

Money Matters : 2019/20 Review of Financial Performance against the Financial Strategy

Cabinet Member for Finance and Procurement

Date: 15 October 2019
Agenda Item: 11
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Key Decision? YES
Local Ward Members : Full Council

Council

1. Executive Summary

- 1.1 The report covers the financial performance from April to June (Quarter One) for 2019/20.
- 1.2 The Original Budget estimated a transfer to general reserves of **£148,860**. At the three month stage it is projected that a contribution of **£662,740** will be made to general reserves, an increase of **£489,230**.
- 1.3 The Capital Programme is projected to be **(£805,000)** lower than the Approved budget.
- 1.4 Capital Receipts are projected to be higher than the Approved Budget by **(£331,000)** due to Bromford RTB Sales and higher projected receipts for asset sales.
- 1.5 In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:
 - Council Tax collection performance was **28.86%** and total arrears were **£2,471,695**.
 - The **Council Tax Collection Fund** is projected to be in surplus, with the Council's 13% share being **(£166,990)** compared to the Approved Budget of **(£34,600)** in 2020/21.
 - Sundry Debt for income to be collected in 2019/20 has reduced by **(£30,215)** compared to 2018/19 and the value outstanding at 30 June 2019 has increased by **£1,183,491**.
 - **Retained Business Rate Income** is projected to be **(£2,829,210)** compared to the Approved Budget of **(£2,525,800)**. This is additional income of **(£303,410)** and is due to additional Section 31 grants.
 - The **Business Rates Collection Fund** is projected to be in surplus with the Council's 40% share being **(£197,000)** compared to the Approved Budget of **£0** in 2020/21.
 - Business Rates collection performance was **28.09%** and total arrears were **£628,268**.
 - The payment of suppliers within 30 days was **84.54%** and remains below our **90%** target.
- 1.6 The Council's investments achieved a risk status of **AA-** that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

2. Recommendations

- 2.1 Cabinet recommend to Council to approve and update the Medium Term Financial Strategy:
 - To increase the Economic Growth Budget by **£50,000** in 2019/20 and **£100,000** in each subsequent year to reflect the inclusion of three new posts to support this Council priority.
 - To increase the Disabled Facilities Grants budget in 2019/20 from **£1,714,000** to **£1,948,000** with the additional spend funded by **£234,000** of additional external grant.
 - To increase the Affordable Housing budget in 2019/20 from **£400,000** to **£614,000** with the additional spend funded by **£214,000** of Section 106.

- To reduce the Stowe Pool Improvements project from **£1,000,000** to **£50,000** to reflect the removal of the Heritage Lottery Grant of **£950,000**.

2.2 Cabinet recommend to Council to approve and update the Medium Term Financial Strategy:

- To reduce the loan to the Company from **£900,000** to **£675,000** (no change to the period of 5 years).
- To undertake a **£225,000** equity investment in the Company.
- To charge **4%** rate of interest on the loan to the Company to enable compliance with State Aid.

2.3 Cabinet recommend to Council to approve:

- The 'Buy Out' of the remaining Actuarial Strain Payments during 2019/20.
- The funding of the cost of the 'Buy Out' of **£468,000** is provided by the earmarked reserve established for this purpose.
- An update to the Medium Term Financial Strategy based on the information included in the financial implications section of this report.

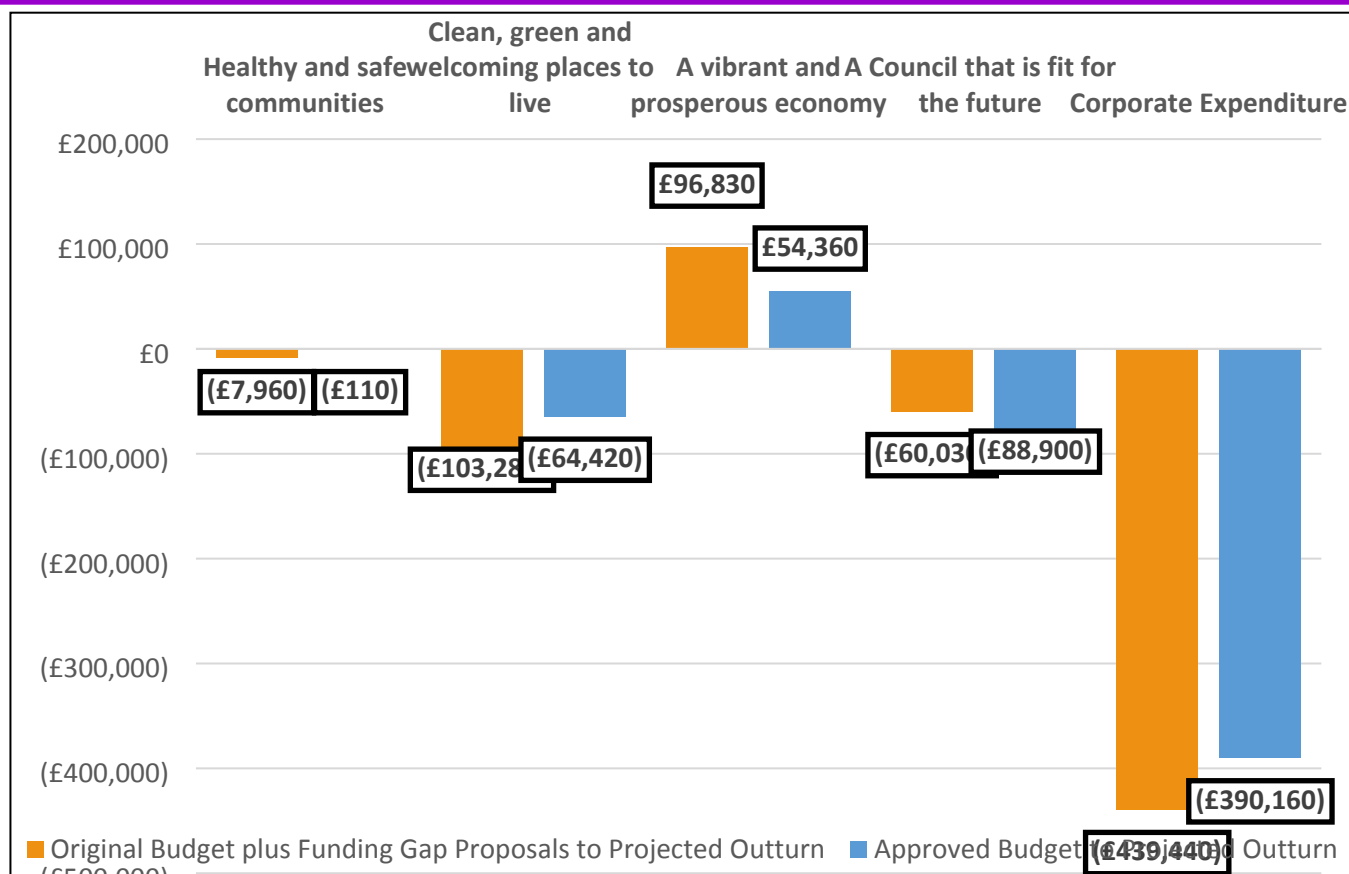
3. Background

Budget Management

- 1.1. The MTFS 2018-23 approved by Council on 19 February 2019 included the Original Budget for 2019/20 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 1.2. Throughout the financial year, Money Matters reports are provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at three, six and eight month intervals to monitor performance.
- 1.3. The Money Matters reports update the Approved Budget for latest projections and the eight month report will form the basis of the Revised Approved Budget for 2019/20 and will be approved by Council on 18 February 2020.

The Revenue Budget

- 1.4. Financial performance is shown in detail at **APPENDIX A** and in summary by Strategic Priority below:



Performance compared to the Approved Budget

1.5. The variance is shown in summary below and in detail at **APPENDIX B** by Service Area:

| | Variance | |
|--|----------|------------------|
| | Virement | Other Variances |
| Healthily and safe communities | (110) | |
| • Transfers | | |
| Clean, green and welcoming places to live | (11,220) | (53,200) |
| • Earmarked Reserve No Longer Required (see below) | | |
| • Transfers | | |
| A vibrant and prosperous economy | 7,450 | (3,090) |
| • Additional savings from removal of Arts Development Post | | 50,000 |
| • Economic Growth posts | | |
| • Transfers | | |
| A council that is fit for the future | 3,880 | 34,410 |
| • Insurance Premium Increase due to property value increase | | (54,900) |
| • National Living Wage - actual scale points lower than projected | | (2,640) |
| • Chair and Vice Chair allowance underspend from previous term | | (69,650) |
| • Earmarked Reserve No Longer Required (see below) | | |
| • Transfers | | |
| Total - Net Cost of Services | 0 | (99,070) |
| Corporate Expenditure | | |
| Net Treasury - increased interest receipts due to higher level of balances | | (50,000) |
| Net Operating Cost | | (149,070) |
| Earmarked Reserves | | |
| • Lower Business Rate payments for Council Property following transition | | (36,750) |
| Funding | | |
| • Additional Business Rates - Section 31 Grants | | (303,410) |

Earmarked Reserves

- 1.6. The earmarked reserves scheduled to be returned to General Reserves in 2019/20 under the three year time limit contained in the approved policy are detailed below along with updates where appropriate:

| Reserve Name | Balance 30-Jun-19 £ | Earmarked Reserves No longer required £ | Comments |
|-----------------------------------|---------------------------|---|--|
| Employee Benefits | £0 | £69,650 | |
| Digitisation Programme | (£115,200) | | To be reviewed at quarter 2 |
| Revenues & Benefits Service | (£195,190) | | Awaiting outcome of the Revenues & Benefits Review |
| Individual Electoral Registration | (£50,716) | | Expenditure plan in place to spend during 2019/20 |
| Elections Additional Support | (£24,999) | | Expenditure plan in place to spend during 2019/20 |
| Inward Investment and Marketing | £0 | | |
| CCTV Sinking Fund | (£60,996) | | Awaiting outcome of CCTV consultancy report findings |
| Historic Building Grants | £0 | | |
| Building Safer Communities | (£6,703) | | To be reviewed at quarter 2 |
| Stock Condition Survey | (£32,000) | £33,000 | Balance to be spent during 2019/20 |
| Employee Benefits - LDC Share | £0 | £20,200 | |
| Total Earmarked Reserves | (£485,804) | £122,850 | |

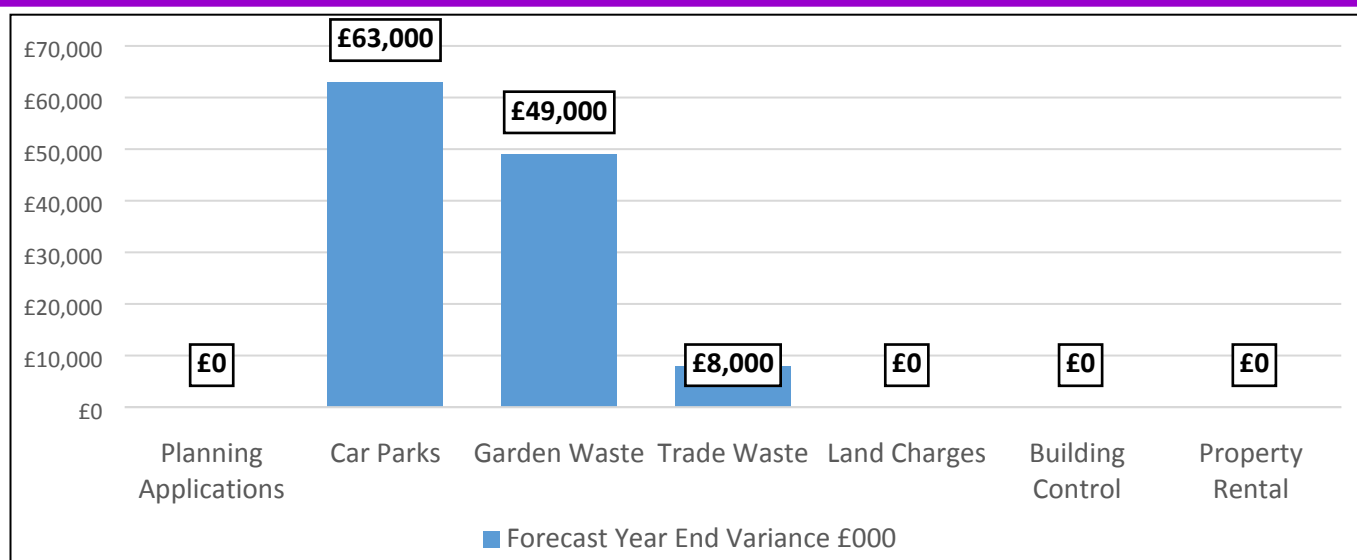
- 1.7. The Finance department is working with Services to determine if there are Business Cases that justify the retention beyond the three year limit.

Pensions Repayment

- 1.8. Cabinet on 13 June 2019, as part of the Money Matters Review of Financial Performance for 2018/19, approved the establishment of an earmarked reserve of **£468,000** for the early payment of pensions.
- 1.9. In addition to pension contributions set by the Pension Fund Actuary, the Council has agreed over a number of years to fund the shortfall on pension payments for certain exit packages through actuarial strain payments.
- 1.10. These actuarial strain payments were agreed to be paid over a **20 year** period at an interest rate of **78.25%**.
- 1.11. The Pension Fund has since withdrawn this facility and actuarial strain payments must now be accounted for in the year the employee leaves the Council (although payments can be made over 5 years).
- 1.12. There is the potential to 'buy out' the remaining sums outstanding at a discounted level thereby reducing the annual cost and also reducing the Funding Gap in the relevant years.
- 1.13. The detailed financial implications are shown in the financial implications section of this report.
- 1.14. It is recommended that the outstanding payments to the Pension Fund, estimated to be **£468,000**, are repaid early to produce annual savings of **(£57,970)** per annum.

Fees and Charges

- 1.15. The gross fees and charges budgets for 2019/20 together with actual income achieved over the last five years are shown in detail at **APPENDIX B**. The projected variance to Budget for those with the highest value are shown below:



1.16. The reasons for any significant variances are:

- **Car Parks** – April to June income shows an increased performance against budget of **£63,000**, although there is additional expenditure of **£13,000** against budget to collect this income and a further **12%** will be subject to income sharing arrangements.
- **Garden Waste** – income received to date shows an increase in subscriptions against budgets, although **42.16%** of this is payable to Tamworth Borough Council.

Closing the Funding Gap Progress

1.17. The progress to date (excluding any recommendations contained in this report) on closing the Funding Gap is summarised below:

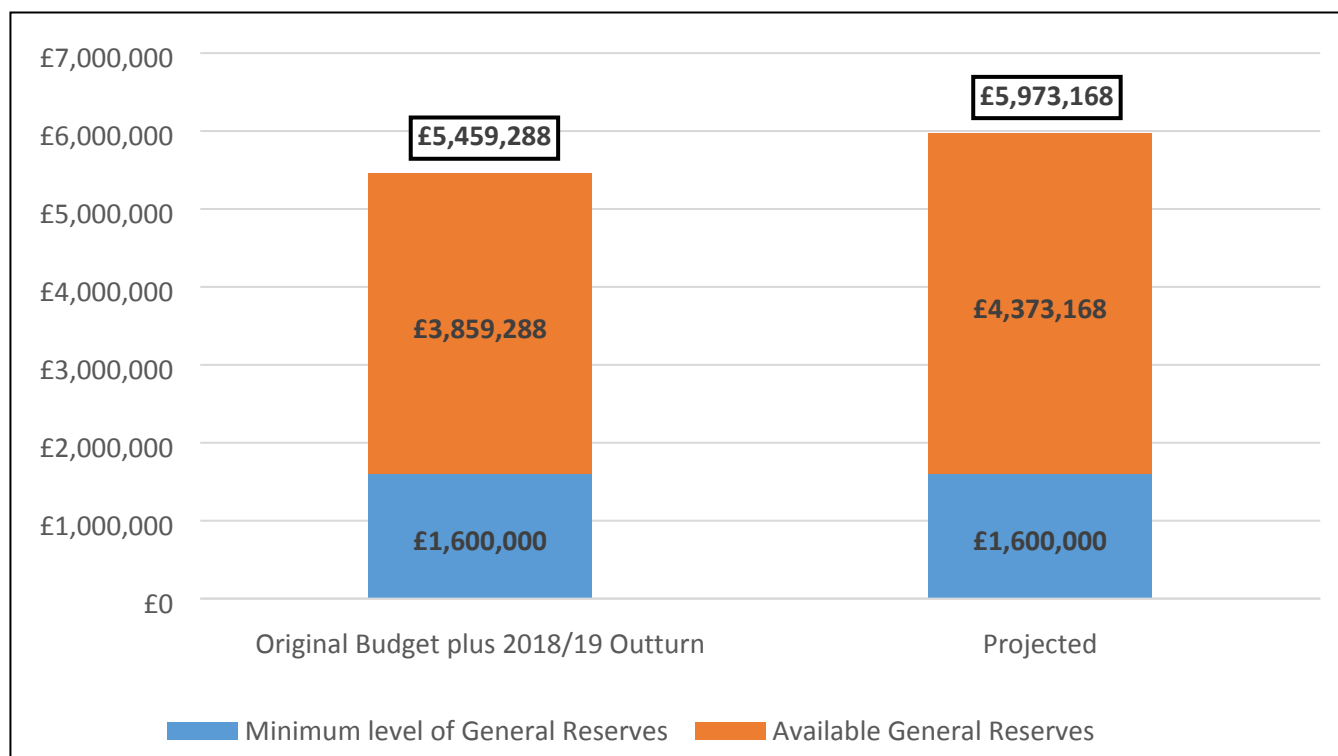
| | Cabinet Report | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|----------------|-----------------|-----------------|-------------------|-------------------|
| Original Funding Gap | | £841,620 | £917,360 | £1,012,070 | £1,338,700 |
| Upfront pension payment with savings | 12/03/2019 | 4,420 | (72,940) | (114,480) | (114,480) |
| Outturn 2018/19 Members Allowances | 13/06/2019 | (10,000) | (10,000) | (10,000) | (10,000) |
| Jigsaw Funding Agreement | 09/07/2019 | (9,660) | (9,660) | (9,660) | (9,660) |
| Higher Insurance - higher property values | 10/09/2019 | 34,410 | 34,410 | 34,410 | 34,410 |
| Lower Business Rate payments for Council Property following transitional arrangements | | (36,750) | (36,750) | (36,750) | (36,750) |
| National Living Wage - scale points lower than projected | | (54,900) | (54,900) | (54,900) | (54,900) |
| Additional Pensions – revised projections | | (8,470) | (8,730) | (11,620) | (14,820) |
| Arts Development Residue Savings | | (3,090) | (3,090) | (3,090) | (3,090) |
| Treasury Management - Increased Interest | | (50,000) | (50,000) | (50,000) | (50,000) |
| Economic Growth Posts | | 100,000 | 100,000 | 100,000 | 100,000 |
| Revised Funding Gap | | £807,580 | £805,700 | £855,980 | £1,179,410 |

1.18. The Finance Settlement could significantly influence the scale of the Funding Gap although initiatives, such as the recommended pension repayment to generate ongoing savings, continue to be pursued.

1.19. The progress on closing the Funding Gap will be monitored throughout the year.

Revenue General Reserves

1.20. The Original Budget estimated a contribution to general reserves of **£148,860**, the Approved Budget a contribution to General Reserves of **£173,510** and this report shows a projected contribution of **£662,740**, an increase of **£489,230** compared to Approved Budget.



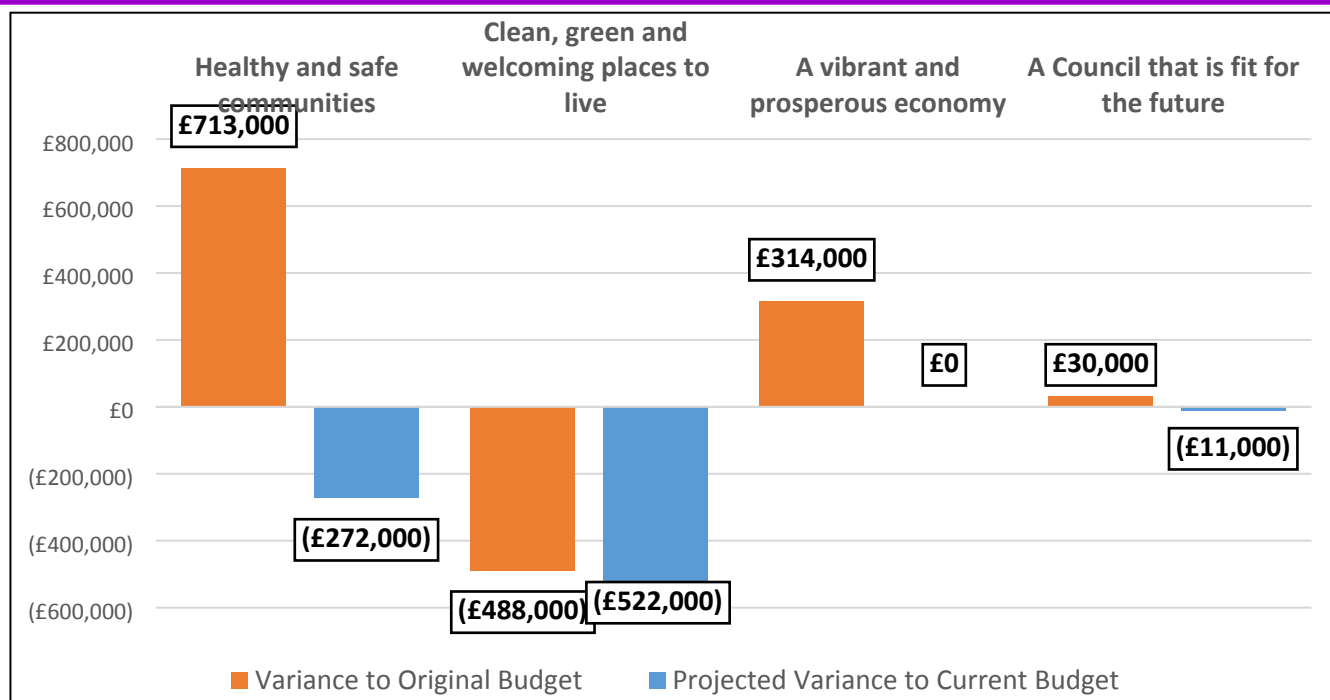
The Capital Programme

1.21. The Original Budget of **£11,618,000** was approved by Council on 19 February 2019. There have been three updates to this budget during 2019/20:

- Allocation of Community Infrastructure Levy of **£255,000** approved by Cabinet on 12 March 2019.
- Multi Storey Car Park refurbishment of **£300,000** approved by Council on 16 April 2019.
- Slippage from 2018/19 of **£819,000** approved by Cabinet on 13 June 2019.

1.22. The Approved Budget is therefore **£12,992,000**.

1.23. The Capital Programme performance is projected to be below budget by **(£805,000)** or **6%** compared to the Approved Budget. This below budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan's Priority below and in detail at **APPENDIX C**:



Performance compared to the Approved Budget

1.24. There are projected variances compared to the approved budget related to:-

| | Approved Budget Variance |
|--|--|
| Healthy and Safe Communities <ul style="list-style-type: none"> Disabled Facilities Grants – New Grant of £234,446 and re-profiling of (£448,000) S106 Affordable Housing Monies – New income of £284,000 and re-profiling of (£342,000) | (£214,000) (£58,000) |
| Clean, Green and Welcoming Places to Live <ul style="list-style-type: none"> Darnford Park (S106) – Slipped to 2020/21 Staffordshire Countryside Explorer (CIL) – Slipped to 2020/21 Vehicle Replacement Programme – Car Parks vehicle purchase slipped to 2020/21 Stowe Pool Improvements – Lottery Grant bid postponed Cannock Chase Special Areas of Conservation – More income than budgeted | (£13,000) (£24,000) (£15,000) (£500,000) £30,000 |
| A Council that is Fit for the Future <ul style="list-style-type: none"> Depot Sinking Fund – Slipped to 2020/21 | (£11,000) |
| Total Projected Variance | (£805,000) |

1.25. Disabled Facilities Grants

- The Council's Better Care Fund award for 2019/20 is **(£977,562)** compared to the original budget of **(£906,000)**, an increase of **(£72,000)**.
- In addition, the Council has been allocated a further **(£162,446)** of additional Better Care Fund from Partners.
- The Revised Budget is recommended to be increased by **£234,000** from **£1,714,000** to **£1,948,000**.
- It is projected that spend for 2019/20 based on actual delivery levels will be **£1,500,000**.

1.26. Affordable Housing

- The Council has received **(£284,000)** in additional S106 Affordable Housing monies from Former What Store, Cross Keys and Derry Farm, Shenstone.
- The Revised Budget is recommended to increase by **£284,000** from **£400,000** to **£684,000**.

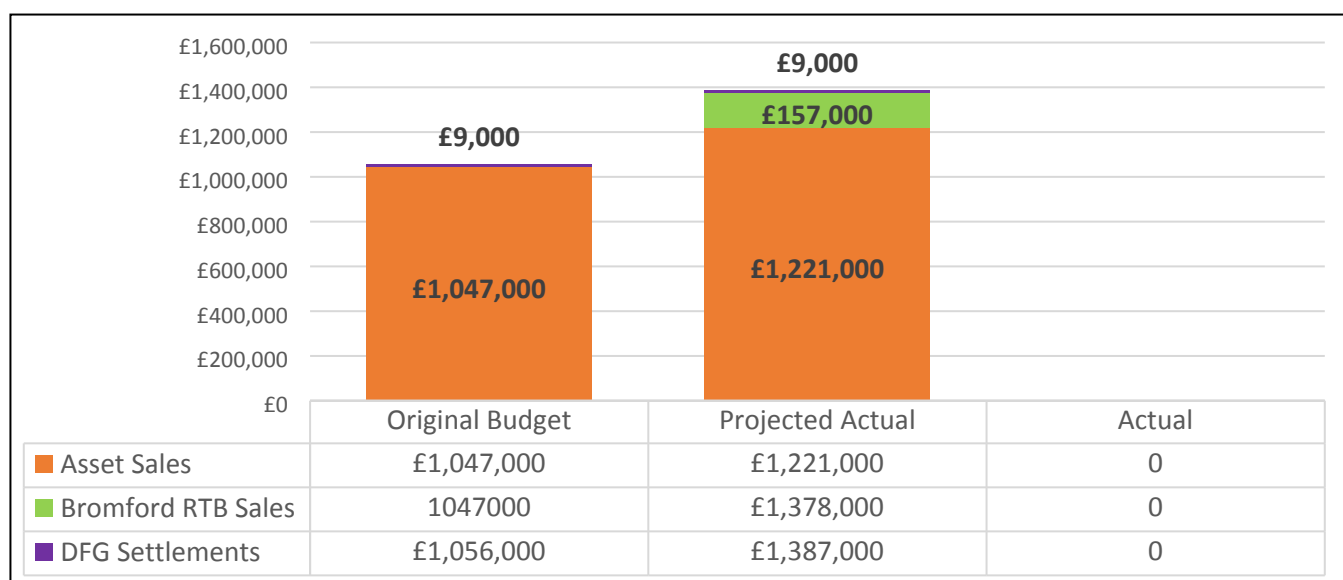
- The outreach service for rough sleepers by Spring housing has been slightly delayed and is due to commence from September onwards. This project will provide the Council with the housing needs analysis needed to inform our purchase of properties for the project.
- It is projected that spend for 2019/20 will be **£342,000**.

1.27. Stowe Pool Improvements

- This project was added to the Capital Programme in 2012 and an updated capital bid of **£1,000,000** (£550,000 in 2019/20 and £450,000 in 2020/21) was submitted in 2018 that was included in the Approved Capital Programme.
- This Bid was to be funded by **£950,000** from the Heritage Lottery Fund, **£45,000** Section 106 and **£5,000** capital receipts.
- However changes to the funding requirements in the grant application process mean that Lottery funding for this project is not being pursued at this time.
- The Revised Budget is recommended to reduce by **£500,000** from **£550,000** to **£50,000** in 2019/20 and by **£450,000** from **£450,000** to **£0** in 2020/21.
- It is projected that spend for 2019/20 will be **£50,000** to purchase additional new play equipment, to enhance the existing play provision, and also to install an improved safety surface to the play area at Stowe Fields.

Capital Receipts

1.28. The Original Budget, projected and actual capital receipts received are:



1.29. Projected adjustments to the Original Budget include -

- **Bromford RTB Sales:** 3 properties have been sold with the Council's share being **£157,000**.
- **Asset Sales:** The sale of the Beacon Park Cottage and the release of the covenant at Guardian House are projected, subject to planning permission, to result in capital receipts that will be **£174,000** higher than the Budget.

The Local Authority Company

1.30. Council on 16 October 2018 approved the Report Delivering the Property Investment Strategy. This report approved a loan of up to £900,000 to the local authority company for a period of 5 years.

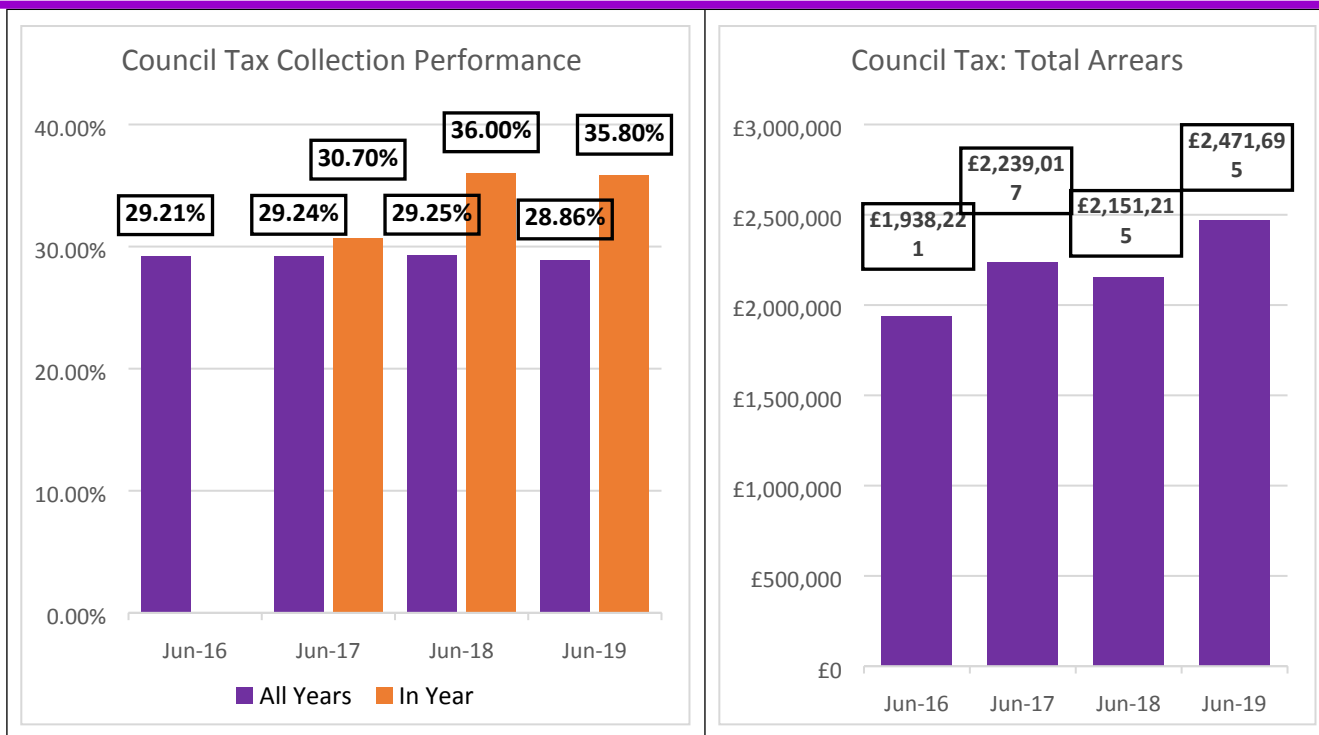
1.31. The Report also anticipated that the company would be funded through 75% borrowing and 25% equity.

- 1.32. The funding objective was to be achieved through a combination of the loan plus transfers of land from the Council to the Company in return for equity.
- 1.33. Since this report was approved, further financial modelling has been undertaken and the advice of Arlingclose has been obtained.
- 1.34. The aim of the modelling and the advice has been to optimise the funding of the Company and ensure the rate of interest charged on the loan is State Aid Compliant.
- 1.35. The recommendations are:
- To maintain the financial support to the Company at **£900,000** with any subsequent transfers of land to the Company treated as disposals by the Council and acquisitions by the Company.
 - The funding of the Company is a **£675,000** (75%) loan for a period of 5 years and a **£225,000** (25%) equity investment with the loan secured on the assets of the Company.
 - A loan rate of **4%** is charged on the **£675,000** loan to the Company based on the Market Economic Operator Principle and with a Loan to Value (LTV) of less than 90%.
 - Loan payments are made in stages in line with the Company's development proposals.
 - The Council will receive income for the period of the loan together with dividends for the equity investment.
 - The Medium Term Financial Strategy is recommended to be updated to reflect these financial implications.

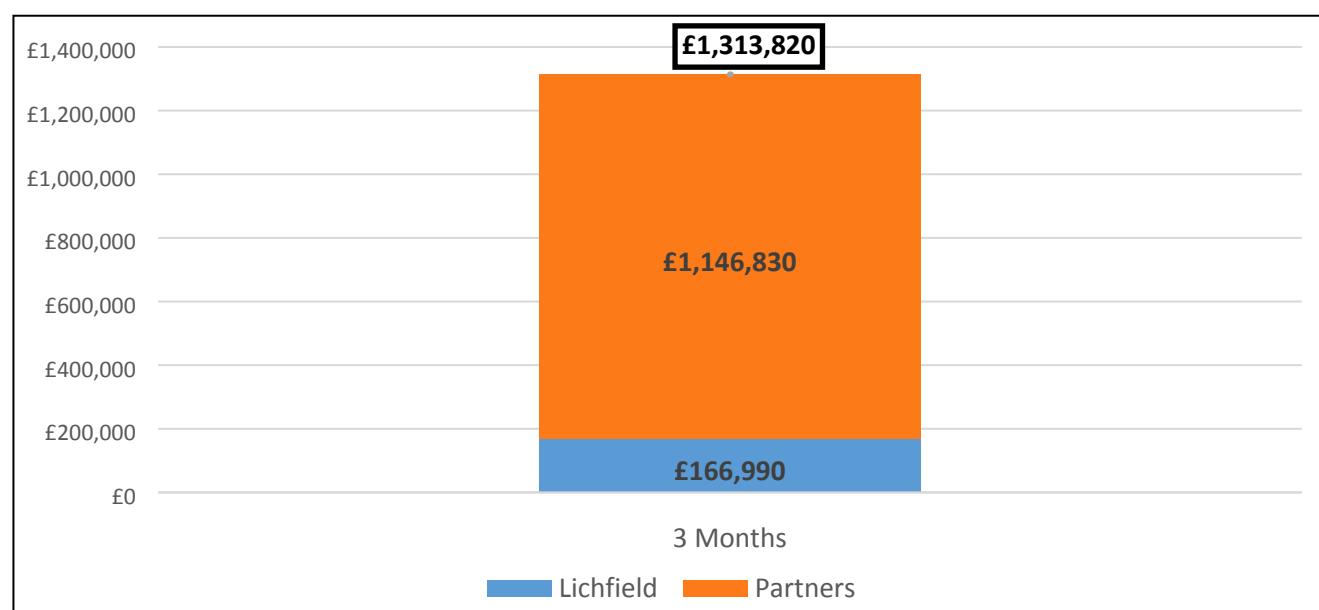
Council Tax

- 1.36. The collection performance for Council Tax debt is shown below:¹

¹ The in year council tax collection performance data has been collated since 2017 only



1.37. The Council Tax Collection Fund is projected to be in surplus and the Council's share is **(£166,990)** based on Lichfield's (including Parishes) current share of Council Tax of **13%**:

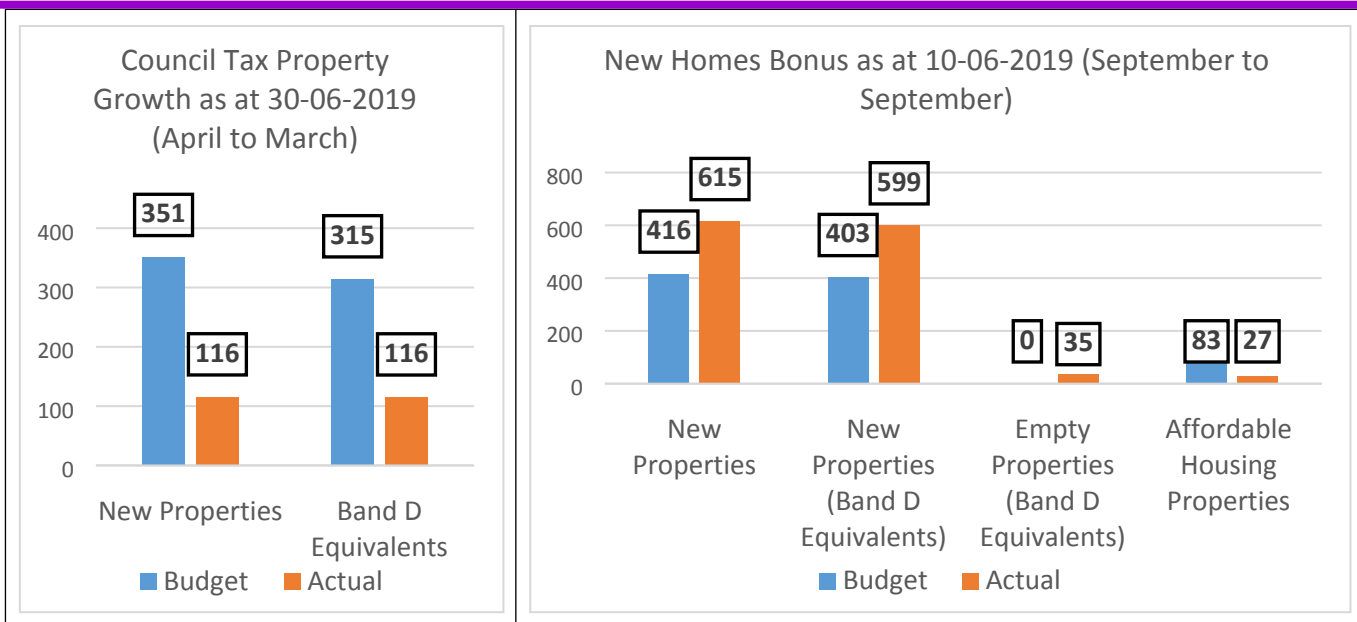


1.38. The main reasons for the surplus compared to the Approved Budget are:

- There was a higher surplus than projected in 2018/19 of **(£591,225)** due primarily to a lower level of bad debt provision.
- The projected net yield (after allowing for discounts and changes to the bad debt provision) from Council Tax in 2019/20 is **(£722,595)** higher than estimated. The Report to Cabinet on 13 June 2019 identified that Housing Supply had exceeded the Budget by **291** dwellings (68%) or **312** Band D equivalents (81%). This growth is projected to continue in 2019/20 (see Housing Supply below).

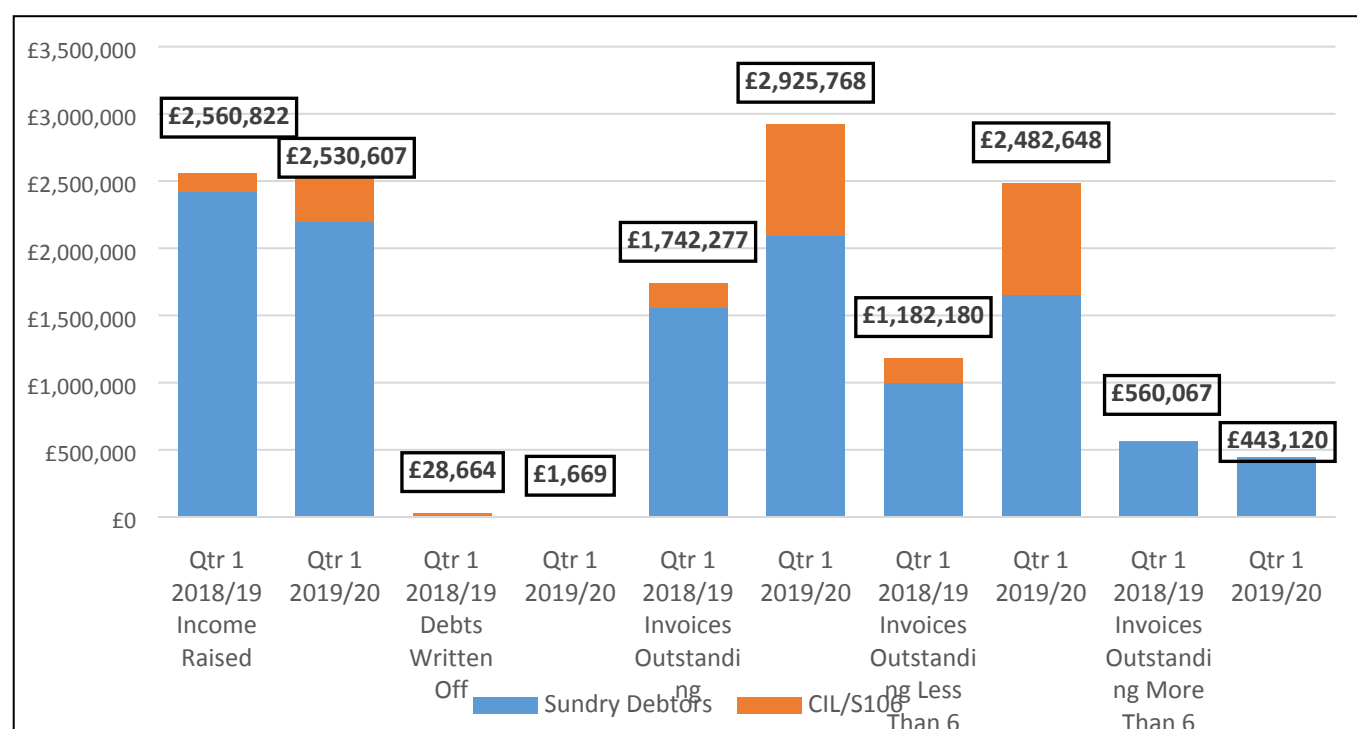
Housing Supply

1.39. The completions for Council Tax (left hand chart) from April 2019 to June 2019 and New Homes Bonus (right hand chart) from September 2018 to June 2019 are shown below:



Sundry Debtors (including Community Infrastructure Levy (CIL) and Section 106 (S106))

1.40. The transaction levels and collection performance in 2019/20 compared to 2018/19 is shown below:



1.41. The Sundry Debtors, CIL and Section 106 performance main variances are related to:

- **Invoices / Demands Issued (Income Raised):** a reduction of (£30,215).
- **Invoices / Demands Outstanding:** an increase in the total of £1,183,491 with Invoices Outstanding for less than 6 Months increasing by £1,300,468 and those more than 6 months reducing by (£116,947).

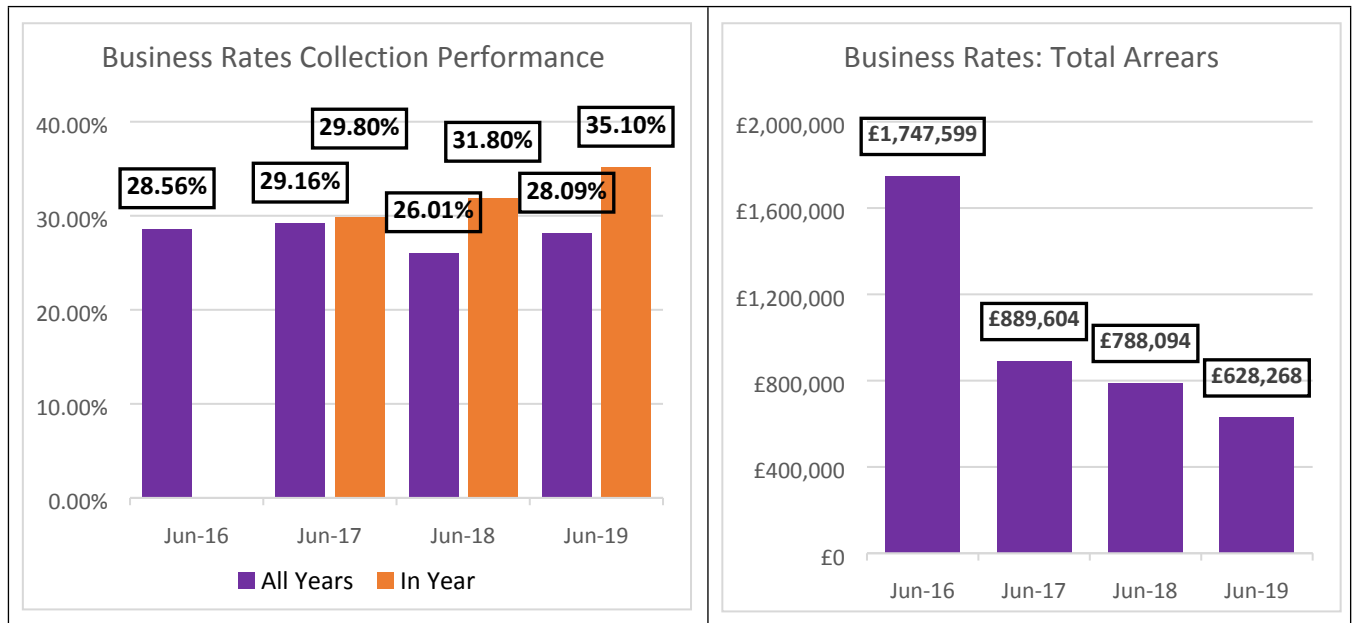
1.42. These increases are mainly related to CIL and Section 106 due as development triggers are reached.

Business Rates

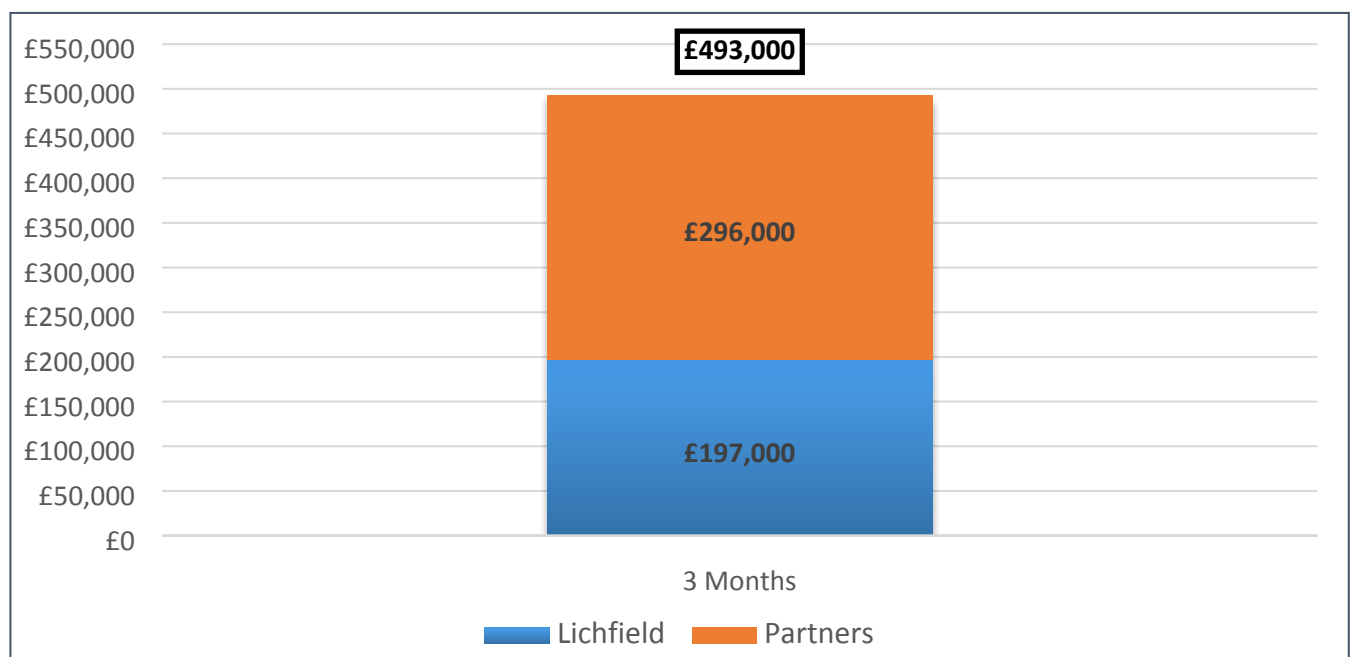
1.43. The Retained Business Rate income is projected to be (£2,829,210) compared to the Approved Budget of (£2,525,800), additional income of (£303,410). This additional income is related to additional Section 31 Grants of (£303,410). These grants are a reimbursement of the Council's share of Government set

reliefs awarded in the Collection Fund covered by the New Burdens doctrine. The reliefs are awarded in 2019/20 but under legislative requirements the budgetary impact will not occur until 2021/22.

1.44. The collection performance for Business Rates is shown below:²



1.45. The Business Rates Collection Fund is projected to be in surplus with the Council's share being **(£197,000)** based on our **40%** share of Business Rates:



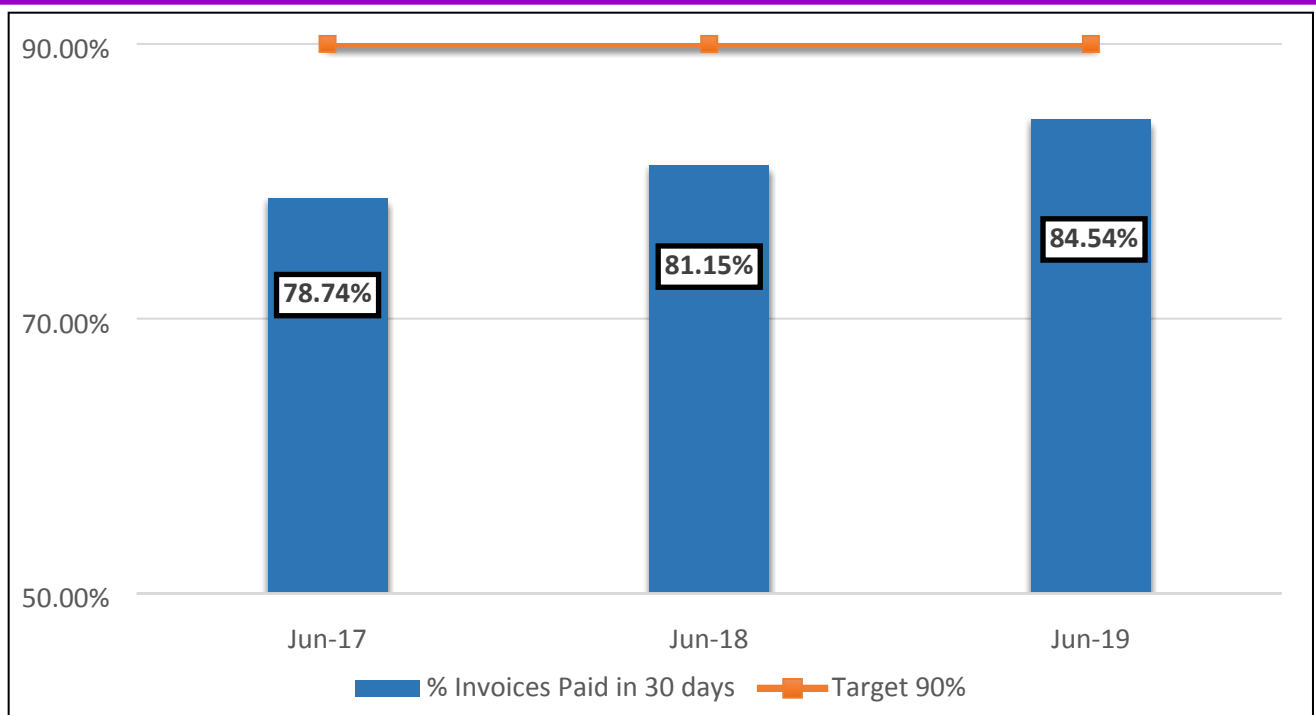
1.46. The main reasons for the projected surplus are:

- A higher than projected surplus in 2018/19 of **(£67,000)** and;
- A higher than projected surplus in 2019/20 by **(£426,000)** mainly due to lower appeals projections.

Supplier Payment Performance

1.47. The performance of invoice payments to suppliers within 30 days for the last three years is:

² The in year business rates collection performance data has been collated since 2017 only



1.48. There are initiatives taking place, including the improvements to procurement detailed below, wider use of payment cards for low value transactions and analysis of the performance by Service Area, that are aimed at improving payment performance.

Procurement Activity

- 1.49. In this financial year to date advice and guidance has been provided on 7 procurements with ongoing support to 3 procurements from the previous year.
- 1.50. Two of the new procurements were above the £25,000 limit and were managed through our new process and system and have been published on the Government's Contract's Finder website.
- 1.51. The detail of procurement activity in 2019/20 supported under the new arrangement is provided at **APPENDIX D**.

Investment Strategy

- 1.52. The Council undertakes investments for three broad purposes:

- It approves the support of public services by lending or buying shares in other organisations – **Service Investments**.
- To earn investment income – **Commercial Investments**.
- It has surplus cash, as a result of its day to day activities, when income is received in advance of expenditure or where it holds cash on behalf of another body ready for payment in the future – **Treasury Management Investments**.

1.53. The Government has recognised in recent Ministry of Housing, Community and Local Government (MHCLG) guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

1.54. The MHCLG Guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **19 February 2019**.

Service Investments

1.55. There are three approved investments of a service nature (the loan to the LA Company is shown at the approved level where no income to the Council was assumed). The investment and net return included in the Approved Budget is detailed below:

| | Approved Budget | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Approved Loan to the Local Authority Company | £900,000 | £900,000 | £900,000 | £900,000 | £900,000 |
| Net Income | £0 | £0 | £0 | £0 | £0 |
| Net Return | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Investment in Burntwood Leisure Centre | £1,395,000 | £1,395,000 | £1,395,000 | £1,395,000 | £1,395,000 |
| Net Income (after loan repayments) | £38,000 | £38,000 | £38,000 | £38,000 | £38,000 |
| Net Return | 2.72% | 2.72% | 2.72% | 2.72% | 2.72% |
| ICT Cloud | £25,000 | £125,000 | £125,000 | £125,000 | £125,000 |
| Net Income | £30,000 | £100,000 | £150,000 | £150,000 | £150,000 |
| Net Return | 120.00% | 80.00% | 120.00% | 120.00% | 120.00% |
| Total Investment | £2,320,000 | £2,420,000 | £2,420,000 | £2,420,000 | £2,420,000 |
| Total Net Income | £68,000 | £138,000 | £188,000 | £188,000 | £188,000 |
| Net Return | 2.93% | 5.70% | 7.77% | 7.77% | 7.77% |

1.56. To date, only the investment in Burntwood Leisure Centre has taken place and is generating net income.

Commercial Investments

1.57. The only commercial investment currently planned relates to the Property Investment Strategy and the investment and net return in the Approved Budget is detailed below:

| | Approved Budget | | | | |
|----------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Property Investment | £6,000,000 | £19,000,000 | £32,000,000 | £45,000,000 | £45,000,000 |
| Net Income | | £56,000 | £180,000 | £303,000 | £427,000 |
| Net Return | | 0.93% | 0.95% | 0.95% | 0.95% |

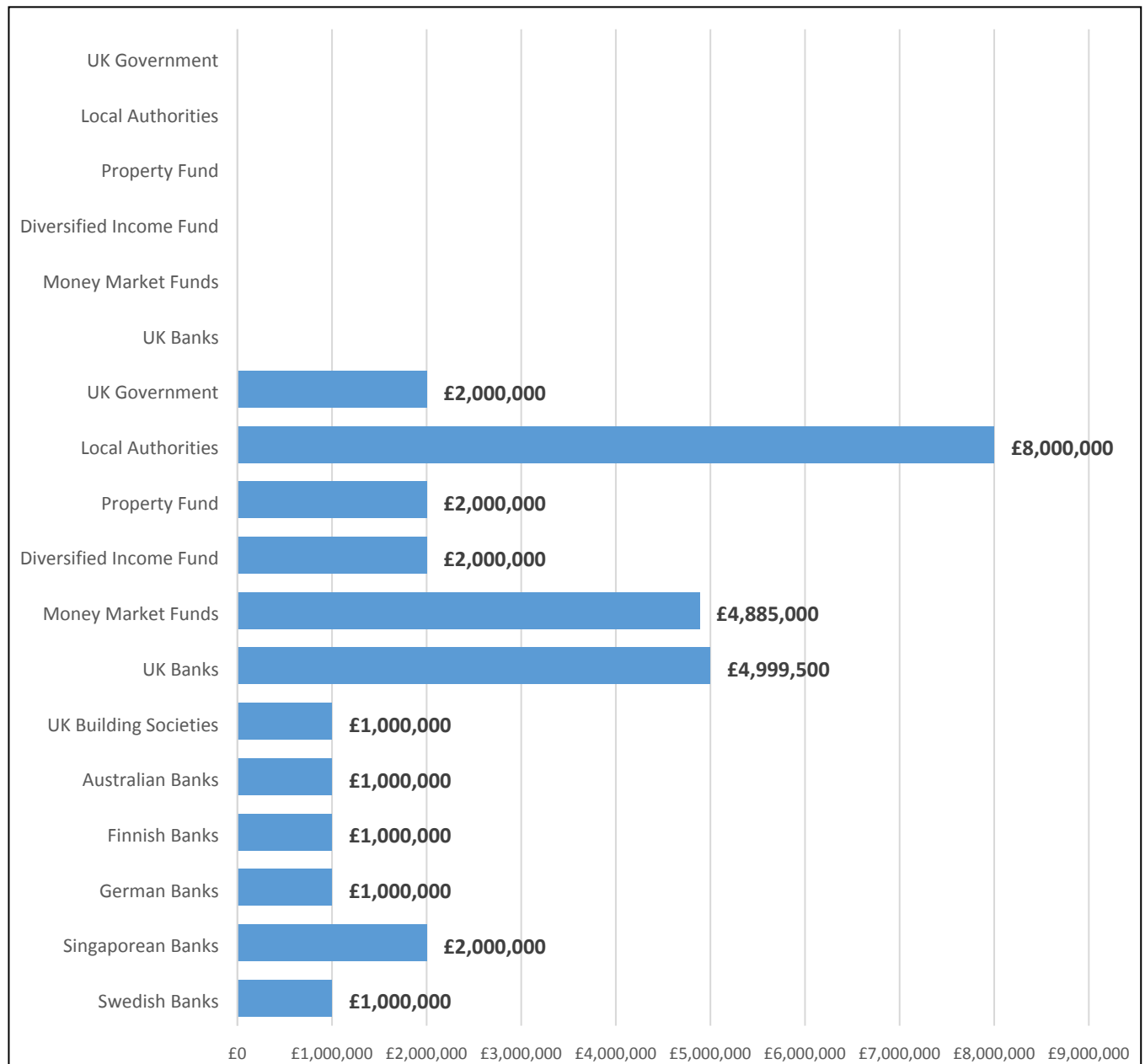
1.58. To date, no property investment has taken place and therefore the budgeted net income is not currently being generated.

Treasury Management Investments

- 1.59. The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).
- 1.60. In addition, external borrowing is considered against the objectives of it being affordable (the impact on the budget and Council Tax), prudent and sustainable (over the whole life).

The Security of Our Investments

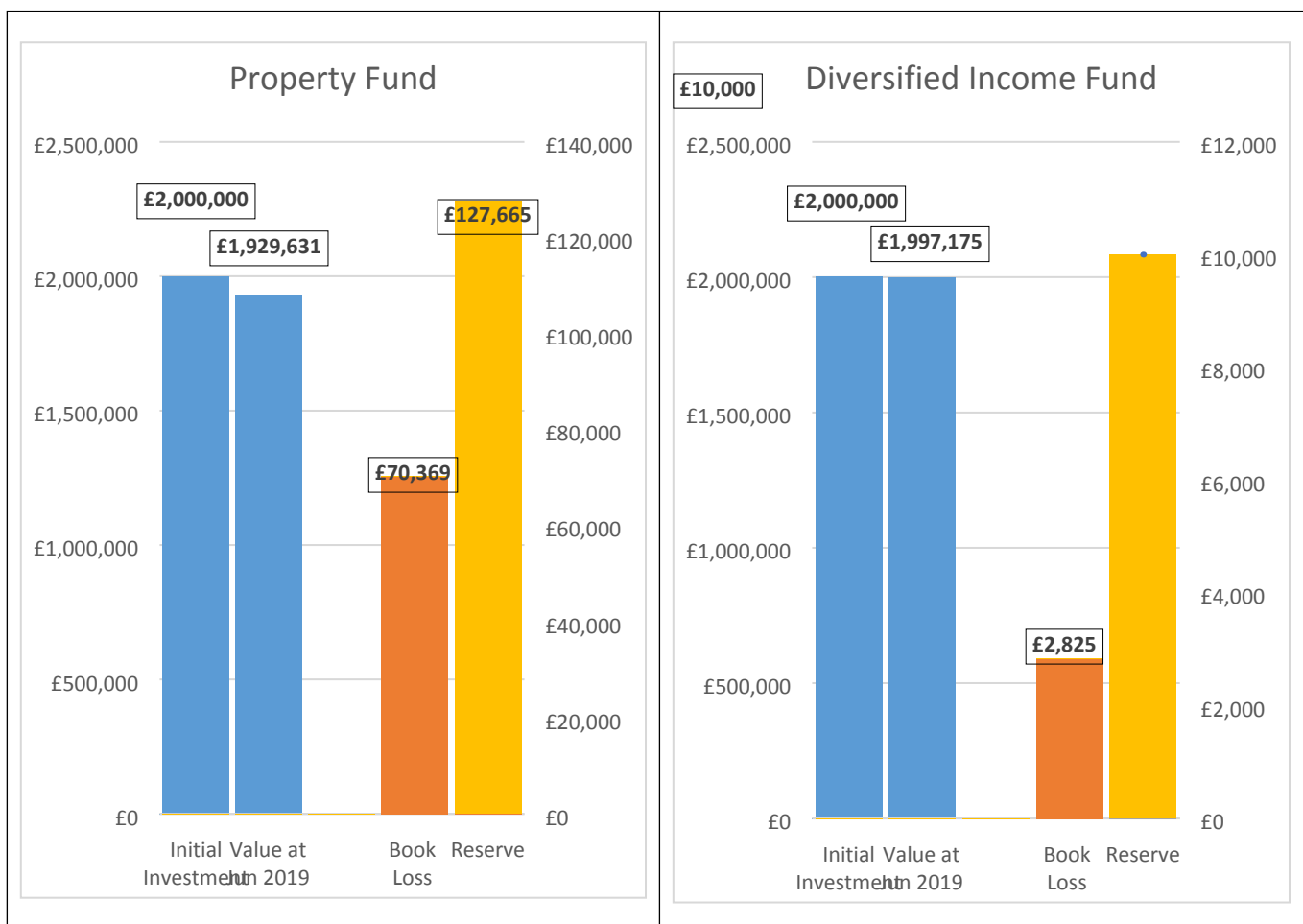
- 1.61. The investments the Council had at the 30 June 2019 of **£30.88m** (with the Property and Diversified Income Fund valued at original investment of **£2m** that was undertaken on 23 May 2019) by type and Country are summarised below and in detail at **APPENDIX D**:



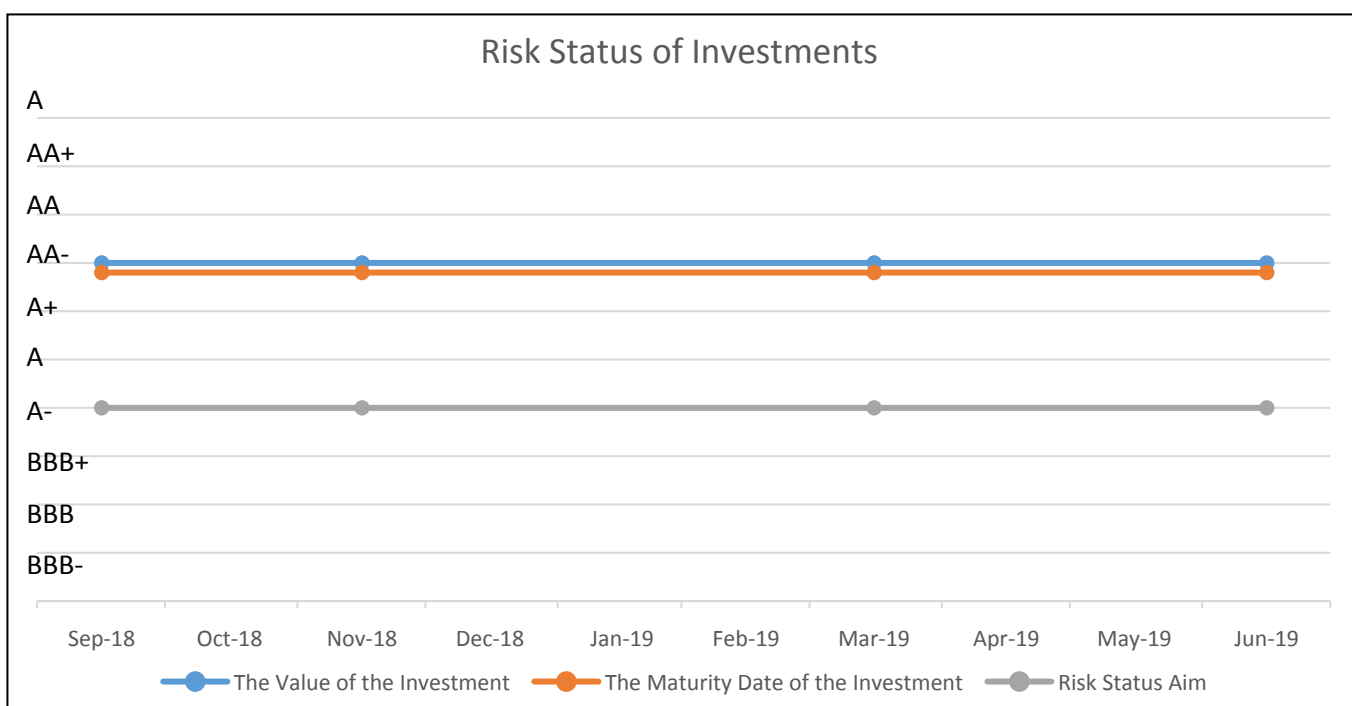
1.62. The Council's portfolio size (with the Property and Diversified Income Fund valued at its current value of **£3.9m**), average credit score, diversification and exposure to 'Bail in' risk compared to Arlingclose Clients is shown below:



1.63. The current value of the Property Fund and the new Diversified Income Fund together with the projected value of the earmarked reserves in 2019/20 intended to offset reductions in value (these are a book loss until the investment is sold and they become actual) are shown below:

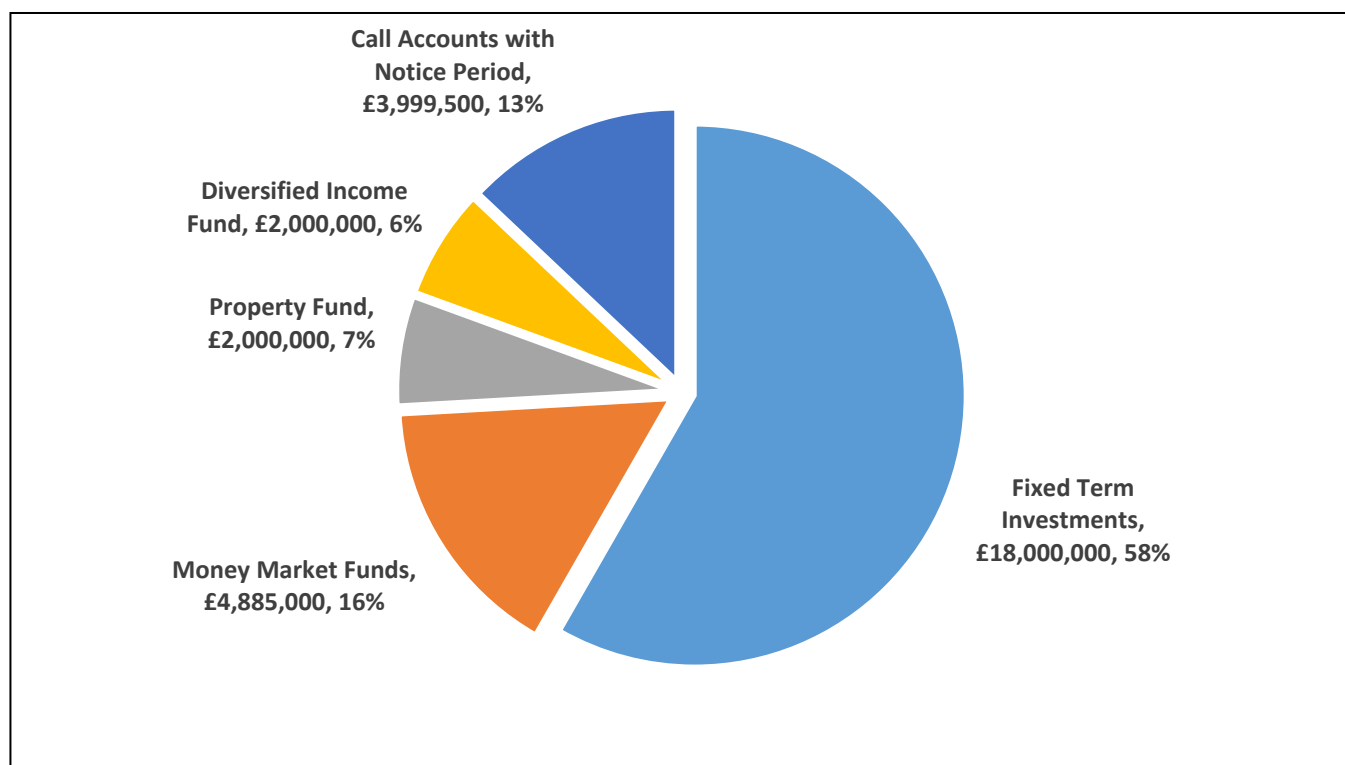


1.64. Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value for a 9 month period is summarised in the graph below:

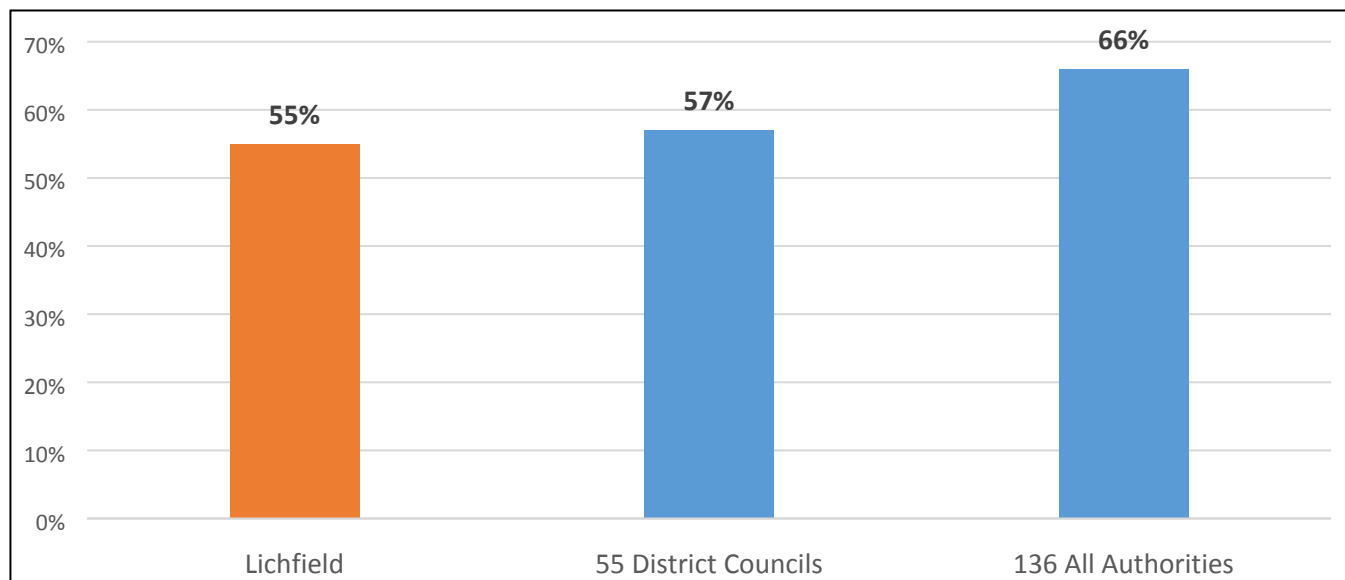


The Liquidity of our Investments

1.65. The Council has not had to temporarily borrow during 2019/20 and retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:

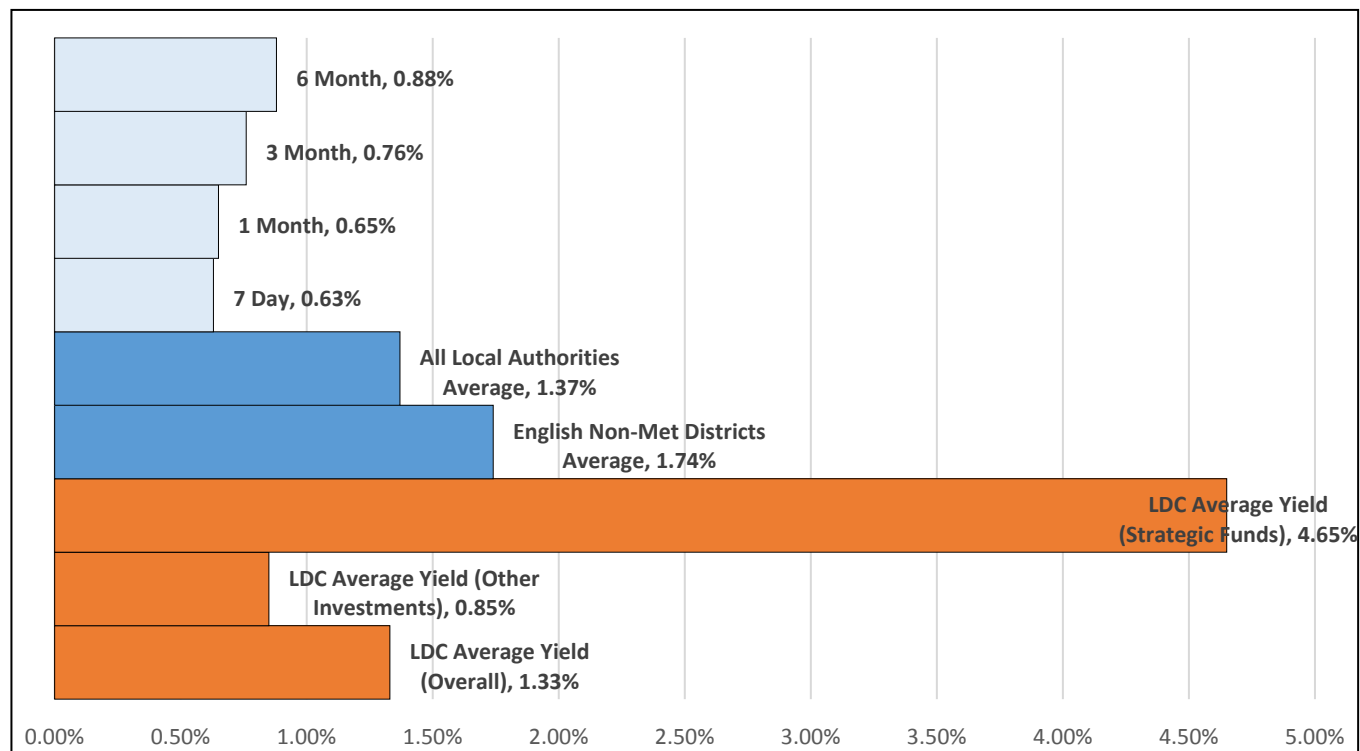


1.66. The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is shown below:



The Return or Yield of our Investments

1.67. The yield the Council achieved compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) and all Arlingclose clients is shown below:



1.68. The investment activity during the financial year is projected to generate **(£341,000)** of gross investment income compared to a budget of **(£291,000)**.

The External Borrowing Portfolio

1.69. The Council's external borrowing portfolio including the premiums for early repayment is shown below:

| | Principal | Average Rate | Years to Final Maturity | (Premium) /Discount |
|--|-------------------|--------------|-------------------------|---------------------|
| PWLB Fixed Maturity | £0 | - | - | £0 |
| PWLB Fixed Equal Instalment of Principal (EIP) | £1,278,480 | 2.59% | 20.6 | (£272,260) |
| PWLB Fixed Annuity | £1,265,944 | 1.71% | 8.8 | (£86,733) |
| PWLB Variable Maturity | £0 | - | - | £0 |
| PWLB Variable EIP | £0 | - | - | £0 |
| TOTAL PWLB | £2,544,424 | 2.15% | 14.7 | (£358,993) |
| Lender Option Borrower Option (LOBO) Loans | £0 | - | - | £0 |
| Other Loans | £0 | - | - | £0 |
| TOTAL BORROWING | £2,544,424 | 2.15% | 14.7 | (£358,993) |

Alternative Options

The approach to Treasury Management is currently being reviewed.

Consultation

Consultation is undertaken as part of the Strategic Plan 2016-20 and with Leadership Team.

Financial Implications

General Reserves

At this three months stage in the year, for the period up to June 2019, we forecast a contribution to general reserves of **£662,740** will be made, against a budgeted contribution of **£148,860** (£38,860 related to the Revenue Budget plus £110,000 of New Homes Bonus in excess of the 'cap') to general reserves.

Pensions Repayment

The profile of current Actuarial Strain Payments, their status in the Approved Medium Term Financial Strategy (MTFS) and the Net Present Value taking account the time value of money at **8%** is shown below:

| Year | MTFS | Strain | Interest | Total | Net Present Value |
|--------------|------------|-----------------|-----------------|-----------------|-------------------|
| 2019/20 | Budget | £32,524 | £25,450 | £57,974 | £53,680 |
| 2020/21 | Budget | £32,524 | £25,450 | £57,974 | £49,703 |
| 2021/22 | Budget | £32,524 | £25,450 | £57,974 | £46,022 |
| 2022/23 | Budget | £32,524 | £25,450 | £57,974 | £42,613 |
| 2023/24 | Projection | £32,524 | £25,450 | £57,974 | £39,456 |
| 2024/25 | Projection | £32,524 | £25,450 | £57,974 | £36,534 |
| 2025/26 | Projection | £32,524 | £25,450 | £57,974 | £33,827 |
| 2026/27 | Projection | £32,524 | £25,450 | £57,974 | £31,322 |
| 2027/28 | Projection | £32,524 | £25,450 | £57,974 | £29,001 |
| 2028/29 | Projection | £32,524 | £25,450 | £57,974 | £26,853 |
| 2029/30 | Projection | £32,524 | £25,450 | £57,974 | £24,864 |
| 2030/31 | Projection | £32,524 | £25,450 | £57,974 | £23,022 |
| 2031/32 | Projection | £32,254 | £25,239 | £57,493 | £21,140 |
| 2032/33 | Projection | £19,753 | £15,457 | £35,210 | £11,988 |
| 2033/34 | Projection | £15,432 | £12,076 | £27,508 | £8,672 |
| 2034/35 | Projection | £3,353 | £2,623 | £5,976 | £1,744 |
| Total | | £461,081 | £360,796 | £821,877 | £480,441 |

The cost of 'buying out' these payments has been estimated by the SCC Pensions Team as circa **£468,000**.

The 'buy out' would result in an annual saving of **(£57,970)** per annum throughout the period of the Approved Medium Term Financial Strategy and beyond.

The investment ratios that can be used to assess the 'Buy Out' are shown below:

| | |
|--|----------|
| Buyout Value | £467,590 |
| Net Present Value of Payments using 8% | £480,441 |
| Payback Period (years) | 8 |
| Rate of Return (Average) | 11% |

Further detailed analysis on the Financial Performance up to June 2019 is shown in the attached Appendices.

Contribution to the Delivery of the Strategic Plan

The MTFS underpins the delivery of the Strategic Plan 2016-20.

Equality, Diversity and Human Rights Implications

There are no additional Equality, Diversity or Human Rights implications.

Crime & Safety Issues

There are no additional Crime and Safety Issues.

| | Risk Description | How We Manage It | Severity of Risk |
|---|--|--|-------------------|
| A | Achievement of The Council's key Council priorities. | Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate. | Green - Tolerable |

| | Risk Description | How We Manage It | Severity of Risk |
|-----------------------------|--|---|-------------------|
| B | Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations. | To closely monitor the level of appeals. An allowance of 4.7% (in line with the MHCLG Allowance) for appeals has been included in the Business Rate Estimates. | Red - Severe |
| C | The review of the New Homes Bonus regime in 2020/21. | Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2020/21 £600,000 is included and this is then being reduced by £100,000 per annum. | Red - Severe |
| D | The increased Localisation of Business Rates and the Fair Funding Review in 2020/2021. | To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour. | Red - Severe |
| E | The affordability and risk associated with the Capital Strategy. | | Yellow - Material |
| E1 | Planned Capital Receipts are not received. | The budget for capital receipts will be monitored as part of the Council's normal budget monitoring procedures. | Yellow - Material |
| E2 | Slippage Occurs in the Capital Spend | Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections. | Yellow - Material |
| E3 | Actual cash flows differ planned cash flows | Cash flow is monitored on a daily basis through normal Treasury Management processes. | Green Tolerable |
| F | The affordability and risk associated with the Property Investment Strategy. | | Yellow - Material |
| F1 | Slippage occurs in the Capital Spend | Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections. | Yellow - Material |
| F2 | Change in Government Policy including Regulatory Change | To monitor proposed changes to policy and regulation and seek to influence in the Council's favour. | Yellow - Material |
| F3 | The form of exit from the EU adversely impacts on the UK economy including the Property Market and Borrowing Costs | To monitor the situation and where possible identify alternative options. | Red - Severe |
| F4 | There is a cyclical 'downturn' in the wider markets | To monitor the wider markets and where possible adapt plans to minimise the Council's risk exposure. | Yellow - Material |
| F5 | There is insufficient expertise to implement the Property Investment Strategy | Recruit an estates management team to provide professional expertise and advice in relation to the Property Investment Strategy. | Yellow - Material |
| F6 | Inability to acquire or dispose of assets due to good opportunities not being identified | To utilise Property Agents to identify opportunities for potential acquisitions and disposals. | Red - Severe |
| Background Documents | | <ul style="list-style-type: none"> • CIPFA Code of Practice for Treasury Management in the Public Services • The Prudential Code for Capital Finance in Local Authorities • Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2018-23 – Cabinet 12 February 2019. • Money Matters: 2018/19 Review of Financial Performance against the Financial Strategy – Cabinet 13 June 2019. | |

| | |
|--------------------------|--|
| Relevant web link | |
|--------------------------|--|

APPENDIX A

Revenue Financial Performance – Variance to Budget 2019/20

| Area | 2019/20 | | | | | | |
|--|--|-------------------|---------------------|----------------------|-------------------------------|-------------------------------|---------------------------------|
| | Original Budget plus Funding Gap Proposals £ | Approved Budget £ | Projected Outturn £ | Projected Variance £ | ● = adverse ☑ = favourable | Variance to Original Budget £ | 2019/20 Target Variance (+/-) £ |
| Healthy and safe communities | 1,529,270 | 1,521,420 | 1,521,310 | (110) | ☑ | (7,960) | |
| Clean, green and welcoming places to live | 3,258,720 | 3,219,860 | 3,155,440 | (64,420) | ☑ | (103,280) | |
| A vibrant and prosperous economy | (1,079,200) | (1,036,730) | (982,370) | 54,360 | ● | 96,830 | |
| A council that is fit for the future | 6,184,720 | 6,213,590 | 6,124,690 | (88,900) | ☑ | (60,030) | |
| Net Cost of Services | 9,893,510 | 9,918,140 | 9,819,070 | (99,070) | | (74,440) | |
| Chief Executive | 459,650 | 458,300 | 388,650 | (69,650) | ☑ | (71,000) | 4,000 |
| Finance and Procurement | 1,764,980 | 1,810,950 | 1,756,050 | (54,900) | ☑ | (8,930) | 15,000 |
| Legal, Property and Democratic Services | 348,790 | 337,040 | 334,400 | (2,640) | ☑ | (14,390) | 18,000 |
| Revenues, Benefits and Customer Services | 761,530 | 757,240 | 757,240 | - | | (4,290) | 17,000 |
| Corporate Services | 2,609,180 | 2,605,210 | 2,639,620 | 34,410 | ● | 30,440 | 23,000 |
| Leisure & Operational Services | 2,142,850 | 2,126,880 | 2,123,790 | (3,090) | ☑ | (19,060) | 27,000 |
| Regulatory Services, Housing & Wellbeing | 1,300,670 | 1,292,390 | 1,259,390 | (33,000) | ☑ | (41,280) | 16,000 |
| Development Services | (25,550) | (26,930) | (26,930) | - | | (1,380) | 32,000 |
| Economic Growth | (248,500) | (194,330) | (144,330) | 50,000 | ● | 104,170 | 34,000 |
| Waste Services | 779,910 | 751,390 | 731,190 | (20,200) | ☑ | (48,720) | 64,000 |
| Net Cost of Services | 9,893,510 | 9,918,140 | 9,819,070 | (99,070) | | (74,440) | 250,000 |
| Net Treasury Position | (6,000) | (6,000) | (56,000) | (50,000) | | | |
| Net Operating Cost | 9,887,510 | 9,912,140 | 9,763,070 | (149,070) | | | |
| Transfer (from) / to General Reserve | 148,860 | 173,510 | 662,740 | 489,230 | | | |
| Transfer (from) / to Earmarked Reserves | 1,335,030 | 1,285,750 | 1,249,000 | (36,750) | | | |
| Net Revenue Expenditure | 11,371,400 | 11,371,400 | 11,674,810 | 303,410 | | | |
| Financed by: | | | | | | | |
| Retained Business Rates | (2,525,800) | (2,525,800) | (2,829,210) | (303,410) | | | |
| Business Rates Cap | (68,000) | (68,000) | (68,000) | - | | | |
| Business Rates Pilot | (568,000) | (568,000) | (568,000) | - | | | |
| New Homes Bonus | (1,278,000) | (1,278,000) | (1,278,000) | - | | | |
| Business Rates Collection Fund (Surplus)/Deficit | (213,000) | (213,000) | (213,000) | - | | | |
| Council Tax Collection Fund (Surplus)/Deficit | (63,600) | (63,600) | (63,600) | - | | | |
| Council Tax | (6,655,000) | (6,655,000) | (6,655,000) | - | | | |

Reasons for the Outturn Budget Performance by Service Area

| Projected Variance £ | | Expenditure | | Income | |
|--------------------------------|--|------------------|------------------|-------------------|------------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (69,650) | Chief Executive | (69,650) | - | - | - |
| (54,900) | Finance and Procurement | - | (54,900) | - | - |
| (2,640) | Legal, Property and Democratic Services | (2,640) | - | - | - |
| - | Revenues, Benefits and Customer Services | - | - | - | - |
| 34,410 | Corporate Services | - | 34,410 | - | - |
| (3,090) | Leisure & Operational Services | - | (3,090) | - | - |
| (33,000) | Regulatory Services, Housing & Wellbeing | - | - | (33,000) | - |
| - | Development Services | - | - | - | - |
| 50,000 | Economic Growth | - | 50,000 | - | - |
| (20,200) | Waste Services | (20,200) | - | - | - |
| (50,000) | Net Treasury Position | - | - | - | (50,000) |
| - | Efficiency Plan | - | - | - | - |
| (£149,070) | Net Operating Cost | (£92,490) | £26,420 | (£33,000) | (£50,000) |
| (36,750) | Earmarked Reserves | - | (36,750) | - | - |
| (£185,820) | Net Operating Cost | (£92,490) | (£10,330) | (£33,000) | (£50,000) |
| (£303,410) | Funding | - | - | (£303,410) | - |
| (£489,230) | Transfer (to)/from General Reserves | (£92,490) | (£10,330) | (£336,410) | (£50,000) |

Chief Executive

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|--|------------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (69,650) | Employee benefits earmarked reserve no longer required | (69,650) | | | |
| (£69,650) | Total | (£69,650) | - | - | - |

Finance and Procurement

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|------------------------------|--------------|------------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (54,900) | National Living Wage savings | | (54,900) | | |
| (£54,900) | Total | - | (£54,900) | - | - |

Legal, Property and Democratic Services

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|--|-----------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (2,640) | Chair and Vice Chair allowance remaining from 2018/19 year | (2,640) | | | |
| (£2,640) | Total | (£2,640) | - | - | - |

APPENDIX B

Corporate Services

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|---------------------------|--------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| 34,410 | Insurance policy pressure | | 34,410 | | |
| £34,410 | Total | - | £34,410 | - | - |

Leisure & Operational Services

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|---|--------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (3,090) | Additional savings from Arts Development Post | | (3,090) | | |
| (3,090) | Total | - | (3,090) | - | - |

Regulatory Services, Housing & Wellbeing

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|---|--------------|----------------|------------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (33,000) | Stock Condition Survey reserve balance not required | | | (33,000) | |
| (£33,000) | Total | - | - | (£33,000) | - |

Economic Growth

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|-----------------------|--------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| 50,000 | Economic Growth posts | | 50,000 | | |
| £50,000 | Total | - | £50,000 | - | - |

Waste Services

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|--|------------------|----------------|--------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (20,200) | Employee benefits earmarked reserve no longer required | (20,200) | | | |
| (£20,200) | Total | (£20,000) | - | - | - |

Net Treasury Position

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|-----------------------------|--------------|----------------|--------------|------------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (50,000) | Increased interest receipts | | | | (50,000) |
| (£50,000) | Total | - | - | - | (£50,000) |

Funding

| Projected Variance £ | Reason | Expenditure | | Income | |
|----------------------------|---------------------------|--------------|----------------|-------------------|----------------|
| | | One Off £ | Recurring £ | One Off £ | Recurring £ |
| (303,410) | Additional Business Rates | | | (303,410) | |
| (£303,410) | Total | - | - | (£303,410) | - |

Fees and Charges

| Income Type | Annual Budget £000 | Forecast | Forecast |
|--|--------------------------|--------------|------------------|
| | | Year End | Year End |
| | | Q1 £000 | Variance £000 |
| Planning Applications | 781 | 781 | 0 |
| Car Parks | 2,110 | 2,173 | 63 |
| Garden Waste | 1,351 | 1,400 | 49 |
| Trade Waste | 440 | 448 | 8 |
| Land Charges | 283 | 283 | 0 |
| Building Control ³ | 869 | 869 | 0 |
| Property Rental | 845 | 845 | 0 |
| Total of Highest Value Fees & Charges | 6,680 | 6,799 | 120 |
| Other Income | | | |
| Licensing | | | |
| Leisure Centres ⁴ | | | |
| VAT Claim ⁵ | | | |
| Court Costs | | | |
| Recycling | | | |
| Grounds Maintenance | | | |
| Other | | | |
| Total Income | | | |

| Annual Trend | | | | |
|--------------|--------------|--------------|--------------|--------------|
| 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Actual | Actual | Actual | Actual | Actual |
| £000 | £000 | £000 | £000 | £000 |
| 771 | 629 | 1,030 | 824 | 797 |
| 1,746 | 1,748 | 1,986 | 2,078 | 2,198 |
| 0 | 0 | 0 | 231 | 1,495 |
| 338 | 390 | 407 | 415 | 443 |
| 183 | 297 | 312 | 279 | 286 |
| 454 | 507 | 557 | 547 | 553 |
| 644 | 681 | 687 | 729 | 839 |
| 4,134 | 4,251 | 4,980 | 5,102 | 6,611 |
| 217 | 185 | 236 | 224 | 241 |
| 1,782 | 1,819 | 1,879 | 1,629 | 183 |
| 0 | 0 | 0 | 0 | 1,103 |
| 252 | 233 | 218 | 198 | 214 |
| 14 | 347 | 439 | 463 | 331 |
| 162 | 161 | 168 | 195 | 217 |
| 1,839 | 1,139 | 1,319 | 1,124 | 1,057 |
| 8,400 | 8,136 | 9,239 | 8,936 | 9,957 |

³ The shared service has expanded in 2019/20.

⁴ Responsibility transferred to Freedom Leisure from February 2018.

⁵ Gross income before the deduction of related expenditure.

Capital Programme Performance in 2019/20

| Project | Original Budget | Approved Budget | Actual to Date | Projected Actual | Projected Variance |
|--|--------------------|--------------------|-----------------|--------------------|--------------------|
| Burntwood Leisure Centre CHP Unit | 235,000 | 235,000 | 0 | 235,000 | 0 |
| Leisure Review: Capital Investment | 0 | 30,000 | 20,360 | 30,000 | 0 |
| Replacement of Play Equipment at Hill Ridware Village Hall | 71,000 | 30,000 | 30,000 | 30,000 | 0 |
| New Build Parish Office/Community Hub | 92,000 | 92,000 | 0 | 92,000 | 0 |
| Fradley Village Heating & CCTV | 0 | 5,000 | 0 | 5,000 | 0 |
| Fradley Youth & Community Centre Cladding & Porch | 0 | 15,000 | 10,000 | 15,000 | 0 |
| Armitage with Handsacre Village Hall heating upgrade | 0 | 5,000 | 0 | 5,000 | 0 |
| Armitage with Handsacre Village Hall storage container | 0 | 6,000 | 0 | 6,000 | 0 |
| Re-siting/improvement of Armitage War Memorial | 40,000 | 120,000 | 0 | 120,000 | 0 |
| Canopy and installation of artificial grass at Armitage | 0 | 13,000 | 5,000 | 13,000 | 0 |
| Westgate Practice Refurbishment (CIL) | 0 | 120,000 | 0 | 120,000 | 0 |
| King Edwards VI School (CIL) | 0 | 101,000 | 0 | 101,000 | 0 |
| Accessible Homes (Disabled Facilities Grants) | 1,104,000 | 1,714,000 | 660,449 | 1,500,000 | (214,000) |
| Home Repair Assistance Grants | 15,000 | 28,000 | 0 | 28,000 | 0 |
| Decent Homes Standard | 197,000 | 197,000 | 0 | 197,000 | 0 |
| Energy Insulation Programme | 10,000 | 38,000 | 0 | 38,000 | 0 |
| DCLG Monies | 212,000 | 212,000 | 0 | 212,000 | 0 |
| Unallocated S106 Affordable Housing Monies | 400,000 | 400,000 | 0 | 342,000 | (58,000) |
| Healthy and Safe Communities | £2,376,000 | £3,361,000 | £725,809 | £3,089,000 | (£272,000) |
| Darnford Park | 13,000 | 13,000 | 0 | 0 | (13,000) |
| Canal Towpath Improvements (Brereton & Ravenhill) | 211,000 | 211,000 | 0 | 211,000 | 0 |
| Loan to Council Dev Co. | 900,000 | 900,000 | 0 | 900,000 | 0 |
| Lichfield St Johns Community Link (CIL) | 0 | 10,000 | 0 | 10,000 | 0 |
| Staffordshire Countryside Explorer (CIL) | 0 | 24,000 | 0 | 0 | (24,000) |
| Vehicle Replacement Programme | 140,000 | 140,000 | 0 | 140,000 | 0 |
| Vehicle Replacement Programme | 301,000 | 301,000 | 0 | 286,000 | (15,000) |
| Shortbutts Park, Lichfield | 23,000 | 23,000 | 0 | 23,000 | 0 |
| Env. Improvements - Upper St John St & Birmingham Road | 7,000 | 7,000 | 0 | 7,000 | 0 |
| Stowe Pool Improvements | 550,000 | 550,000 | 0 | 50,000 | (500,000) |
| The Leomansley Area Improvement Project | 0 | 3,000 | 0 | 3,000 | 0 |
| Cannock Chase SAC | 13,000 | 10,000 | 38,852 | 40,000 | 30,000 |
| Clean, Green and Welcoming Places to Live | £2,158,000 | £2,192,000 | £38,852 | £1,670,000 | (£522,000) |
| Multi Storey Car Park Refurbishment | 0 | 300,000 | 0 | 300,000 | 0 |
| Birmingham Road Site - Coach Park | 238,000 | 236,000 | 0 | 236,000 | 0 |
| Birmingham Road Site - Short Term Redevelopment | 353,000 | 353,000 | 0 | 353,000 | 0 |
| Car Parks Variable Message Signing | 32,000 | 32,000 | 0 | 32,000 | 0 |
| Old Mining College - Refurbish access and signs | 0 | 13,000 | 0 | 13,000 | 0 |
| Erasmus Darwin Lunar Legacy (Lichfield City Art Fund) | 0 | 3,000 | 3,000 | 3,000 | 0 |
| St. Chads Sculpture (Lichfield City Art Fund) | 50,000 | 50,000 | 0 | 50,000 | 0 |
| A Vibrant and Prosperous Economy | £673,000 | £987,000 | £3,000 | £987,000 | 0 |
| Property Investment Strategy | 6,000,000 | 6,000,000 | 0 | 6,000,000 | 0 |
| Depot Sinking Fund | 11,000 | 11,000 | 0 | 0 | (11,000) |
| IT Infrastructure | 105,000 | 105,000 | 0 | 105,000 | 0 |
| IT Cloud | 25,000 | 25,000 | 0 | 25,000 | 0 |
| IT Innovation | 167,000 | 200,000 | 5,400 | 200,000 | 0 |
| District Council House Repair Programme | 103,000 | 111,000 | 0 | 111,000 | 0 |
| A Council that is Fit for the Future | £6,411,000 | £6,452,000 | £5,400 | £6,441,000 | (£11,000) |
| Grand Total | £11,618,000 | £12,992,000 | £773,061 | £12,187,000 | (£805,000) |

| Funding | Original Budget | Approved Budget | Projected Actual | Variance |
|----------------------------------|--------------------|--------------------|--------------------|-------------------|
| Capital Receipts | 976,000 | 957,000 | 728,000 | (229,000) |
| Borrowing Need | 6,000,000 | 6,030,000 | 6,030,000 | £0 |
| Finance Leases | 140,000 | 140,000 | 140,000 | £0 |
| Capital Grants and Contributions | 2,769,000 | 3,749,000 | 3,188,000 | (£561,000) |
| Reserves and Sinking Funds | 1,733,000 | 2,116,000 | 2,101,000 | (£15,000) |
| Total Funding | £11,618,000 | £12,992,000 | £12,187,000 | (£805,000) |

Procurement Activity in 2019/20

| Reference | Procurement | Procurement | Advice Only | Advice & LDC Led Procurement | Advice & WCC Led Procurement | Type |
|-------------------------------------|--|-------------|-------------|------------------------------|------------------------------|-----------|
| LDC19015 | Independent Living Research | Services | | 24,000 | | One-off |
| LDC19016 | Homelessness database, Housing register & Choice based lettings system | Services | 17,000 | | | One-off |
| LDC19017 | Birmingham Road Enabling Works | Works | | 600,000 | | One-off |
| LDC19018 | GDPR Case Management | Services | | | | One-off |
| LDC19019 | Amazon for Business | Services | | | | Recurring |
| LDC19020 | Target Hardening Scheme | Services | 5,000 | | | Recurring |
| LDC19021 | CHP System for Burntwood Leisure Centre | Works | | 200,000 | | One-off |
| Continued from Previous Year | | | | | | |
| LDC18001 | Rough Sleeper Housing First | Services | | | 500,000 | One-off |
| LDC19006 | Playing Pitch Strategy | Services | | 30,000 | | One-off |
| LDC19013 | Birmingham Road Master Planning | Services | | 60,000 | | One-off |

Note

- **One Off** – relates to project related activity either funded by revenue or capital.
- **Recurring** – relates to annual revenue projects.

Investments in the 2019/20 Financial Year

The table below shows a breakdown of our investments at the end of June 2019:

| Counterparty | Principal | Matures | Days to Maturity | Rate | Credit Rating | Non-UK Organisation |
|---|--------------------|-----------|------------------|-------|---------------|---------------------|
| Money Market Funds | | | | | | |
| Federated | £4,885,000 | 01-Jul-19 | Instant Access | 0.72% | AAAMMF | N/A |
| Strategic Funds | | | | | | |
| CCLA Property Fund | £2,000,000 | N/A | N/A | 3.92% | N/A | No |
| CCLA Diversified Income Fund | £2,000,000 | N/A | N/A | 3.82% | N/A | No |
| Fixed Term Investments | | | | | | |
| Highland Council | £2,000,000 | 29-Jul-19 | 29 | 0.93% | LOCAL | No |
| Merthyr Tydfil Council | £2,000,000 | 22-Jul-19 | 22 | 0.95% | LOCAL | No |
| DBS Bank | £1,000,000 | 19-Sep-19 | 81 | 0.99% | AA- | Yes |
| Lloyds | £1,000,000 | 15-Nov-19 | 138 | 1.00% | A+ | No |
| Coventry Building Society | £1,000,000 | 04-Oct-19 | 96 | 0.93% | A- | No |
| Landesbank Hessen-Thüringen (Helaba) | £1,000,000 | 09-Oct-19 | 101 | 0.89% | A | Yes |
| Fife Council | £2,000,000 | 07-Feb-20 | 222 | 1.00% | LOCAL | No |
| United Overseas Bank | £1,000,000 | 18-Nov-19 | 141 | 0.86% | AA- | Yes |
| Surrey Heath Borough Council | £2,000,000 | 13-Dec-19 | 166 | 0.80% | LOCAL | No |
| Australia and New Zealand Banking Group | £1,000,000 | 12-Dec-19 | 165 | 0.92% | AA-UK | Yes |
| Treasury Bills | £2,000,000 | 22-Jul-19 | 22 | 0.64% | Government | No |
| Call Accounts with Notice Period | | | | | | |
| Santander | £1,000,000 | 27-Dec-19 | 180 | 0.95% | A | No |
| Goldman Sachs International Bank | £1,000,000 | 03-Oct-19 | 95 | 0.89% | A | No |
| Handelsbanken | £1,000,000 | 04-Aug-19 | 35 | 0.65% | AA- | No |
| HSBC | £999,500 | 31-Jul-19 | 31 | 0.85% | AA- | No |
| Certificates of Deposit | | | | | | |
| Standard Chartered | £1,000,000 | 04-Oct-19 | 96 | 0.98% | A | No |
| Nordea Bank AB | £1,000,000 | 17-Oct-19 | 109 | 0.85% | AA- | Yes |
| Total Investments | £30,884,500 | | | | | |