5.0	20/04/2020	1.50%
Lancashire County Council	5.0	24/11/2020	1.00%
Lancashire County Council	5.0	29/11/2021	1.20%
Sedgemoor District Council	5.0	08/05/2020	1.00%
London Borough of Sutton	2.3	21/12/2020	1.45%

Analysis of Investments by Credit Ratings as at 31/03/2020



Key to Credit Ratings

Local Authorities AA

Sovereign (part nationalised banks) A+

Long Term AA-

Short Term F1+ F1

Very high credit quality

High credit quality

High credit quality

Highest short-term credit quality

Annex (ii)

<u>Treasury Limits and Prudential Indicators 2019/20</u>			2019/20 Estimates	2019/20 Outturn
1(i)	Proposed capital expenditure that the Council plans to commit to during the forthcoming and subsequent two financial years.	Capital Expenditure (£m)	51.833	27.292
1(ii)	Additional in-year borrowing requirement for capital expenditure.	In Year Capital Financing Requirement (CFR) (£m)	12.222	1.739
2	The CFR is an aggregation of historic and cumulative capital expenditure, which has yet been paid for by either revenue or capital resources.	Capital Financing Requirement as at 31 March (£m)	190.942	180.854
3	The "net borrowing" position represents the net of the Authority's gross external borrowing and investments sums held.	Net Borrowing Requirement:		
		External Borrowing (£m)	99.666	124.665
		Investments Held (£m)	<u>(115.000)</u>	<u>(110.628)</u>
		Net Requirement (£m)	15.334	(14.037)
4	Identifies the impact and trend of the revenue costs of capital financing decisions will have on the General Fund Budget over time.	Ratio of financing cost to net revenue stream	6.71%	5.47%
5	The Council's Budget Strategy with regards to unsupported borrowing is such that there is no incremental impact to Council Tax.	Incremental impact of capital investment decisions (increase in Council Tax Band D equivalent)	Nil	Nil

Treasury Limits and Prudential Indicators 2019/20			2019/20 Estimates	2019/20 Outturn
6	This represents an absolute limit of borrowing at any one point in time. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.	Authorised Limit for External Debt (£m)	162.163	Complied within limit
7	This is the limit beyond which external debt is not normally expected to exceed.	Operational Limit for External Debt (£m)	140.127	Complied within limit
8	These limits seek to ensure that the authority does not expose itself to an inappropriate level of interest rate risk, and has a suitable proportion of debt.	Upper Limit for Fixed Interest Rate Exposure	100%	Complied within limit
		Upper Limit for Variable Interest Rate Exposure	50%	Complied within limit
9	This limit seeks to ensure liquidity and reduce the likelihood of any inherent or associated risk.	Upper Limit for Sums Invested over 365 Days	60%	Complied within limit
10	This indicator is used to highlight where an authority may be borrowing in advance of need	Gross Debt and the CFR (£m)	(68.543)	(33.455)