Cabinet meeting on 19 June 2019

Final Financial Outturn Report

2018/19

Philip Atkins, Leader of Staffordshire County Council said:

“The county council’s priority remains to support a thriving economy with opportunities for better paid jobs and enable people to live healthy and independent lives for as long as possible.

“Over the last year we have seen continued investment in our county with new homes and businesses. Together with our partners we are ensuring people can improve skills they need for new employment opportunities.

“We also face huge financial pressures from the cost of social care. In the past decade we have continued to care for our most vulnerable while seeing the spending on both vulnerable adults and children in our care soar by £100m from a growing ageing population, well aware that these pressures will continue to increase until a national solution is found.

“Meanwhile we continue to invest through our capital programme in the things that matter to Staffordshire people – infrastructure, schools, roads and the foundations for job creation.”

Mike Sutherland, Cabinet Member for Finance, said:

“It is encouraging that over the course of the year we have managed to improve our financial position which is essential as we progress through the current year.

“Like councils up and down the country we are managing the constant increased pressures and continuous demand for both our adult services and children’s services. We therefore introduced spending controls early on across county council operations while ensuring we protected vulnerable people in Staffordshire.

“As a responsible authority we must live within our means. This includes maintaining levels of our reserves to respond to any sudden changes in the economy.

“Of course, we will need to make some difficult decisions in the future to meet the challenges ahead. People can be assured that we will make every pound we spend count for our residents and businesses.”

Report Summary: This report outlines the final financial outturn position of the county council including delivery of the Medium Term Financial Strategy.

Recommendation(s)

I recommend that:

a. Cabinet Members note the final outturn position which is an underspend of £2.222m on portfolio budgets with the Contingency budget remaining unspent giving a total underspend of £3.562m.

b. Cabinet Members approve the carrying forward of £3.5m of the Health and Care underspend in order to fund adult social care pressures in 2019/20.

c. Cabinet Members approve the capital financing arrangements as set out in Appendix 3, including the capitalisation of transformational revenue expenditure.

Local Members Interest
NA

Cabinet – 19 June 2019

Final Financial Outturn Report 2018/19

Recommendations of the Leader of the Council and Cabinet Member for Finance

a. Cabinet Members note the final outturn position which is an underspend of £2.222m on portfolio budgets with the Contingency budget remaining unspent giving a total underspend of £3.562m.

b. Cabinet Members approve the carrying forward of £3.5m of the Health and Care underspend in order to fund adult social care pressures in 2019/20.

c. Cabinet Members approve the capital financing arrangements as set out in Appendix 3, including the capitalisation of transformational revenue expenditure.

Report of the County Treasurer

Reasons for Recommendations: To inform Cabinet of the final financial outturn for 2018/19.

Report Commissioner: Rob Salmon

Job Title: County Treasurer

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Latest Financial Summary

The following graphs summarise the final financial performance of the council. Full details are contained in this report.

The graphs and charts are compiled using final outturn information.

This report presents the final position for both revenue and capital budgets at the end of the 2018/19 financial year. The final revenue position is an underspend of £2.222m across portfolio budgets with the remaining unspent contingency taking the overall underspend to £3.562m (0.7%). This is within our Financial Health target of 2% variation on revenue budgets.

At the First Quarter the forecast was an overspend of £3.2m but since spending controls were put in place, services have made tremendous efforts to identify and deliver additional savings to mitigate this overspend. This has now been achieved with services delivering an underspend of £8.1m which is 1.73% of the budget. In addition, £5m has been able to be contributed to the Exit and Transition Fund, as required by the MTFS and approved in the report to the County Council on 14th February 2019.

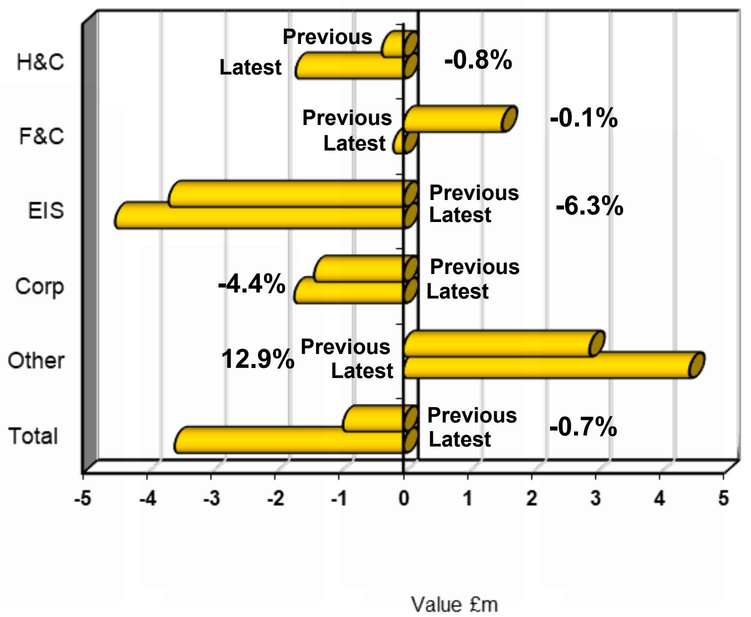
It has not been necessary to allocate further amounts from contingency and therefore this budget is unspent and can be put into balances.

The capital outturn is £128.2m which represents continued investment in schools, highways and economic regeneration. The capital programme has been fully funded. The final position includes £14m of transformational revenue expenditure which has been capitalised in accordance with the Flexible Use of Capital Receipts direction.

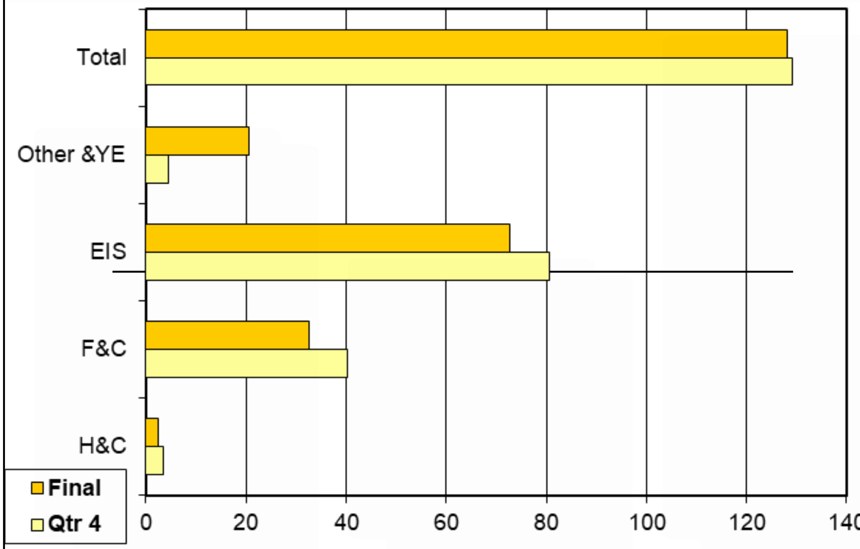
To enable us to provide future flexibility to finance the Capital Programme, £2.679m of repairs and maintenance spend has been capitalised.

The County Council's financial situation can be set against a national backdrop of the retail price index being 2.4%, and the latest consumer price index is 1.8%. GDP is estimated to have increased by 0.5% in the quarter to March 2019. Current unemployment figures show Staffordshire benefit claimant rate is below that of the West Midlands and Great Britain.

Revenue Budget Variance



Capital Programme



County Council Financial Outturn

1. This report presents the final position for both revenue and capital budgets at the end of the 2018/19 financial year.

2. At the beginning of the year, the First Quarter Budget Monitoring report showed a forecast overspend of £3.210m. At the Second Quarter point, Cabinet decided it was prudent to start to identify savings in year, in order to assist with the longer term MTFS process. Therefore, Spending Controls were put in place from the mid year point and services have made tremendous efforts to identify and deliver additional savings to live within their means. This report shows that services have achieved this aim with an underspend on all portfolio budgets of £2.222m which is 0.04% of the budget. This underspend includes a contribution of £5m to the Exit and Transition Fund and a small overspend on centrally controlled areas and transformational spend.

3. In addition, no further amount has been required from the Contingency budget and therefore £1.340m remains unspent at the end of the year. Together with the underspend above, this has resulted in an overall underspend of £3.562m. This amount will now be put into general balances to be available to support the MTFS in future years.

4. The capital programme shows total expenditure of £128.084m. This reflects our continued investment in school places, highways and economic regeneration. The budget assumed the continued use of capital receipts to fund transformational spend. In 2018/19, £13.242m of capital receipts were used to fund transformational spend, this is included in the total expenditure above.

5. A detailed breakdown of the revenue position can be found in **Appendix 2** with the capital position shown in **Appendix 3**.

6. The following paragraphs contain a key financial summary of how each of the portfolio areas have performed during the year.

7. **Health & Care** **Saving £1.694m (0.77%)**

8. *Adult Social Care & Safeguarding* *Saving £1.433m (3.61%)*

9. As a result of staffing efficiencies there are savings of £1.518m, an increase of £0.516m since the quarter 4 forecast. This includes; savings of £0.153m from staff vacancies and new ways of working following the transfer back to SCC of the north Mental Health social work contract; a saving of £0.545m due to the delay in implementing the new structure in Learning Disability Assessment and Care Management; and lower reliance on agency and interim staff which significantly reduced the overspend in year for Learning Disability In-House services, which has a final overspend of £86,000.

10. The final overspend for Medical Health Assessments is £25,000, compared to the quarter 4 forecast of £0.1m. This reduction is due to the cost of assessments not being as high as previously envisaged. These assessments were previously paid for by Clinical Commissioning Groups (CCG's).

11. We have reported on the Transforming Care Partnership since quarter 2; Staffordshire County Council continues to work together with CCG's to support the discharge of people from specialist hospitals to community-based settings. There is still a funding risk to this because National Health Service England (NHSE) reduced the amount of money that will accompany each individual to fund their community care. As a result, patients may be discharged without sufficient funding to cover the community-based provision. This will place financial pressure on CCG's. Currently, SCC would not share any of this liability, however we will continue to monitor the financial risk of any changes to the Transforming Care Partnership in future years.

12. *Care Commissioning* *Saving £0.251m (0.14%)*

13. The cost of new nursing placements continues to be higher than the cost of exiting placements and the additional total cost of price rises in this year was £11.7m. This pressure was mitigated by agreed iBCF funding and the balance of the Winter Pressures funding. The total Winter Pressures funding has supported: additional investment in reablement services to support discharges from hospital; transfer of services from Allied Healthcare to new providers and additional capacity to support processes to find the most appropriate care for people in a timely way.

14. Actions carried out in year to partially mitigate the overspend include block booking beds at a lower cost per bed and reforms to the pathway to support the Dynamic Purchasing System (DPS). A more robust application of the council's Cost-Effective Care and Support guidance is also progressing. In the medium and longer term, direct intervention in the market is being considered to increase supply. However, managing the escalating process in the provider market and development cost effective alternatives quickly has proved extremely difficult. The ongoing associated cost reduction measures outlined above with continue to carry a high level of risk.

15. The implementation of the DPS in 2017/18 was expected to deliver lower Care Home placement costs. The rising trend in prices has offset this saving and therefore MTFS savings of £0.5m in 2018/19 have not been achieved. A pressure has been included in the 2019/20 budget to reflect this.

16. There was an expectation in the MTFS that activity to reduce delayed transfers of care (DTOC) from hospitals to social care community settings would result in an additional cost of £1m. This budget has been used to reduce the overspends

above. In addition funding from iBCF of £0.650m was used towards existing and new home care health tasks.

17. The number of older people receiving community services, primarily from SCC directly commissioned home are has reduced even further from last year. The total saving is £3.039m an increase of £0.577m from the quarter 4 forecast.

18. Physical Disability services have saved £1.024m due to a reduction in a small number of high cost packages.

19. Equipment related services have saved £0.203m. Telecare and Equipment Maintenance have overspent by £0.1m due to a delay in implementing the new models for service delivery. This is offset by reduced spending on adaptions of £0.219m, and Integrated Community Equipment’s Services of £0.187m along with other small variances.

20. The Short Term Intervention Team have saved £0.334m due to reduced expenditure on community nurses.

21. The closure of Lichfield day centre has been delayed and as a result there is an overspend of £0.2m. The South Staffordshire Connect Contract ceased at the end of the last financial year saving £0.193m. The loss of section 256 health income is not as high as expected resulting in an improved income position of £0.224m. Prisons related care activities have saved £0.362m due to lower care costs and delays in recruiting staff.

22. Spending controls imposed during the year and successful management of contracts, and well as less requirement to utilise the demography budget has led to Learning Disability and Mental Health placements saving £4.098m, an increase of £1.081m since the quarter 4 forecast. This saving includes one-off Direct Payment Clawbacks of £0.982m, savings of £0.553m due to agreeing further Continuing Health funding in the last quarter of the year and £0.192m on Supported Living placements. In addition, there has been some contract savings for Aiming High, Advocacy and Advice and Information which total £0.890m. The Care Act budget has saved £0.334m, the reablement contract with the Midlands Partnership Foundation NHS Trust has saved £0.162m and there have been savings of £0.271m due to vacant posts and other spending controls.

23. Extra care contracts have overspent by £0.280m, £0.150m more than forecast at quarter 4, this is due to a delay in the re-tender with new contracts now due to commence in April 2019.

24. Client contributions are higher than originally planned by £4.459m as a direct impact of increased placement costs. This is an increase of £0.6m since the quarter 4 forecast.

25. As a result of the underspends mentioned above, it is requested that Cabinet approve the sum of £3.5m to be carried forward into 2019/20 in order to mitigate the considerable risks in this service area.

26. Families & Communities **Saving £0.155m (0.11%)**

27. Children's Services *Overspend £1.691m (1.47%)*

28. Looked after Children's numbers have increased over the past 12 months, with a total of 1,176 at the end of March 2019 compared to 1,101 in April 2018. This contributed towards an overspend on Independent Sector Placements (ISP) in external residential homes, supported accommodation and with independent fostering agencies of just under £3.3m.

29. Across the rest of the service this overspend has been partly offset by savings in a number of areas, including direct payments to carers within disability team budgets of £0.2m, and section 17 budgets with Safeguarding, Local Support Teams and Case Management Teams of £0.3m. In addition, there was an increase in the level of income received for parental fines relating to unauthorised school absences and also for income recovered from residential disability places provided to other local authorities.

30. The service was allocated contingency funding of £0.660m which was approved to progress the recruitment of social workers in a permanent capacity to help address the current high level of vacancies across the service. However sufficient staffing budgets were available, and this contingency allocation has not been utilised. Proposals to manage this issue in the longer term are still being finalised. There is no request to carry forward this specific contingency funding into 2019/20.

31. There is a high level of vacancies for social work staff, particularly in Safeguarding and Case Management teams, which was filled by using agency staff causing a small overspend of £0.1m. In addition, there was also significant levels of staffing savings within in-house residential provision, both mainstream and disability, as well as administrative support teams.

32. Education Services *Saving £1.910m (14.94%)*

33. Additional Dedicated Schools Grant (DSG) funding has resulted in a saving in Early Years of £0.145m and School Planning of £0.137m. This has offset an overspend of £0.256m against the DSG reserve resulting from the Council picking up the cost of the licenced deficit of £0.7m for Great Wyrley High School.

34. There is an underspend against the schools' pension costs budget of £0.240m and Entrust contract changes have led to a saving of £0.112m, both of which are

additional to the forecast at quarter 4. There are savings of £0.202m due to staff vacancies and other small savings across the service.

35. There is a risk in 2019/20 that the pressure for pupil numbers in SEND Transport materialise and costs increase by a further 3% - a £0.4m overspend. The overspend in 2018/19 is £23,000.

36. The SEND High Needs block has overspent by £5.1m, the main areas being; mainstreams school top ups £3.4m; independent mainstream schools £0.556m; independent special schools £3.2m; Staffordshire special schools and academies £0.764m; Post 16 FE placements £0.851m. There have been savings of £1.3m relating to post 16 top ups, £1.7m additional allocation from central government and £0.6m adjustments and alterations. This overspend is funded from the Dedicated Schools Grant and has reduced the remaining balance of that grant.

37. Culture & Communities *Overspend £71,000 (1.20%)*

38. Archives was only able to partially deliver a £0.157m MTFS saving due to the service recently being unsuccessful in the Staffordshire History Centre Lottery Fund funding bid, which along with a delay in consultation is preventing the implementation of a new 'single site' staffing model. Current vacancy and spending controls have partially offset some of this overspend.

39. Redundancy payments in the Arts service of £0.115m have been offset by a corresponding saving in the Libraries budget.

40. The Shugborough budget is overspent by £64,000 as it was unable to fully deliver a MTFS saving of £45,000. To partially offset this, £54,000 of savings have been made on vacancy and spending controls.

41. Economy, Infrastructure & Skills **Saving £4.489m (6.33%)**

42. Business & Enterprise *Saving £0.207m (14.56%)*

43. The saving in the service is mainly due to net income being higher than budgeted within Farms, Newcastle Town Centre, Business Support and Enterprise Centres.

44. Infrastructure & Highways *Saving £0.265m (1.00%)*

45. The main reason for the saving in this service are savings of £0.489m within the Community Infrastructure area, due to one-off salary savings; over-recovery of income within the Highways Lab and savings within other parts of the Highways Technical Services Areas of £0.171m; additional network management income of £0.802m; and a saving of £0.149m from one-off salary savings with Flood Risk Management.

46. These savings have been offset by overspends of £0.248m in the Developments and Improvements area due to pressures to meet statutory planning requirements, and an overspend of £1.113m in Revenue Highway Maintenance to undertake more works on the highway network.

47. *Transport, Connectivity & Waste* *Saving £4.038m (10.30%)*

48. The final outturn for the Transport budget area is a £1.238m saving. At the start of 2018/19 the Local Service Review was still taking shape, and this has had an impact on concessionary fares and mainstream transport. This, along with continued robust network and contract management has resulted in a saving of £0.579m within passenger transport and mainstream home to school budget areas.

49. The concessionary fares budget, which following the conclusion of contractual discussions with several operators, along with a reduction in patronage levels has achieved a £0.358m saving.

50. There has also been a saving of £0.154m attributable to staffing vacancies and spending controls within Transport.

51. The Sustainability and Waste budget has achieved a saving of £2.8m. Of this, £2.1m has been achieved against the two Waste to Energy contracts (Hanford and W2R Four Ashes) due to sound, robust contract management throughout the year and because of increase Waste to Energy third party income and reduced contract costs. Savings have been included in the MTFS from 2019/20 to reflect this.

52. Recycling credits have achieved a saving of £0.335m due to reduced green waste recycling credit payments made to Waste Collection Authorities (WCA's) primarily due to dry summer conditions reducing overall garden waste tonnages. The Landfill & Tipping away budget also achieved a saving of £0.180m due to a reduction in tonnage disposal costs towards the end of the year.

53. The remaining saving of £0.190m has been achieved through staffing vacancy management across both the Waste Services Business Units and Climate Change budgets; reduced Recycling publicity costs and spending controls.

54. *Skills* *Saving £0.142m (5.42%)*

55. The final saving achieved by the service is due to managed staff vacancies.

56. EI&S Business Support *Overspend £0.163m (14.36%)*

57. The saving achieved is due to small savings being made in various areas including Training, Pensions contributions, Legal and Stamp Duty, and photocopier rental.

58. Corporate Services **Saving £1.081m (4.67%)**

59. The majority of the saving relates to a combination of savings from vacant posts across a range of services, together with the impact of in year spending controls. Additional income has also been received in areas such as Information Governance relating to GDPR, audit from academies and fees for registrars The savings have been partially offset by overspends on legal services due to increased court costs relating to children in care, the non-delivery of the MTFS saving relating to the annual leave purchase scheme, and the implementation costs of initiatives such as Office 365 as part of the Digital Programme.

60. Centrally Controlled Items **Saving £2.109m (4.25%)**

61. Capital Financing *Saving £0.145m (0.41%)*

62. The Bank of England's base rate has remained low during the whole of 2018/19 and this low rate impacts on the ability of the council to generate significant income from interest earned on cash balances. The interest on our debt remains fairly constant due to the long-term nature of our borrowing with the average rate for interest on debt being just about 4%. As in previous years a specific reserve will continue to be used to mitigate the impact of fluctuations in interest rates over the MTFS period.

63. Pooled Buildings and Insurances *Saving £0.624m (4.82%)*

64. The saving is a combination of non-emergency repairs and maintenance works being deferred following the introduction of in-year spending controls, together with the receipt of back dated income on properties leaded to third parties.

65. Contingency *Saving £1.340m (100%)*

66. This remaining amount has not been requested by services and therefore can be put into balances. General balances are £30.5m at the end of 2018/19 or £31.7m by 2019/20 and this level will be reviewed as part of the MTFS process for 2020-2025. The MTFS report approved by Cabinet in February 2019 listed the risks known at that time and given the current financial situation it is possible that the level of balances required by the assessment will increase.

67. Capital Outturn

68. Appendix 3 compares the final outturn for capital expenditure (£128.1m) to the forecast position at quarter 4 (£129.1m). In addition, the appendix also details how the Capital Programme has been financed. This includes the use of £11.8m of borrowing for 2018/19.

69. To enable us to provide future flexibility to finance the Capital Programme, £2.679m of repairs and maintenance spend has been capitalised.

70. The other key reasons for the change in the Capital Programme are set out in the following paragraphs:

71. Health & Care **Spend £2.388m**

72. There has been a reduction of £1.024m since the quarter 4 report. This is due to rephasing of spend into 2019/20 for Supported Living Schemes of £0.280m, Care Director of £0.451m, and Dementia Centre of Excellence of £0.275, as well as small variances on a number of other schemes.

73. Families & Communities **Spend £32.547m**

74. Maintained Schools *Spend £23.818m*

75. There has been a reduction of £7.679m since the quarter 4 report. There has been rephasing of spend into 2019/20 of over £2.7m for new schools, as well as £1.080m for unallocated Basic Need.

76. There has been rephasing of £0.419m for SEND provision and Health Pupils Capital Fund, and £1.5m rephased into 2019/20 for Schools Conditional Allocation schemes.

77. Economy, Infrastructure & Skills **Spend £72.743m**

78. Highways Schemes *Spend £55.631m*

79. There has been a reduction of £3.518m since the quarter 4 report, this is mainly due to rephasing into 2019/20 of Mill Green Scheme of £6m, offset by works brought forward into 2018/19 on Stafford Western Access Road. The final spend includes £5m of structural repairs to bridges, £23m of carriageway and footpath repairs and £9m of minor structural maintenance (including potholes). The outturn also includes approximately over £7m of developer funded schemes and £6.9m on major schemes (mainly SWAR).

80. *Economic Planning & Future Prosperity* *Spend £17.093m*

81. There has been a reduction of £4.462m since the quarter 4 report. There has been rephasing into 2019/20 on several programmes including A50 of £0.390m, Keele IC5 of £1.080m and the Forward Programme of £57,000. There have been some contractual issues resulting in delayed expenditure on Branston Locks of £0.144m and i54 Western Extension of £0.948m. There have also been some smaller variances across a number of schemes. The majority of the in year spend (£12m) related to the A50 project which was funded by Highways England and delivered by SCC and is now fully open and operational. Other key areas of spend were Superfast Broadband (£2.3m) where we now have circa 96% coverage across the County, and Keele IC6.

82. *Waste & Sustainability Projects* *Spend £19,000*

83. There have been small amounts of rephasing into 2019/20 on minor schemes.

84. Financial Health & Prudential Indicators

85. **Appendix 4** sets out the final position against each of the approved Financial Health Indicators whilst **Appendix 5** sets out the final statutory Prudential Indicators.

86. **Appendix 4** provides an outturn performance against the key Financial Health Indicators approved as part of the 2018/19 budget setting process.

87. The level of outstanding sundry debt over 6 months old at 31st March 2019 is £16.205m, this exceeds the target of £5m by £11.205m. This is an increase of £3.901m since quarter 4. The debt recovery process involves chasing by a range of methods with the eventual escalation to the external collection agent or to Legal for the possibility of a court decision to recover the debt.

88. There are 11 organisations which each owe in excess of £0.190m that is over 6 months old, totalling £6.599m. The top ten largest debtors are five CCG's (£4.612m), three Local Authorities (£1.050m), and a commercial organisation (£0.450m) and a central government department (£0.293m). In addition to these bodies there are a further 11 who have outstanding balances over 6 months old between £50,000 and £0.194m totalling £1.971m.

List of Appendices

Appendix 1 – Corporate Checklist
Appendix 2 – Revenue Final Outturn 2018/19
Appendix 3 – Capital Final Outturn 2018/19
Appendix 4 – Financial Health Indicators 2018/19
Appendix 5 – Prudential Indicators 2018/19

Appendix 1 – Corporate Checklist

Equalities implications:
Through the delivery of county council business plans, service delivery is increasingly reflecting the diverse needs of our various communities.

Legal implications:
There are no legal implications arising from this report.

Resource and Value for money implications:
The resource and Value for money implications are set out in the report.

Risk implications:
The risk implications concern the robustness of the forecast outturn which may change owing to pressures on services with a consequent effect on county council functions being able to keep within budgets and a potential call on balances.

Climate Change implications:
Staffordshire's communities are places where people and organisations proactively tackle climate change, gaining financial benefit and reducing carbon emissions' is one of the county council's priority outcomes. Through the monitoring and management of this outcome; climate change and carbon emissions are being addressed in an active manner.

Health Impact Assessment and Community Impact Assessment screening:
Not required for this report.

Report authors:

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Appendix 2

2018/19 Final Outturn

	Final Estimate	Final Outturn	Carry Forward	Final Variation
	£m	£m	£m	£m
Health and Care				
Public Health & Prevention	4.809	4.809		0.000
Adult Social Care & Safeguarding	39.977	38.552		(1.425)
Care Commissioning	175.880	172.129	3.500	(0.251)
Sub-total	*220.666*	*215.490*	*3.500*	*(1.676)*
Families and Communities				
Children's Services	114.822	116.513		1.691
Children's Public Health	(4.546)	(4.546)		0.000
Education Services	12.782	10.872		(1.910)
Culture and Communities	5.894	5.965		0.071
Rural	2.155	2.148		(0.007)
Community Safety	8.702	8.702		0.000
Sub-total	*139.809*	*139.654*		*(0.155)*
Economy, Infrastructure and Skills				
Business & Enterprise	1.422	1.215		(0.207)
Infrastructure & Highways	26.577	26.312		(0.265)
Transport, Connectivity & Waste	39.217	35.179		(4.038)
Skills	2.620	2.478		(0.142)
EI&S Business Support	1.135	1.298		0.163
Sub-total	*70.971*	*66.482*		*(4.489)*
Corporate Services	38.564	36.746		(1.818)
Trading Services	*(0.436)*	*(0.436)*		*0.000*
Total Portfolio Budgets	**469.574**	**457.936**	**3.500**	**(8.138)**
Centrally Controlled Items				
Interest on Balances & Debt Charges	35.323	35.105		(0.218)
Pooled Buildings and Insurances	12.953	12.329		(0.624)
Contingency Position	1.340	0.000		(1.340)
Contribution to Exit and Transition Fund	0.000	5.000		5.000
Transformational Spend	(15.000)	(13.242)		1.758
Total Centrally Controlled	**34.616**	**39.192**	**0.000**	**4.576**
Grand Total	**504.190**	**497.128**	**3.500**	**(3.562)**

Appendix 3

Final Capital Programme 2018/19

	Quarter 4 Forecast	Enhancements to Programme	Final Outturn
	£m	£m	£m
Health & Care			
Care and Independence	3.412	(1.024)	2.388
Sub Total	*3.412*	*(1.024)*	*2.388*
Families & Communities			
Maintained Schools	31.497	(7.679)	23.818
Academy Conversion Residual	0.027	(0.027)	0.000
Other Non-Schools	0.000	0.013	0.013
Rural County (Countryside)	0.136	(0.034)	0.102
Vulnerable Children's Projects	0.064	0.000	0.064
Tourism and Culture	8.611	(0.061)	8.550
Sub Total	*40.335*	*(7.788)*	*32.547*
Economy, Infrastructure & Skills			
Economic Planning & Future Prosperity	21.555	(4.462)	17.093
Highways Schemes	59.149	(3.518)	55.631
Waste & Sustainability Projects	0.028	(0.009)	0.019
Sub Total	*80.732*	*(7.989)*	*72.743*
Trading Services - County Fleet Care	*1.374*	*0.082*	*1.456*
Property	*2.267*	*(0.197)*	*2.070*
Corporate Leased Equipment	*0.200*	*(0.172)*	*0.028*
Finance, Resources & ICT	*0.755*	*0.176*	*0.931*
Total Capital Programme	**129.075**	**(16.912)**	**112.163**
Capitalised Repairs and Maintenance			2.679
Transformational Spend			13.242
Amount to be Financed after Capitalisation			**128.084**
Financed by:			
Borrowing			11.753
Government Grants			62.497
Capital Receipts			14.548
Revenue Contributions			1.976
Reserves			8.197
S.106/ Voluntary contributions			29.113
			128.084

Appendix 4

Financial Health Indicators

	Current Performance
Level of General Reserves (annual indicator) Well managed organisations operate with an adequate level of general reserves taking into account the risks they face. We determine the actual level of reserves we require annually through a risk based approach. However, it is prudent to aim to hold a minimum level of general reserves.	
General reserves are maintained at a level of at least 2% of the council's current net revenue budget (Outturn – 6.0%, within target).	G
Aged Debt (quarterly indicator) Organisations need to ensure that money owed to them is collected in a timely manner. This indicator shows how well we are managing to collect money owed to us.	
Level of outstanding general debtors more than 6 months old does not exceed £5m (Outturn – £16.2m, significantly above target).	R
Working Capital (annual indicator) It is essential that working capital is well managed. This indicator shows how well our debtors and creditors are being managed.	
Current debtors divided by current creditors should be in the acceptable range of 1 – 3 (Outturn – 1.07, on target).	G
Payments to suppliers (quarterly indicator) By paying suppliers quickly we are supporting the Staffordshire economy. It also means businesses are more likely to want to do business with us and offer us competitive rates which will improve our financial health in the medium term.	
At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Outturn – 98.1%, on target).	G
Financial Monitoring (quarterly indicator) Effective financial monitoring is essential in any organisation. Monitoring provides organisations with early information of potential issues enabling them to take corrective action to avoid future financial difficulties.	
Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months	G
The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget	G
Monthly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months	G
Financial Reporting (annual indicator) Preparing timely and accurate accounts is vital to demonstrate to interested parties that we have sound financial controls. They also provide detailed information which shows our overall financial health.	
The council's most recent Statement of Accounts were produced on time and were issued with an unqualified opinion by our external auditors	G

R Indicator not met	A Indicator not met by small margin	G Indicator met

Appendix 5

Prudential Indicators 2018/19

Indicator	Target 2018/19	Outturn 2018/19	Comments
A. Indicators for Affordability, Prudence and Capital Expenditure			
1.Ratio of Financing Costs to Net Revenue Stream *This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and Council Tax.* *This allows the authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.*	8.16%	9.50%	The increase from the target is due to the increase in use of borrowing to fund the Capital Programme in 2018/19.
2.Estimates of the incremental Impact of Capital Investment Decisions on the Council Tax (Band D) *This indicator aims to show the impact of varying capital programmes expressed as a cost to the Band D Council Taxpayer. Specifically it identifies the impact on Council Tax levels of new capital investment decisions when compared to programmes approved previously.*	£0.58	£0.63	The small increase in this indicator reflects the increase in borrowing used to fund the total Capital Programme in 2018/19.
3. Estimates of Capital Expenditure *Expressed in absolute terms rather than as a ratio, this shows the overall* *level of capital investment irrespective of how it is being funded.*	£119.292m	£128.205m	Movements in Capital Expenditure have been reported through the year, changes include those on Transport and the Mill Green Cannock Project.
4. Capital Financing Requirement *This indicator effectively shows the level of the County Council's underlying need to borrow for capital purposes.*	£564.028m	£563.372m	The outturn is similar to the Target at the budget 2018/19.