

CITY OF
WOLVERHAMPTON
COUNCIL

Confident, Capable Council Scrutiny Panel

26 September 2018

Time 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny

Venue Committee Room 3 - Civic Centre

Membership

Chair Cllr Paula Brookfield (Lab)

Vice-chair Cllr Jane Stevenson (Con)

Labour

Cllr Alan Bolshaw
Cllr Jacqueline Sweetman
Cllr Caroline Siarkiewicz
Cllr Payal Bedi-Chadha
Cllr Dr Michael Hardacre
Cllr Ian Brookfield
Cllr Milkinderpal Jaspal
Cllr Peter O'Neill
Cllr Susan Roberts MBE

Conservative

Cllr Udey Singh

Quorum for this meeting is three Councillors.

Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

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Agenda

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

MEETING BUSINESS ITEMS

2 **Declarations of interest**

3 **Minutes of previous meeting (13.6.18)** (Pages 3 - 8)
[To approve the minutes of the previous meeting as a correct record]

4 **Matters arising**
[To consider any matters arising from the minutes]

DISCUSSION ITEMS

5 **Treasury Management - Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019** (Pages 9 - 38)
[Claire Nye, Director of Finance, to present report]

6 **Visitors to the Civic Centre - briefing paper** (Pages 39 - 44)
[Chris East, Head Of Facilities, and Lisa Taylor, Head of Service Improvement, to present briefing paper]

7 **Local election - candidate expenses - briefing paper** (Pages 45 - 46)
[Laura Noonan, Project Manager, to present briefing paper]

8 **Statutory polling place review - briefing paper** (Pages 47 - 50)
[Laura Noonan, Project Manager, to present briefing paper]

9 **Voter registration and democratic engagement update - briefing paper** (Pages 51 - 60)
[Laura Noonan, Project Manager, to present briefing paper]

10 **Confident Capable Council Scrutiny Panel Draft Work Programme - 2018/19**
(Pages 61 - 62)
[Earl Piggott-Smith, Scrutiny Officer, to present the draft scrutiny panel's work programme]

Confident, Capable Council Scrutiny Panel

Agenda Item No: 3

Minutes - 13 June 2018

Attendance

Members of the Confident, Capable Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Caroline Siarkiewicz
Cllr Payal Bedi-Chadha
Cllr Paula Brookfield (Chair)
Cllr Dr Michael Hardacre
Cllr Udey Singh
Cllr Milkinderpal Jaspal
Cllr Peter O'Neill
Cllr Jane Stevenson (Vice-Chair)
Cllr Susan Roberts MBE

Employees

Martin Stevens (Scrutiny Officer) (Minutes)
Claire Nye (Director of Finance)
Denise Pearce (Head of Human Resources)
Peter Farrow (Head of Audit)
Alison Shannon (Chief Accountant)
Sukhvinder Mattu (Human Resources
Business Partner)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
Apologies for absence were received from Cllr Jacqueline Sweetman and Cllr Ian Brookfield.
- 2 **Declarations of interest**
There were no declarations of interest.
- 3 **Minutes of previous meeting**
The minutes of the previous meeting were confirmed as a correct record subject to Cllr Caroline Siarkiewicz apologies being recorded.
- 4 **Matters arising**
A Member of the Panel asked for an update on the progress on the strategy for public access to the Committee Rooms on the third floor and the Council Chamber on the fourth floor of the Civic Centre. The Scrutiny Officer stated he understood

work was still taking place on an Access Strategy and expected Officers to be in touch in due course.

5 **Work Programme**

The Chair stated that she saw ownership of the Work Programme as being with the Panel with oversight by Scrutiny Board. It was a live document and she wanted Panel Members to contribute to the Work Programme moving forward.

A Member of the Panel commented that the Civic Hall was currently on the Strategic Risk Register. One of the risks in relation to the Civic Hall was in relation to finance. There was nothing currently listed on the risk register about the lack of grants or capital receipts to help fund the project. He asked how the situation regarding the grants and capital receipts would be monitored in the future, so it did not affect the revenue budget. The Chair said a new project manager was being appointed for the Civic Hall. She stated a report could be written on all of the assumptions with regards to the disposal of Council's assets and how they contributed to the financial position going forward. The Director of Finance agreed a report could potentially be brought to the Panel in September covering, Council capital receipts, the Disposal Strategy, the assumptions in the Capital Programme and how that linked in with the Civic Hall project. There was a new governance structure for the Civic Hall Project and she was now a member of the Board. A new Programme Director was in place and she suggested that they be invited to the meeting in September. There was also going to be a Councillor group setup to oversee the major projects, which included the management of the capital receipts. A "lessons learnt" report on the Civic Hall project would be received by the Audit and Risk Committee in the near future, which could also be reflected on at the Panel meeting in September. She offered to contact the Chair of the Panel after the Audit and Risk Committee meeting had taken place to discuss the contents of the future Scrutiny Panel report.

The Head of Audit stated that the Strategic Risk Register captured briefly an update comment against each of the risks listed and did not capture everything surrounding each risk. He would speak to the risk owner to see if they felt the assumptions on grants and capital receipts funding for the Civic Hall was of significant importance to include into the register. As it had been raised in the Panel, the risk owner may consider its inclusion in the future.

A Member of the Panel in reference to the item on the Work Programme regarding the future use of the Mezzanine area and the temporary Councillor accommodation area, asked if the report could be widened to the Piazza. He saw this as an underdeveloped area but thought on reflection it was potentially an item for the Stronger City Economy Scrutiny Panel. The Chair suggested the future use of the Mezzanine area and temporary Councillor accommodation item could be a briefing note, rather than a formal scrutiny report.

A Member of the Panel suggested the print and design team as a potential item for the future Work Programme of the Confident, Capable, Council Scrutiny Panel. He considered this a very important service at the Civic Centre. Since the new machines had been installed he wanted to see how well used the service was being utilised by internal Council departments, arms length organisations and external customers. A report had been received by Cabinet Resources Panel in the previous year raising some issues and concerns and so effectively the report could be an update on the current state of affairs and to see if the issues had been resolved. He

was aware of new printing machinery having been installed and wanted to understand if they were all working as intended and were value for money. He added that the postal service provided at the Civic Centre for internal and external customers could be included as part of the report.

A Member of the Panel asked if there could be some information available on the subject of election expenses when Local Government Elections were considered by the Panel later in the year. He felt the support for agents was excellent up until polling day, but it would be useful for more support on the completion of election expenses forms. Some Members commented that help with completing election expenses forms had always been completed by political parties and the elections office were unlikely to get involved.

There was a discussion about the apprenticeships item on the Work Programme for the Stronger City Economy Scrutiny Panel. It was considered important to report on the postcodes area people lived in that were undertaking apprenticeships. A Member added it would be useful to have the data on postcode areas for people attending University. There was also a huge amount of work to be completed, to ensure a higher amount of students obtained five GCSE's within the Wolverhampton area. They added it was important to change perceptions that apprenticeships were for people who didn't perform well enough academically to attend University or College.

6 **Strategic Risk Register**

The Head of Audit presented a report on the Strategic Risk Register. The former Chair of the Scrutiny Panel had requested a number of questions be answered with reference to the Strategic Risk Register. The report provided answers to those questions. The Strategic Risk Register was facilitated by the Audit Services Department and attempted to capture the top strategic risks the Council faced. Each risk was assigned a risk owner and the relevant Cabinet Member. Audit Services met regularly with the risk owners to ensure the register had accurately captured the current state of the named risks. Audit Services used a scoring methodology which was detailed within the report circulated to the Panel. There was also a set of Directorate and Departmental risk registers where the lower level and more operational risks were captured. There were always discussions ongoing as to whether these risks needed to be escalated up to the Strategic Risk Register. One area which Audit Services was hoping to improve was the Directorate Risk Registers. Over the next 12 months work would be taking place to embed the importance of these registers within the Directorates and to improve their content.

The Head of Audit stated the responsibility for the monitoring of the Strategic Risk Register lay predominately with the Audit and Risk Committee. Benchmarking exercises did take place with other authorities to assess the Strategic Risk Register, where Wolverhampton always did well. The Strategic Risk Register was seen regularly by the Strategic Executive Board. The College had recently been added to the Strategic Risk Register at their intervention. It was undoubtedly the case that some risks were more difficult to manage than others. The Strategic Risk Register circulated with the papers had first been published in February, the latest version would be published in July and would be received by the Audit and Risk Committee. An area currently identified as high risk on the register was the Civic Hall project.

A Member of the Panel raised the difficulties that had been associated with the re-location of the outdoor market. These had included asbestos issues, human remains being discovered and dangerously located petrol tanks. The Head of Audit in response stated that the outdoor market may in the future be listed as an individual risk on the Strategic Risk Register, if after further discussions with the risk owner it was considered appropriate.

A Member of the Panel asked what happened in a situation where a risk had not diminished after a great length of time. The Head of Audit in response said in this situation the risk owner would ordinarily be called to an Audit and Risk Committee meeting to explain why this had occurred and what action was being taken to mitigate the risk.

A Member of the Panel stated data protection was a very significant risk at the current time especially because of the new GDPR legislation. There were potentially severe financial and legal implications for non-compliance.

A Member of the Panel complimented the Head of Audit Services for his work on risk within the Council.

7

Smart Working

The Head of Human Resources commented that the briefing note on Smart Working responded to the concerns and questions raised by the Panel Members at the previous meeting. The overall draft policy had not been changed in any way as the answers contained within the note were felt sufficient to respond to the concerns raised by the Scrutiny Panel. The report on the draft policy had been delayed going to Cabinet for a decision, in order for the Scrutiny Panel to be able to consider the briefing note. The Human Resources Business Partner presented the briefing note and highlighted the key areas.

A Member of the Panel commented that they were surprised there was no defined business case for Smart Working. He felt there being no business case also raised questions on Officer accountability for the Smart Working Policy. In response, the Head of Human Resources said the Council employees had morphed naturally into smart working practices through the advances in technology such as laptops, skype and mobile phones. The desk sharing practices and the Future Space project had also been major drivers. A large proportion of employees were already using smart working practices and the policy merely was formalising the practices already taking place within the Council. A Member commented that there was no need for a business case and the monitoring of how successful smart working practices had been, could be managed through performance management.

A Member asked what systems were in place for logging where a person was working from. They were also keen to understand what the reactions of employees were, who were unable to carry out smart working practices. They expressed a concern that energy levels and communication within teams might fall if people were not working in the same office together. Members raised a concern that call centre staff might not have the full flow of information available during a crisis if they were working in separate places. In response the Human Resources Officers responded that whilst smart working might offer benefits to the individual, Managers would only

approve certain smart working practices if it was in the best interests of the organisation. When a person applied for a role they were made aware on whether practices such as working from home would be possible or not. Employees appreciated that smart working practices were a relatively new concept and were being piloted. Employees were expected to keep their calendars up to date with their working location and inform managers of the work they were undertaking. Extensive guidance was available to managers on diary management and using technology such as Skype and Microsoft Teams to stay in contact with their staff.

A Member of the Panel expressed their concern with the Hot Desking approach, their experience in the past was that communication within teams had suffered. They were concerned that the schools had not fully dealt with single status issues and the concept of smart working, thus potentially enabling equalities claims in the future. They were also concerned that managers were not fully compliant with ensuring their staff had an annual appraisal. The Head of Human resources stipulated that there were sometimes good reasons why appraisals were not at a 100% compliant rate. These included long-term sick leave and maternity leave. Managers also had one-to-ones with their staff throughout the year.

A Member of the Panel raised a concern over the current inclement weather policy where people were not able to work from home unless it had been previously agreed. They were also alarmed that staff may not have been paid, if their normal place of work had been closed.

A Member of the Panel asked about the process for updating the Council's systems when a person had left the Council. They were aware of incidences where people were still able to leave a message on a person's Council voice mail answerphone service many months after they had left the organisation and others which were listed in the email global address book. The Head of Human Resources responded that a set process was followed for leavers and she would look into the matters raised.

There was a discussion about how Smart Working should be considered by the Panel in the future.

Resolved: That the Scrutiny Panel undertake an assessment and evaluation of the Smart Working Policy at the meeting of the Panel scheduled for the 10 April 2019. Information on performance management and data on appraisals should also be included as part of the report.

8

Finance Training for Councillors & Finance Explanatory Booklet

The Chief Accountant presented a briefing note on Finance Training for Councillors. In May, two sessions were held as part of the Councillor Induction Programme for newly elected Councillors. A training session was also booked for Councillors as part of the Development Programme on 4 October 2018. Training was also provided by the Local Government Association (LGA) which was offered to Councillors as part of their LGA membership. There was an option available for some external training with the Council's external management advisors, Link Asset Services. The

estimated cost of the training was £1,500 and they would give training on treasury management and would make it relevant to Wolverhampton Councillors. The Finance Guide 2018-2019 had been included with the agenda and would be sent out by the Cabinet Member for Resources to all City of Wolverhampton Councillors.

A Member of the Panel asked for Audit Committee Members to be included on the proposed external training by Link Assets on treasury management. Several Members of the Panel expressed the need for political party leaders to encourage members to attend training sessions and in particular on important areas such as finance. Finance Training could also be completed on the Council's Intranet system through the Learning Hub.

Resolved: That the Scrutiny Panel recommends to the Councillor Development Advisory Group that Link Assets be asked to conduct training on treasury management for Councillors.

Resolved: That the Scrutiny Panel endorses the Finance Guide Booklet for 2018-2019.

Confident Capable Council Scrutiny Panel

Agenda Item No: 5

26 September 2018

| | | |
|--|---|-------------------------------------|
| Report title | Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019 | |
| Cabinet member with lead responsibility | Councillor Louise Miles Resources | |
| Wards affected | All | |
| Accountable director | Claire Nye, Director of Finance | |
| Originating service | Strategic Finance | |
| Accountable employee(s) | Alison Shannon | Chief Accountant |
| | Tel | 01902 554561 |
| | Email | Alison.Shannon@wolverhampton.gov.uk |
| Report to be/has been considered by | Strategic Executive Board | 26 June 2018 |
| | Cabinet | 11 July 2018 |
| | Council | 18 July 2018 |

Recommendation(s) for action or decision:

The Scrutiny Panel is recommended to:

1. Consider the activity undertaken throughout 2017-2018 and quarter one of 2018-2019.

Recommendations for noting:

The Scrutiny Panel is asked to note:

1. The Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2017-2018.
2. Revenue underspends of £1.6 million for the General Fund and £731,000 for the Housing Revenue Account were generated from treasury management activities in 2017-2018. With regard to the General Fund underspend, a total of £900,000 has been transferred into the Treasury Management Equalisation Reserve, as approved by Cabinet on 11 July 2018.
3. A revenue underspend of £1.2 million for the General Fund and an overspend of £263,000 for the Housing Revenue Account are forecast from treasury management activities in 2018-2019, subject to the impact of the Minimum Revenue Provision (MRP) review.

4. That the detailed guidance notes for the new Code of Practice on Treasury Management and the Prudential Code are still to be published by CIPFA and therefore the Treasury Management Statements for 2018-2019 are still based on the Council's interpretation of these Codes.
5. The revised guidance on Local Government Investments and Minimum Revenue Provision is under review by the Director of Finance and updates will be provided to Councillors in due course.

1.0 Purpose

- 1.1 To bring to the Panel's attention, information about the Council's treasury management activity that has been reported to Cabinet on 11 July 2018.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice. The Code requires a nominated body be responsible for ensuring effective scrutiny of the Council's Treasury Management strategy and policies, the Confident, Capable Council Scrutiny Panel fulfils this role.
- 2.2 On 11 July 2018 Cabinet received the report 'Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019'. This report can be found in Appendix A.
- 2.3 The Scrutiny Panel are asked to consider the activity outlined in this report.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Cabinet report of 11 July 2018. [SH/11092018/I]

4.0 Legal implications

- 4.1 The legal implications are detailed in the Cabinet report of 11 July 2018. [Legal code: TS/11092018/Q]

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Cabinet report of 11 July 2018.

6.0 Environmental implications

- 6.1 The environmental implications are detailed in the Cabinet report of 11 July 2018.

7.0 Human resources implications

- 7.1 The human resources implications are detailed in the Cabinet report of 11 July 2018.

8.0 Corporate landlord implications

- 8.1 The Corporate Landlord implications are detailed in the Cabinet report of 11 July 2018.

9.0 Schedule of background papers

- 9.1 Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019, report to Cabinet, 11 July 2018

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| CITY OF WOLVERHAMPTON COUNCIL | Cabinet 11 July 2018 |
|--|---------------------------------------|

| | | |
|--|---|-------------------------------------|
| Report title | Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019 | |
| Decision designation | RED | |
| Cabinet member with lead responsibility | Councillor Louise Miles Resources | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable Director | Claire Nye, Director of Finance | |
| Originating service | Strategic Finance | |
| Accountable employee | Alison Shannon | Chief Accountant |
| | Tel | 01902 554561 |
| | Email | Alison.Shannon@wolverhampton.gov.uk |
| Report to be/has been considered by | Strategic Executive Board | 26 June 2018 |
| | Council | 18 July 2018 |
| | Confident Capable Council Scrutiny Panel | 26 September 2018 |

Recommendations for decision:

The Cabinet is recommended to recommend that Council notes:

1. The Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2017-2018.
2. Revenue underspends of £1.6 million for the General Fund and £731,000 for the Housing Revenue Account were generated from treasury management activities in 2017-2018.
3. A revenue underspend of £1.2 million for the General Fund and an overspend of £263,000 for the Housing Revenue Account are forecast from treasury management activities in 2018-2019, subject to the impact of the Minimum Revenue Provision (MRP) review.

4. That the detailed guidance notes for the new Code of Practice on Treasury Management and the Prudential Code are still to be published by CIPFA and therefore the Treasury Management Statements for 2018-2019 are still based on the Council's interpretation of these Codes.
5. The revised guidance on Local Government Investments and Minimum Revenue Provision is under review by the Director of Finance and updates will be provided to Councillors in due course.

Recommendation for noting:

The Cabinet is asked to note:

1. The financial information included in this report is based on the 'Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019' report also on the agenda for this meeting. The capital report is subject to a report being separately approved by Cabinet also at this meeting. Therefore, if this approval is not obtained, a revised version of this report will be presented to Council on 18 July 2018.
2. That it is proposed that a total of £900,000 of the treasury underspend in 2017-2018 will be transferred into the Treasury Management Equalisation Reserve, this is subject to approval by Cabinet in the Reserves, Provisions and Balances 2017-2018 report which is also being considered at this meeting (paragraph 3.5).

1.0 Purpose

- 1.1 This report sets out the results of treasury management activities carried out in 2017-2018, together with performance against the Prudential Indicators previously approved by Council. It also provides a monitoring and progress report on treasury management activity for the first quarter of 2018-2019, in line with the Prudential Indicators approved by Council in March 2018.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Strategy 2018-2019 report which can be accessed online on the Council's website by following the link:

<https://wolverhamptonintranet.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=7536&Ver=4>

- 2.2 Treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.
- 2.4 CIPFA updated and released new versions of both the Code of Practice on Treasury Management and Prudential Code in December 2017. However, although the Codes have been released and are effective for the 2018-2019 financial year, the detailed sector specific guidance have not been issued. In addition, CIPFA have acknowledged that the requirement to produce a Capital Strategy, which is a requirement under the Prudential Code, may require a longer lead-in time and that this requirement may not be able to be fully implemented until the 2019-2020 financial year. CIPFA are recommending that the requirement of both Codes are implemented as soon as possible.
- 2.5 As the detailed guidance had not been received by the Council, the strategy statements for 2018-2019 were prepared on an interpretation of the Codes to ensure compliance. At the time of writing this report, the detailed guidance notes have still not been published by CIPFA.
- 2.6 On 2 February 2018 the Ministry of Housing, Communities & Local Government (MHCLG) issued its new Statutory Guidance on Local Government Investments and Minimum Revenue Provision. The guidance on Local Government Investments was effective from 1 April 2018, however, MHCLG acknowledged due to timescales this may

not have been practical to implement and approve before this date. Therefore, the disclosures and requirements can be presented for approval the first time the relevant strategy document is updated or superseded after 1 April 2018.

- 2.7 With regard to the guidance on Minimum Revenue Provision the effective date is 1 April 2019, except for the elements 'Changing Methods for Calculating MRP' which apply from 1 April 2018. Early adoption of the guidance is encouraged.
- 2.8 Both sets of the guidance are currently under review by the Director of Finance to assess any necessary changes to the Council's strategies with regards investments and MRP.
- 2.9 Cabinet / Cabinet (Resources) Panel received quarterly reports during 2017-2018 to monitor performance against the strategy and Prudential Indicators previously approved by Council.
- 2.10 The Council continued to use Link Asset Services as treasury management advisors throughout 2017-2018 and 2018-2019 to date. Link provides market data and intelligence on which the Council can make decisions regarding all aspects of treasury management activities and, in particular, managing the risks associated with investing surplus cash.

3.0 The strategy and outturn for 2017-2018

- 3.1 The strategy for 2017-2018 was to maintain cash balances at a reduced level, therefore keeping to a minimum the credit risk incurred by holding investments and to avoid the higher costs of external borrowing compared to interest foregone on cash balances, thereby generating revenue savings.
- 3.2 During 2017-2018, the Council followed the recommendations as set out in the Treasury Management Strategy 2017-2018. This included the authorised borrowing limit set at £1,024.1 million, the Treasury Management Strategy, the Annual Investment Strategy, the Prudential Indicators and the Annual Minimum Revenue Provision (MRP) Statement.
- 3.3 The Treasury Management outturn for 2017-2018 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and outturn 2017-2018

| | Approved Budget £000 | Outturn £000 | Variance £000 | Variance at Quarter three £000 |
|-------------------------|----------------------------|-----------------|------------------|--------------------------------------|
| General Fund | 16,137 | 14,517 | (1,620) | (821) |
| Housing Revenue Account | 10,975 | 10,244 | (731) | (677) |
| Total | 27,112 | 24,761 | (2,351) | (1,498) |

- 3.4 Overall there was an underspend of £1.6 million for the General Fund for 2017-2018 and an underspend of £731,000 for the HRA. The underspends are mainly due to a reduced borrowing need in year because of re-phasing in the capital programme and changes in interest rates.
- 3.5 In order to ensure that the revenue implications of the capital programme do not impact adversely on the revenue budget, a Treasury Management Equalisation Reserve was established during 2015-2016. This specific reserve can be called on as and when required to support the revenue costs associated with re-phasing in the capital programme. Of the above mentioned General Fund underspend of £1.6 million in 2017-2018, £900,000 will be transferred into this reserve, subject to approval of the Reserves, Provisions and Balances 2017-2018 report which is also being considered at this meeting. If approved, the balance on this reserve at 31 March 2018 will increase from £3.5 million to £4.4 million.
- 3.6 No institutions in which investments were made had any difficulty in repaying investments or interest in full during the year and no arrangements had to be made to prematurely withdraw funds from any investments as a result of a downgrade in their respective credit rating.
- 3.7 No debt was rescheduled in 2017-2018. Opportunities for rescheduling are now minimal since the Public Works Loans Board (PWLB) amended their discount calculation basis, and no opportunity to reschedule arose during the year.
- 3.8 Table 2 shows the average rate of interest payable and receivable in 2016-2017 and 2017-2018.

Table 2 - Average interest rate payable and receivable in 2016-2017 and 2017-2018

| | 2016-2017 Actual | 2017-2018 Actual |
|----------------------------------|-----------------------------|-----------------------------|
| Average Interest Rate Payable | 3.68% | 3.74% |
| Average Interest Rate Receivable | 0.42% | 0.27% |

Borrowing outturn for 2017-2018

- 3.9 The average debt interest rate increased marginally from 3.68% in 2016-2017 to 3.74% in 2017-2018. The Council undertakes borrowing only when necessary to maintain sufficient cash flow balances and after monitoring the market to take advantage of the best available rates. A summary of the borrowing and repayment activities is shown below with the average interest rates; this activity has resulted in a slightly higher overall average rate for the year.

Table 3 – Summary of borrowing and repayment activities

| | PWLB Loans £000 | Average Rate % | Temporary Loans £000 | Average Rate % | Other Loans £000 | Average Rate % | Total Loans £000 |
|---------------------|--------------------------------|-------------------------------|-------------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| New Loans Raised | 97,000 | 2.62% | 8,000 | 0.80% | - | - | 105,000 |
| Repayment of Loans | (73,000) | 1.89% | (8,000) | 0.94% | (6,114) | 0.00% | (87,114) |
| Net movement | 24,000 | | - | | (6,114) | | 17,886 |

- 3.10 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 3.11 The Council's Capital Financing Requirement (CFR) increased from £863.1 million to £876.5 million throughout 2017-2018. This reflects a net increase in the Council's underlying need to borrow for capital purposes. This was split between the General Fund and Housing Revenue Account at a rate of 71.0% and 29.0% respectively (2016-2017: 68.8% and 31.2%).
- 3.12 Table 4 shows how the increase in actual external borrowing arose during the year.

Table 4 – Increase in actual external borrowing 2017-2018

| | £000 |
|---|----------------|
| Opening Balance at 1 April 2017 | 655,061 |
| Less: Repayments | |
| - Maturity Loans from PWLB | (73,000) |
| - Temporary Loans | (8,000) |
| - Regional Infrastructure Fund | (6,114) |
| Subtotal | (87,114) |
| Add: New Borrowing | |
| -PWLB Loan | 97,000 |
| -Temporary Loans | 8,000 |
| Subtotal | 105,000 |
| Net borrowing 2017-2018 | 17,886 |
| Closing Balance at 31 March 2018 | 672,947 |

- 3.13 Appendix 1 shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year.

Investment outturn for 2017-2018

- 3.14 The actual interest rate earned from investments decreased from 0.42% in 2016-2017 to 0.27% in 2017-2018. This is due to the continuing low interest rates available, this has minimal impact on the budget due to efficiencies generated by avoiding the cost of borrowing.

- 3.15 The approach during the year was to continue to use cash balances to finance capital expenditure so as to keep cash balances low. This minimised counterparty risk on investments and also maximised treasury management budget savings as investment rates were much lower than most new borrowing rates.
- 3.16 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, most investments have been placed for shorter durations.

4.0 2018-2019 forecast

- 4.1 It should be noted that in order to provide a timely report, only investment activities up to and including the 31 May 2018 have been included. Borrowing activities include the month of June. The forecast outturn for treasury management activities in 2018-2019 compared to budget is shown in Table 5.

Table 5 – Treasury management budget and forecast outturn 2018-2019

| | Approved Budget £000 | Forecast Outturn £000 | Variance at Quarter one £000 |
|------------------------------------|----------------------------|-----------------------------|------------------------------------|
| General Fund | 25,233 | 24,031 | (1,202) |
| Housing Revenue Account | 10,431 | 10,694 | 263 |
| Total before use of reserve | 35,664 | 34,725 | (939) |

- 4.2 Overall, an underspend of £1.2 million for the General Fund and a forecast overspend of £263,000 for the HRA are projected for the year 2018-2019.
- 4.3 The General Fund net underspend of £1.2 million is mainly due to a reduced borrowing need in year arising as a result of re-phasing of the capital programme, and interest and fees charged on loans provided to WV Living.
- 4.4 The Council's strategy is to continue to use cash balances to finance capital expenditure rather than external borrowing. Borrowings are actively managed to achieve underspends wherever possible.
- 4.5 Appendix 2 shows a comparison of the latest estimates of Prudential and Treasury Management Indicators over the medium term period with the equivalent figures which were approved by Council in March 2018.

Borrowing forecast for 2018-2019

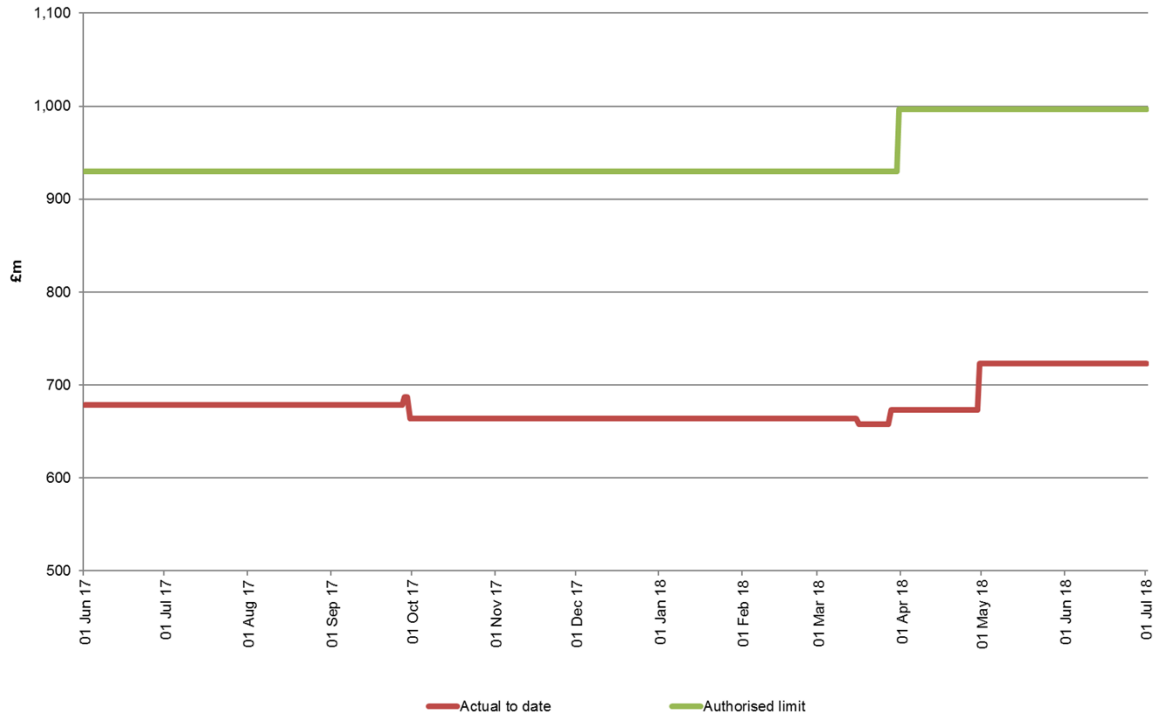
- 4.6 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.7 Table 6 shows the average rate of interest payable in 2017-2018 and forecast for 2018-2019.

Table 6 - Average interest rate payable in 2017-2018 and 2018-2019

| | 2017-2018 Actual | 2018-2019 Forecast |
|-------------------------------|-----------------------------|-------------------------------|
| Average Interest Rate Payable | 3.74% | 3.70% |

- 4.8 The average rate of interest payable by the Council is estimated to slightly decrease from 3.74% to 3.70% for 2018-2019.
- 4.9 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement. Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 3 shows the maturity profile of external borrowing.
- 4.10 As always, the Council needs to be mindful that the opportunity to secure short term efficiencies by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.11 The Council's borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

Chart 1 - Comparison of borrowing within approved borrowing limits over the previous 12 months



- 4.12 The level of borrowing at 30 June 2018 is £722.9 million. Appendix 1 shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year. £6.0 million of existing borrowing is due to be repaid between quarters two to four.
- 4.13 In March 2018, Council approved a net borrowing requirement for 2018-2019 of £151.2 million. The forecast net borrowing requirement for 2018-2019 is £132.7 million, as shown in appendix 4. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal PWLB rates.

Investment forecast for 2018-2019

- 4.14 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 4.15 Table 7 shows the total amount of surplus funds invested as at 31 March 2018 and in order to provide a timely report, 31 May 2018.

Table 7 – Total amounts invested 2018-2019

| | 31 March 2018 £000 | 31 May 2018 £000 |
|---|-------------------------------|-----------------------------|
| Business Reserve Accounts | 162 | 556 |
| Money Market Funds | 7,380 | 10,765 |
| | 7,542 | 11,321 |
| Average cash balance for the year to date | 22,449 | 13,358 |

- 4.16 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access. This is based on the Council's low appetite for risk.
- 4.17 The Council's cash flow balance for the first quarter of the current financial year has moved between a low of £4.6 million and a maximum of £25.7 million. The average cash balance for the quarter being £13.4 million.
- 4.18 Table 8 shows the budgeted average rate of interest receivable in 2018-2019 and the forecast for the year.

Table 8 – Average interest rate receivable in 2018-2019

| | 2018-2019 Budget | 2018-2019 Forecast |
|----------------------------------|-----------------------------|-------------------------------|
| Average Interest Rate Receivable | 0.30% | 0.49% |

- 4.19 Due to the continuing low interest rates on offer, a prudent percentage was used for budgeting purposes, as can be seen a slightly higher rate is forecast based on rates achieved up to 31 May 2018.
- 4.20 The Council will avoid locking into longer term deals while investment rates are at historically low levels. Investment rates are expected to continue to be below long term borrowing rates, in which case, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing).
- 4.21 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 5 shows the Council's current specified investments lending list.

4.22 In quarter one 2018-2019 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counter-parties.

5.0 Evaluation of alternative options

5.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy for 2017-2018 and 2018-2019, there are no alternative options available.

6.0 Reasons for decision

6.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2017-2018 and 2018-2019.

7.0 Financial implications

7.1 The financial implications are discussed in the body of this report.

[SH/21062018/O]

8.0 Legal implications

8.1 The Council's Treasury Management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

8.2 Treasury Management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

8.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

[RB/22062018/F]

9.0 Equalities implications

9.1 There are no equality implications arising from this report.

10.0 Environmental implications

10.1 There are no environmental implications arising from this report.

11.0 Human resources implications

11.1 There are no human resources implications arising from this report.

12.0 Corporate landlord implications

12.1 There are no corporate landlord implications arising from this report.

13.0 Schedule of background papers

13.1 Treasury Management Strategy 2017-2018, Report to Cabinet, 22 February 2017

13.2 Treasury Management – Annual Report 2016-2017 and Activity Monitoring Quarter One 2017-2018, Report to Cabinet, 19 July 2017

13.3 Treasury Management Activity Monitoring – Mid Year Review 2017-2018, Report to Cabinet, 29 November 2017

13.4 Quarter Three Treasury Management Activity Monitoring, Report to Cabinet (Resources) Panel, 20 March 2018

13.5 2018-2019 Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, Report to Cabinet, 20 February 2018

13.6 Treasury Management Strategy 2018-2019, Report to Cabinet, 20 February 2018

14.0 Appendices

Appendix 1: Borrowing type, borrowing and repayments

Appendix 2: Prudential and Treasury Management Indicators

Appendix 3: Maturity profile

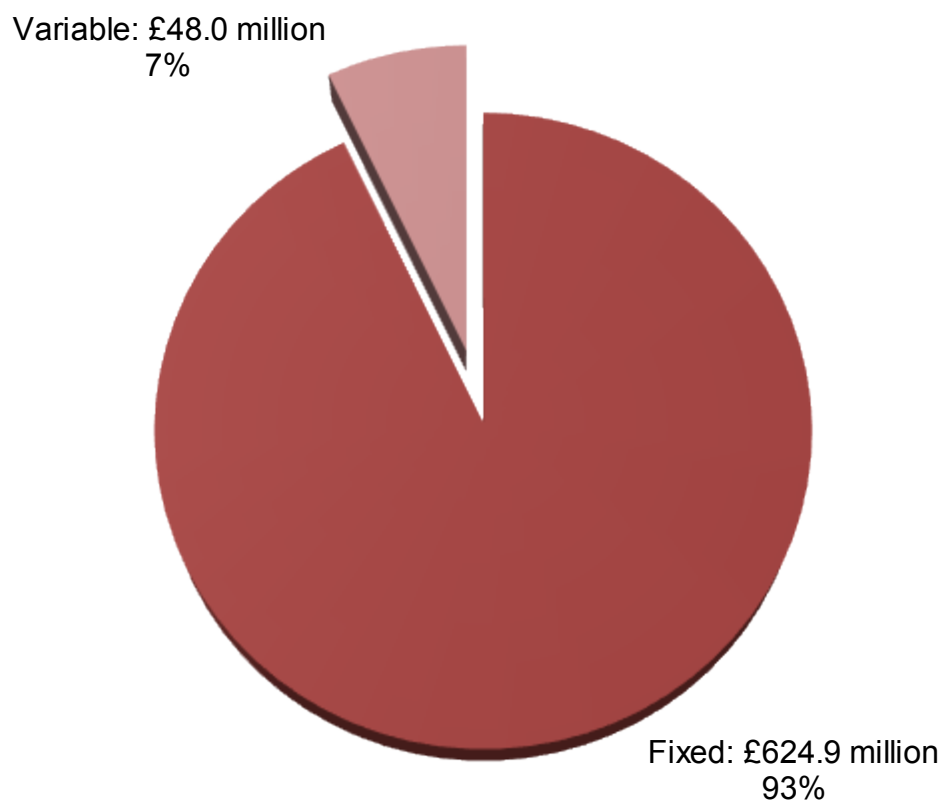
Appendix 4: Certainty rate disclosure

Appendix 5: Lending list

Borrowing: Graphical Summary

Borrowing by Type

As at 31 March 2018



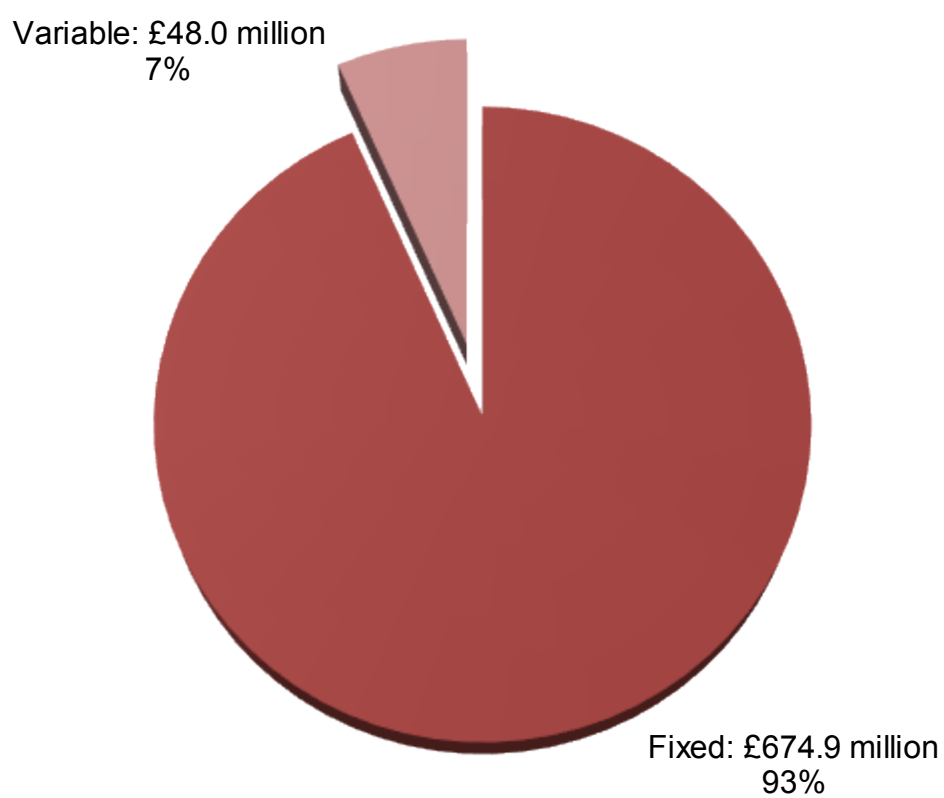
Borrowing and Repayments in 2017-2018

| | Start Date | Maturity Date | Amount £000 | Length | Interest Rate | Full Year Interest £ |
|--------------------------------------|------------|---------------|----------------|--------------|---------------|-------------------------|
| 2017-2018 Borrowing | | | | | | |
| PWLB Fixed Maturity: | | | | years | | |
| 506026 | 28/04/2017 | 28/04/2032 | 10,000 | 15 | 2.34% | 234,000 |
| 506027 | 28/04/2017 | 28/04/2048 | 13,000 | 31 | 2.55% | 331,500 |
| 506426 | 28/09/2017 | 28/09/2043 | 9,000 | 26 | 2.78% | 250,200 |
| 506969 | 28/02/2018 | 28/02/2034 | 20,000 | 16 | 2.68% | 536,000 |
| 506970 | 28/02/2018 | 28/02/2040 | 20,000 | 22 | 2.77% | 554,000 |
| 506971 | 28/02/2018 | 28/02/2051 | 10,000 | 33 | 2.68% | 268,000 |
| 507162 | 28/03/2018 | 28/03/2036 | 10,000 | 18 | 2.58% | 258,000 |
| 507163 | 28/03/2018 | 28/03/2046 | 5,000 | 28 | 2.60% | 130,000 |
| Sub total for PWLB | | | 97,000 | | 2.62% | 2,561,700 |
| Temporary Loans: | | | | days | | |
| London Borough of Wandsworth | 28/09/2017 | 30/09/2019 | 8,000 | 732 | 0.80% | 64,000 |
| Sub total for temporary loans | | | 8,000 | | 0.80% | 64,000 |
| Grand total borrowing | | | 105,000 | | | 2,625,700 |
| 2017-2018 Repayments | | | | | | |
| PWLB Fixed Maturity: | | | | years | | |
| 503341 | 30/09/2014 | 30/09/2017 | 23,000 | 3 | 2.05% | 471,500 |
| 501909 | 28/02/2013 | 28/02/2018 | 50,000 | 5 | 1.72% | 860,000 |
| Sub total for PWLB | | | 73,000 | | 1.89% | 1,331,500 |
| Temporary Loans: | | | | days | | |
| London Borough of Barking & Dagenham | 28/09/2015 | 28/09/2017 | 8,000 | 731 | 0.94% | 75,200 |
| Sub total for temporary loans | | | 8,000 | | 0.94% | 75,200 |
| Other Loans: | | | | years | | |
| Regional Infrastructure Fund (RIF) | 22/02/2011 | 16/03/2018 | 6,114 | 7 | 0.00% | - |
| Sub total for temporary loans | | | 6,114 | | 0.00% | - |
| Grand total repayments | | | 87,114 | | | 1,406,700 |
| Net movement | | | 17,886 | | | 1,219,000 |

Borrowing: Graphical Summary

Borrowing by Type

As at 30 June 2018



Borrowing and Repayments in 2018-2019

| | Start Date | Maturity Date | Amount £000 | Length years | Interest Rate | Full Year Interest £ |
|------------------------------|------------|---------------|----------------|-----------------|---------------|-------------------------|
| 2018-2019 Borrowing | | | | | | |
| PWLB Fixed Maturity: | | | | | | |
| 507271 | 30/04/2018 | 30/04/2028 | 20,000 | 10 | 2.40% | 480,000 |
| 507272 | 30/04/2018 | 30/04/2034 | 10,000 | 16 | 2.66% | 266,000 |
| 507273 | 30/04/2018 | 30/04/2054 | 20,000 | 36 | 2.61% | 522,000 |
| Sub total for PWLB | | | 50,000 | | 2.56% | 1,268,000 |
| Temporary Loans: | | | | | | |
| No activity in quarter 1 | | | | | | |
| Grand total borrowing | | | | | | |
| | | | 50,000 | | | 1,268,000 |

| | Start Date | Maturity Date | Amount £000 | Length | Interest Rate | Full Year Interest £ |
|-----------------------------|------------|---------------|----------------|--------|---------------|-------------------------|
| 2018-2019 Repayments | | | | | | |
| PWLB Fixed Maturity: | | | | | | |
| No activity in quarter 1 | | | | | | |
| Temporary Loans: | | | | | | |
| No activity in quarter 1 | | | | | | |
| Net movement | | | | | | |
| | | | 50,000 | | | 1,268,000 |

Prudential Indicators (PI) required by The Prudential Code

PI for Prudence - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the outturn 2017-2018 quarter one capital budget monitoring 2018-2019 report. This indicator was called PI 3 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|--------------|----------------------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast £000 | Forecast £000 | Forecast £000 | Forecast £000 | Actual £000 | Forecast £000 | Forecast £000 | Forecast £000 |
| General Fund | 92,770 | 147,670 | 85,025 | 41,747 | 64,966 | 165,520 | 108,129 | 41,406 |
| HRA | 39,201 | 64,390 | 69,390 | 67,650 | 36,342 | 68,124 | 70,600 | 64,320 |
| | 131,971 | 212,060 | 154,415 | 109,397 | 101,308 | 233,644 | 178,729 | 105,726 |

PI 2 - Estimates and actual capital financing requirement General Fund and HRA.

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. This indicator was called PI 4 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|--------------|----------------------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast £000 | Forecast £000 | Forecast £000 | Forecast £000 | Actual £000 | Forecast £000 | Forecast £000 | Forecast £000 |
| General Fund | 647,011 | 736,387 | 765,583 | 779,265 | 622,566 | 704,878 | 752,098 | 762,427 |
| HRA | 260,979 | 279,027 | 307,117 | 335,603 | 253,956 | 272,500 | 303,077 | 329,183 |
| | 907,990 | 1,015,414 | 1,072,700 | 1,114,868 | 876,522 | 977,378 | 1,055,175 | 1,091,610 |

PI 3 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This indicator was called PI 5 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | |
|--|----------------------------------|---------------|---------------|---------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Limit £000 | Limit £000 | Limit £000 | Limit £000 |
| Borrowing | 929,492 | 996,745 | 1,068,662 | 1,136,052 |
| Other Long Term Liabilities | 94,591 | 90,754 | 86,628 | 82,351 |
| Total Authorised Limit | 1,024,083 | 1,087,499 | 1,155,290 | 1,218,403 |
| Actual and Forecast External Debt as at 30 June 2018 | 767,439 | 889,693 | 986,774 | 1,045,232 |
| Variance (Under) / Over Authorised limit | (256,644) | (197,806) | (168,516) | (173,171) |

PI 4 - Operational boundary for external debt.

This is based on the same estimates as the authorised limit but directly reflects the Director of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included. This indicator was called PI 6 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | |
|--|----------------------------------|---------------|---------------|---------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Limit £000 | Limit £000 | Limit £000 | Limit £000 |
| Borrowing | 904,372 | 964,873 | 1,047,456 | 1,117,437 |
| Other Long Term Liabilities | 94,591 | 90,731 | 86,606 | 82,328 |
| Total Operational Boundary Limit | 998,963 | 1,055,604 | 1,134,062 | 1,199,765 |
| Actual and Forecast External Debt as at 30 June 2018 | 767,439 | 889,693 | 986,774 | 1,045,232 |
| Variance (Under) / Over Operational Boundary Limit | (231,524) | (165,911) | (147,288) | (154,533) |

Prudential Indicators (PI) required by The Prudential Code

PI 5 - Gross debt and the capital financing requirement.

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years". This replaced PI 8 net debt and the capital financing requirement from 2013-2014 onwards and was called PI 8a up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|--|----------------------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast £000 | Forecast £000 | Forecast £000 | Forecast £000 | Actual £000 | Forecast £000 | Forecast £000 | Forecast £000 |
| Forecast Capital Financing Requirement at end of Second Year | 1,072,701 | 1,114,868 | 1,114,868 | 1,114,868 | 1,055,177 | 1,091,611 | 1,091,611 | 1,091,611 |
| Gross Debt | 815,094 | 945,480 | 1,023,937 | 1,089,641 | 767,439 | 889,693 | 986,774 | 1,045,232 |
| Capital Financing Requirement Greater than Gross Debt | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

PI for Affordability - These indicators are used to ensure the total capital investment of the Council is within a sustainable limit and the impact of these decisions are considered with regard to acceptable council tax and housing rent levels.

PI 6 - Estimates and actual ratio of financing costs to net revenue stream.

This represents the cost of financing capital expenditure as a % of net revenue for both the General Fund and HRA. This indicator was called PI 1 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|--------------|----------------------------------|-----------|-----------|-----------|--------------------|-----------|-----------|-----------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast | Forecast | Forecast | Forecast | Actual | Forecast | Forecast | Forecast |
| General Fund | 7.0% | 11.5% | 15.6% | 17.1% | 6.5% | 10.5% | 14.3% | 16.5% |
| HRA | 33.2% | 34.0% | 33.6% | 34.7% | 28.3% | 34.2% | 33.5% | 34.7% |

Local Prudential Indicators (LPI) set by City of Wolverhampton Council

LPI 1 - Estimates of the incremental impact of capital investment decisions on the council tax and housing rents.

The Council could consider different options for its capital investment programme in relation to their different impact on the council tax and housing rents. Negatives reflect a reduction in total capital expenditure. This indicator was called PI 2 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|---|----------------------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast £ | Forecast £ | Forecast £ | Forecast £ | Actual £ | Forecast £ | Forecast £ | Forecast £ |
| Financial year impact | | | | | | | | |
| Implications of the capital programme for year: | | | | | | | | |
| For Band D council tax | 82.48 | 215.17 | 277.34 | 326.34 | 47.14 | 169.10 | 255.52 | 298.91 |
| For average weekly housing rents | 0.74 | 3.44 | 6.79 | 10.04 | 0.51 | 3.20 | 6.68 | 9.66 |
| Marginal impact to previous quarter | | | | | | | | |
| Implications of the capital programme for year: | | | | | | | | |
| For Band D council tax | (47.56) | (45.46) | 2.78 | 21.68 | (35.34) | (46.08) | (21.83) | (27.42) |
| For average weekly housing rents | (0.06) | 0.33 | 0.78 | 1.17 | (0.23) | (0.23) | (0.10) | (0.37) |

LPI 2 - HRA limit on indebtedness.

This maximum debt limit has been set by Government as part of the self-financing regime and is compared to the HRA capital financing requirement. This indicator was called PI 7 up to 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|-----------------------------------|----------------------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
| | Forecast £000 | Forecast £000 | Forecast £000 | Forecast £000 | Actual £000 | Forecast £000 | Forecast £000 | Forecast £000 |
| HRA Debt Limit | 356,770 | 356,770 | 356,770 | 356,770 | 356,770 | 356,770 | 356,770 | 356,770 |
| HRA Capital Financing Requirement | 260,979 | 279,027 | 307,117 | 335,603 | 253,956 | 272,500 | 303,077 | 329,183 |
| Headroom | 95,791 | 77,743 | 49,653 | 21,167 | 102,814 | 84,270 | 53,693 | 27,587 |

Treasury Management Indicators (TMI) required by The Treasury Management Code

TMI 1 - Upper limits to the total of principal sums invested over 365 days.

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to. This indicator was called TMI 3 up to 2018-2019.

| | Approved by Council 1 March 2017 | | | |
|--|----------------------------------|----------------------------|----------------------------|----------------------------|
| | 2017-2018 Limit £000 | 2018-2019 Limit £000 | 2019-2020 Limit £000 | 2020-2021 Limit £000 |
| Upper limit for more than 365 days | 35,000 | 35,000 | 35,000 | 35,000 |
| Actual and Forecast Invested at 30 June 2018 | - | - | - | - |
| Variance (Under) / Over Limit | (35,000) | (35,000) | (35,000) | (35,000) |

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed and variable rate debt maturing. Up to 2018-2019 this indicator only included fixed rate debt, the new Code of Practice issued December 2017 changed this requirement to include variable debt from 2018-2019.

| | Approved by Council 1 March 2017 | | As at 30 June 2018 2018-2019 Forecast Borrowing |
|--------------------------------|----------------------------------|----------------|--|
| | Upper Limit | Lower Limit | |
| Under 12 months | 25% | 0% | 0.74% |
| 12 months and within 24 months | 25% | 0% | 6.83% |
| 24 months and within 5 years | 40% | 0% | 3.70% |
| 5 years and within 10 years | 50% | 0% | 6.51% |
| 10 years and above | 90% | 50% | 82.22% |

2017-2018 Outturn for Prudential Indicators (PI) no longer required by The Prudential Code from 2018-2019 onwards

| | |
|---|------------|
| PI 9 - Has the local authority adopted the CIPFA Treasury Management in the Public Services: Code of Practice. | Yes |
|---|------------|

2017-2018 Outturn for Treasury Management Indicators (TMI) no longer required by The Treasury Management Code from 2018-2019 onwards

Treasury Management Indicators (TMI)

TMI 1 - Upper limits on fixed interest and variable interest exposures.

These relate to the levels of net outstanding principal sums exposed to fixed and variable interest rates. This indicator is no longer required from 2018-2019 onwards

| | Approved by Council 1 March 2017 | | | | As at 30 June 2018 | | | |
|-------------------------------|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | 2017-2018 Forecast | 2018-2019 Forecast | 2019-2020 Forecast | 2020-2021 Forecast | 2017-2018 Actual | 2018-2019 Forecast | 2019-2020 Forecast | 2020-2021 Forecast |
| Upper limit for fixed rate | 100% | 100% | 100% | - | 93% | - | - | - |
| Upper limit for variable rate | 20% | 20% | 20% | - | 7% | - | - | - |

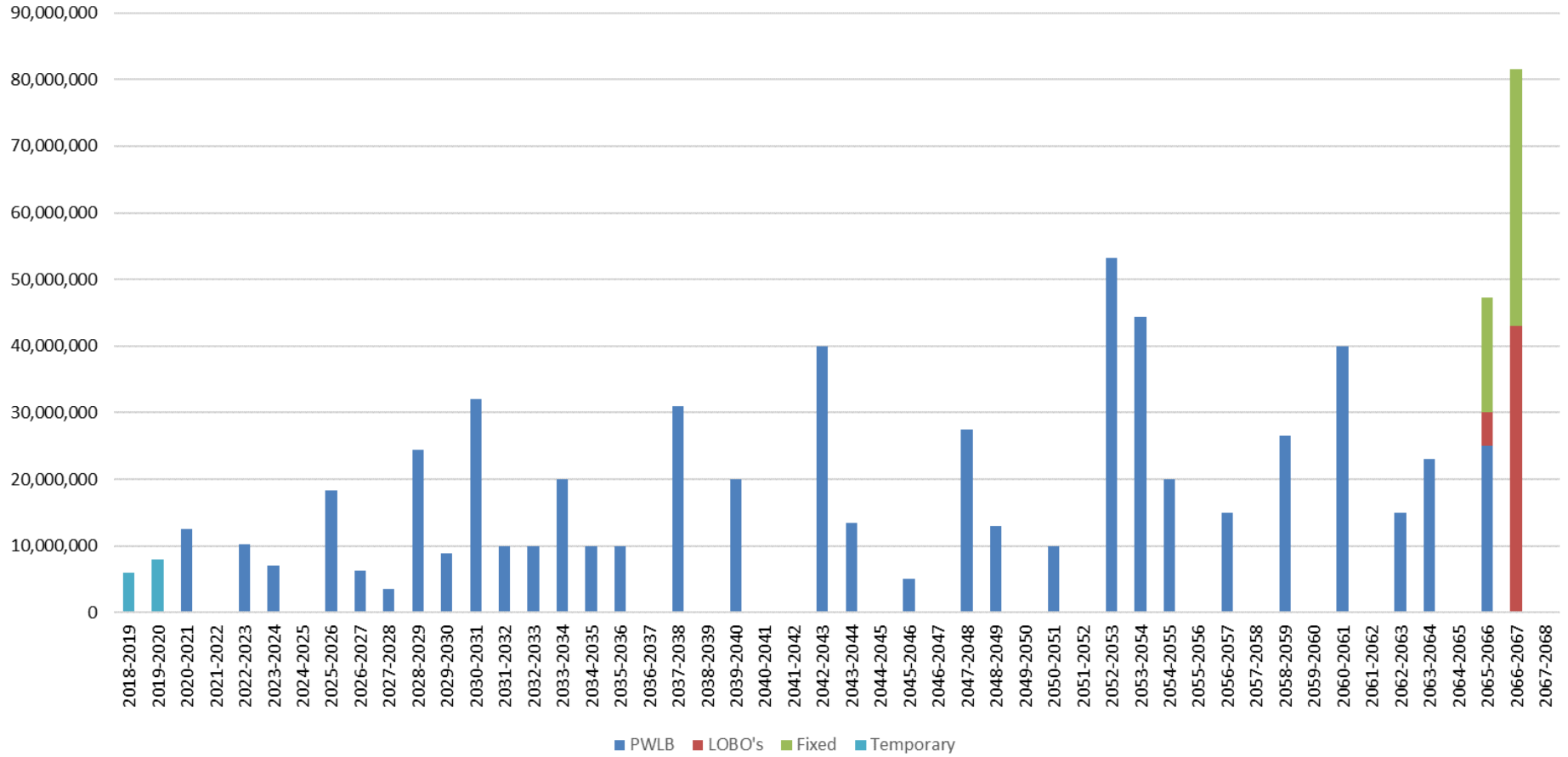
TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed rate debt maturing. From 2018-2019 this indicator includes fixed and variable rate debt as required by the new Code of Practice issued December 2017, the forecasts for 2018-2019 can be found in the section above.

| | Approved by Council 1 March 2017 | | As at 30 June 2018 2017-2018 Actual Borrowing |
|--------------------------------|----------------------------------|----------------|--|
| | Upper Limit | Lower Limit | |
| Under 12 months | 25% | 0% | 0.96% |
| 12 months and within 24 months | 25% | 0% | 1.28% |
| 24 months and within 5 years | 40% | 0% | 3.63% |
| 5 years and within 10 years | 50% | 0% | 5.62% |
| 10 years and above | 90% | 50% | 88.51% |

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Borrowing Maturity at 30 June 2018



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Disclosure for Certainty Rate

Certainty Rate

This table details the information that is required to enable the Council to submit a return for 2018-2019.

| | Approved by Council 7 March 2018 | | | | As at 30 June 2018 | | | |
|--|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2017-2018 Forecast £000 | 2018-2019 Forecast £000 | 2019-2020 Forecast £000 | 2020-2021 Forecast £000 | 2017-2018 Actual £000 | 2018-2019 Forecast £000 | 2019-2020 Forecast £000 | 2020-2021 Forecast £000 |
| Net Borrowing Requirement: | | | | | | | | |
| Borrowing to finance planned capital expenditure | 65,481 | 134,207 | 89,303 | 74,461 | 38,473 | 126,076 | 107,926 | 67,216 |
| Existing maturity loans to be replaced during the year | 109,114 | 40,000 | 72,000 | 62,500 | 88,154 | 28,000 | 84,000 | 66,500 |
| Less: | | | | | | | | |
| Minimum Revenue Provision for debt repayment | (20) | (7,775) | (14,650) | (16,316) | (20) | (6,721) | (13,589) | (15,754) |
| Voluntary debt repayment | (17,209) | (15,186) | (13,241) | (11,700) | (21,607) | (14,677) | (12,414) | (10,750) |
| | (17,229) | (22,961) | (27,891) | (28,016) | (21,627) | (21,398) | (26,003) | (26,504) |
| Loans replaced less debt repayment | 91,885 | 17,039 | 44,109 | 34,484 | 66,527 | 6,602 | 57,997 | 39,996 |
| | | | | | | | | |
| Net Advance Requirement | 157,366 | 151,246 | 133,412 | 108,945 | 105,000 | 132,678 | 165,923 | 107,212 |

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City of Wolverhampton Council
2018-2019 Specified Investments Lending List as at 31 May 2018

| Institution | Country (Sovereign Rating) | Limit £000 | Term Limit |
|---|---------------------------------------|-----------------------|-----------------------|
| Australia & New Zealand Banking Group Ltd | Australia (AAA) | 10,000 | 6 mths |
| Bank Netherlandse Gemeenten | Netherlands (AAA) | 20,000 | 12 mths |
| Bank of Montreal | Canada (AAA) | 10,000 | 6 mths |
| Bank of Nova Scotia | Canada (AAA) | 10,000 | 6 mths |
| Canadian Imperial Bank of Commerce | Canada (AAA) | 10,000 | 6 mths |
| Commonwealth Bank of Australia | Australia (AAA) | 10,000 | 6 mths |
| DBS Bank Ltd | Singapore (AAA) | 10,000 | 6 mths |
| HSBC Bank plc | UK (AA) | 10,000 | 6 mths |
| National Australia Bank Ltd | Australia (AAA) | 10,000 | 6 mths |
| National Bank of Abu Dhabi | Abu Dhabi (U.A.E) (AA) | 5,000 | 3 mths |
| Oversea Chinese Banking Corporation Ltd | Singapore (AAA) | 10,000 | 6 mths |
| Royal Bank of Canada | Canada (AAA) | 10,000 | 6 mths |
| Toronto Dominion Bank | Canada (AAA) | 10,000 | 6 mths |
| United Overseas Bank Ltd | Singapore (AAA) | 10,000 | 6 mths |
| Westpac Banking Corporation | Australia (AAA) | 10,000 | 6 mths |
| Nationalised Banks | | | |
| Royal Bank of Scotland Group plc | | | |
| National Westminster Bank plc | UK (AA) | 10,000 | 3 mths |
| The Royal Bank of Scotland plc | UK (AA) | 10,000 | 3 mths |
| Money Market Funds | | Fund Rating | |
| Invesco STIC Account | Fitch AAmmf | 20,000 | Instant Access |
| Standard Life Investments Sterling Liquidity Fund | Fitch AAmmf | 20,000 | Instant Access |
| Federated Short-Term Sterling Prime Fund | Fitch AAmmf | 20,000 | Instant Access |
| Black Rock Sterling Liquidity Fund | Moody's Aaa-mf | 20,000 | Instant Access |
| Scottish Widows Sterling Liquidity Fund | Moody's Aaa-mf | 20,000 | Instant Access |

Non-rated Institutions

County Councils, London Boroughs, Metropolitan Districts and Unitary Authorities - limits £6m and 12 months.
 Shire District Councils, Fire and Civil Defence Authorities, Passenger Transport Authorities and Police
 Authorities - limits £3m and 12 months.

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Title: Visitors to the Civic Centre

Prepared by: Andy Moran, Director of Commercial Services **Date:** 26 September 2018

Intended audience: Internal Partner organisation Public Confidential

1.0 Purpose

1.1 This briefing note is an update on the management of visitors to the Civic Centre.

2.0 Overview

2.1 The completion of the Futurespace project introduced a new layout to the Civic Centre where, during normal working hours, public access is limited to the ground floor. In conjunction with this a new safety and security strategy has been implemented. A part of this is how visitors are welcomed, registered and managed whilst at the Civic Centre.

2.2 Since the new strategy has been in place inevitably a number of issues have been encountered and the processes have been adapted to respond to these. These are outlined as follows.

3.0 Signing in Process

3.1 An electronic signing system has been implemented where visitors register and are issued with an ID badge. This system also automatically alerts by email the person they have come to see that their visitor has arrived. The reception staff will also contact the meeting arranger by telephone.

3.2 Dependent on the type of visitor, they will be issued with an ID badge and lanyard which they will be expected to wear whilst in the building. Further details are included in Appendix 1.

3.3 This process does not apply however to members of the public attending open public meetings e.g. committees or Full Council.

4.0 Public Meetings

4.1 Public meetings are being managed in two ways:

- a) **Public meetings held in Council Chamber and third floor Committee Rooms –** these meetings are generally held outside of normal office hours, i.e. starting after 5pm. Members of the public attending will be greeted by the Keepers and directed to the third or fourth floor using the lifts, or by exception escorted to the relevant floor using the stairs if they are uncomfortable with lifts. When reaching the relevant floor, they will be met by a Council employee who will direct them to the correct room. The number of Council employees deployed is dependent on the anticipated public attendance and discussions are held with Democratic Services prior to meetings taking place to assess this.

- b) **Public meetings held on the ground floor in Committee Room 5** – a trial is currently being undertaken of holding the most frequently attended public meetings on the ground floor in a room behind the Business Reception and adjacent to the Keepers office. The Licensing sub-committee meetings are currently being held in this room. This location allows public attendees to use the waiting area by the Business Reception and the Atrium.

4.2 The public are not required to register when attending public meetings.

5.0 Councillors Meeting with Visitors

5.1 It is proposed that where Councillors are meeting with visitors that either the ground floor Committee Room 5 or the two meeting rooms across the corridor could be used.

5.2 The advantage of this option is that visitors do not need to register and as these rooms are next to the Keepers Office this would provide some reassurance and security if required.

5.3 If meetings are held elsewhere in the building then the visitor will be required to register as set out in Appendix 1.

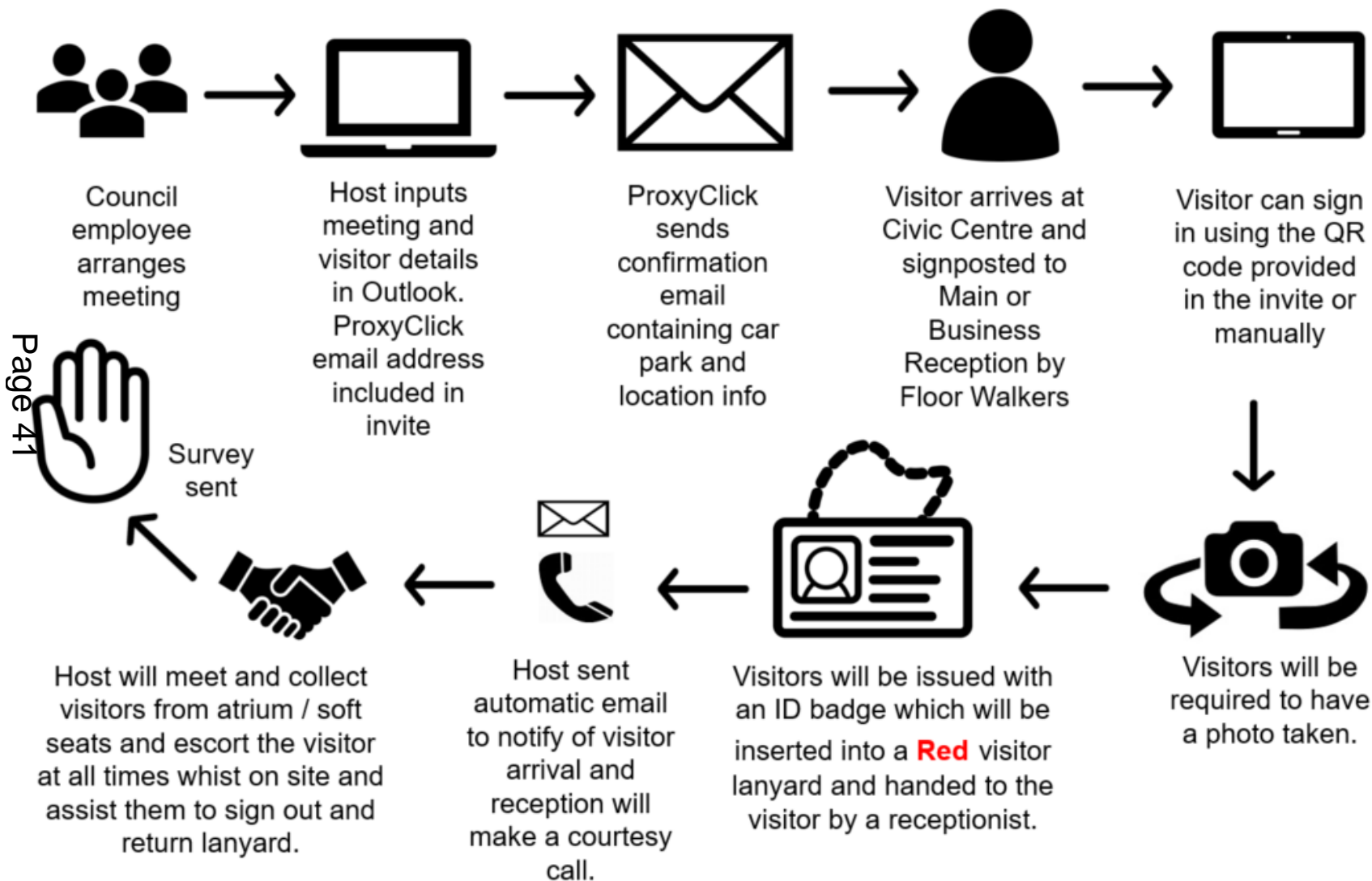
6.0 Mayoral, VIP and Special Events

6.1 These events will generally be arranged with advance notice and specific plans will be agreed with the Mayoral, Councillor Support, Customer Services and Facilities Management teams.

6.2 Visitors can freely access toilets on the third and fourth floors as the Mayoral and Democratic Services teams have passes which can be used on a temporary basis.

Appendix 1 – Visitor Process Flowcharts

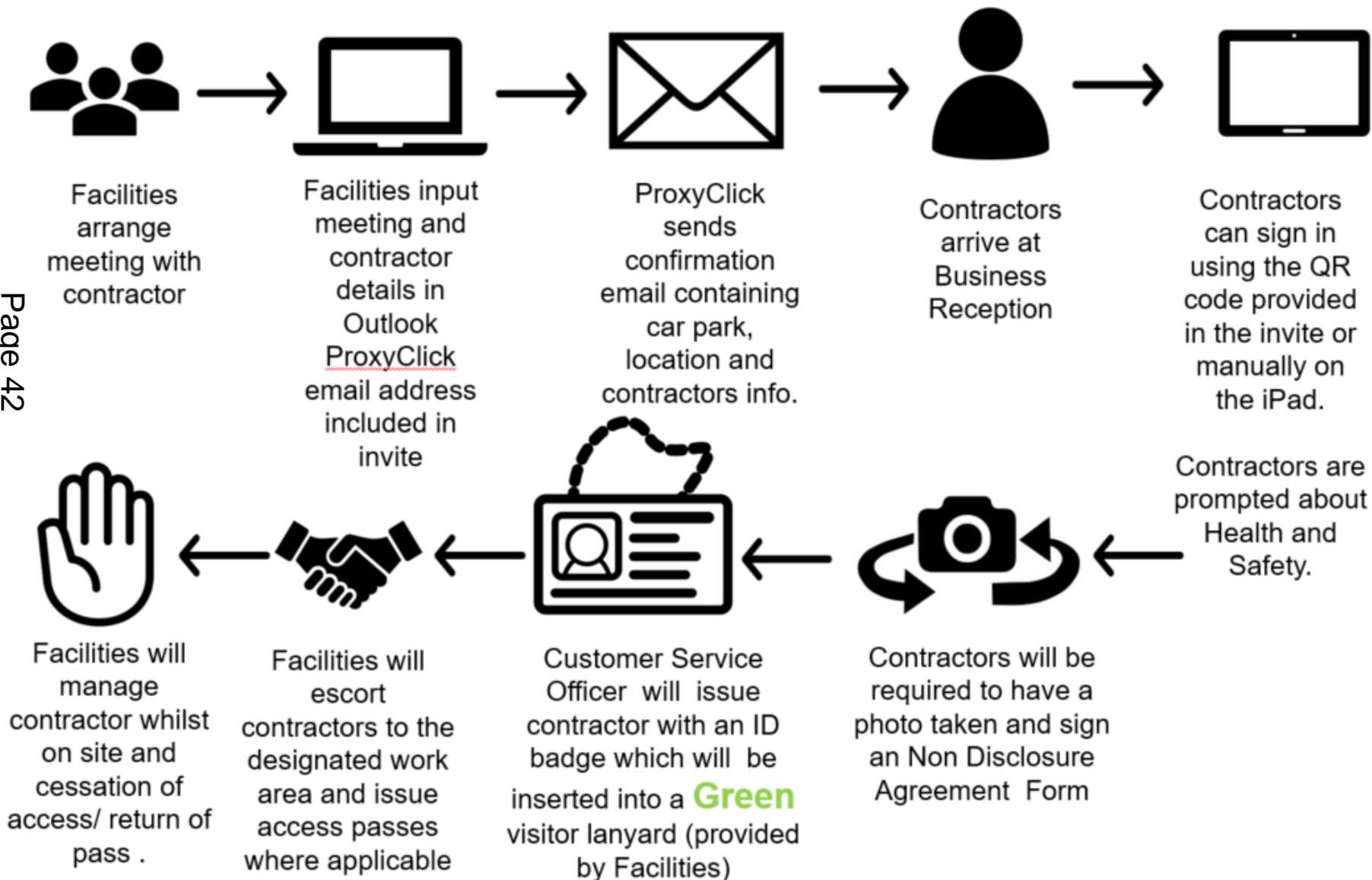
Business visitors



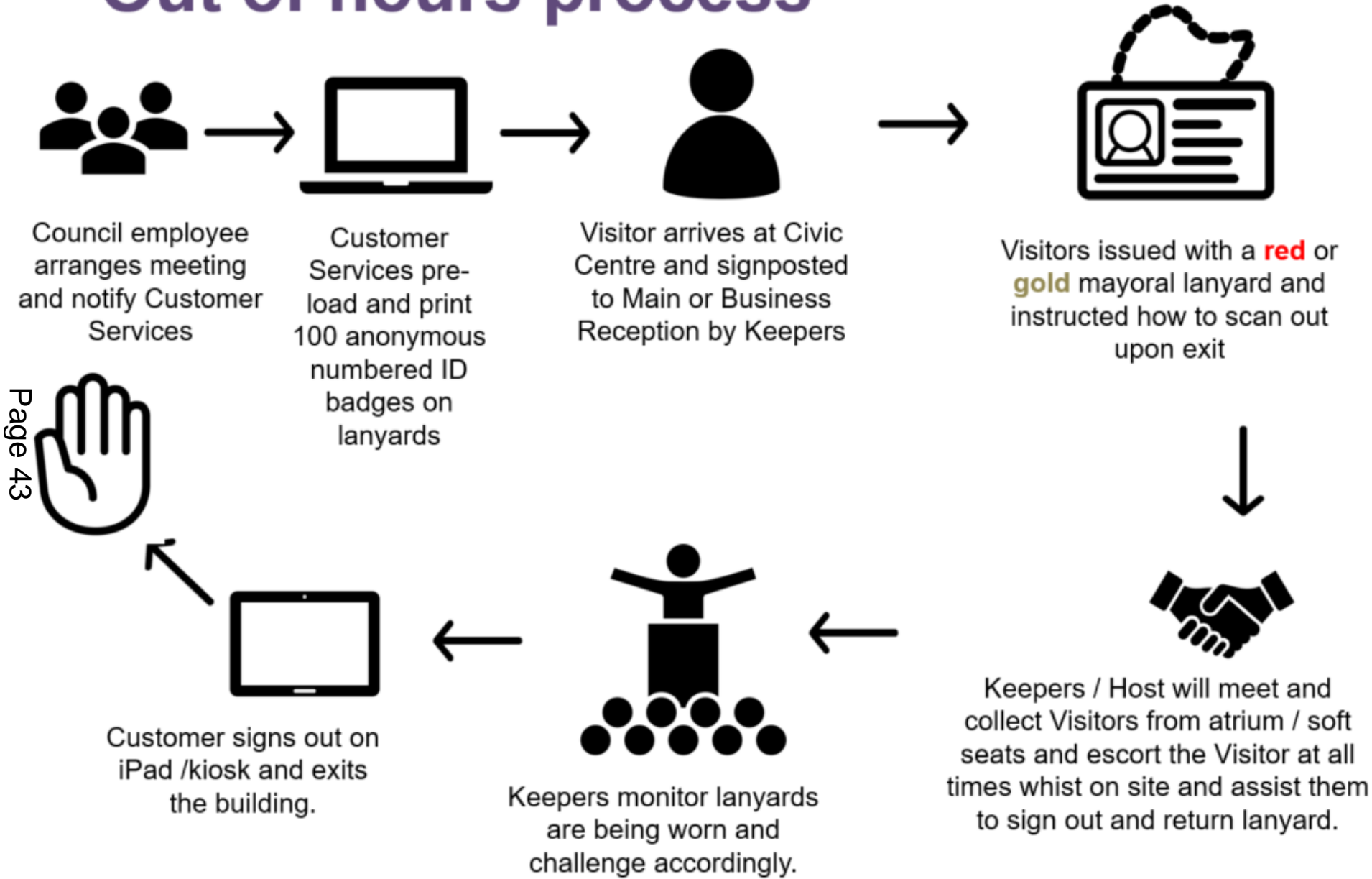
Page 41

Contractors

Page 42

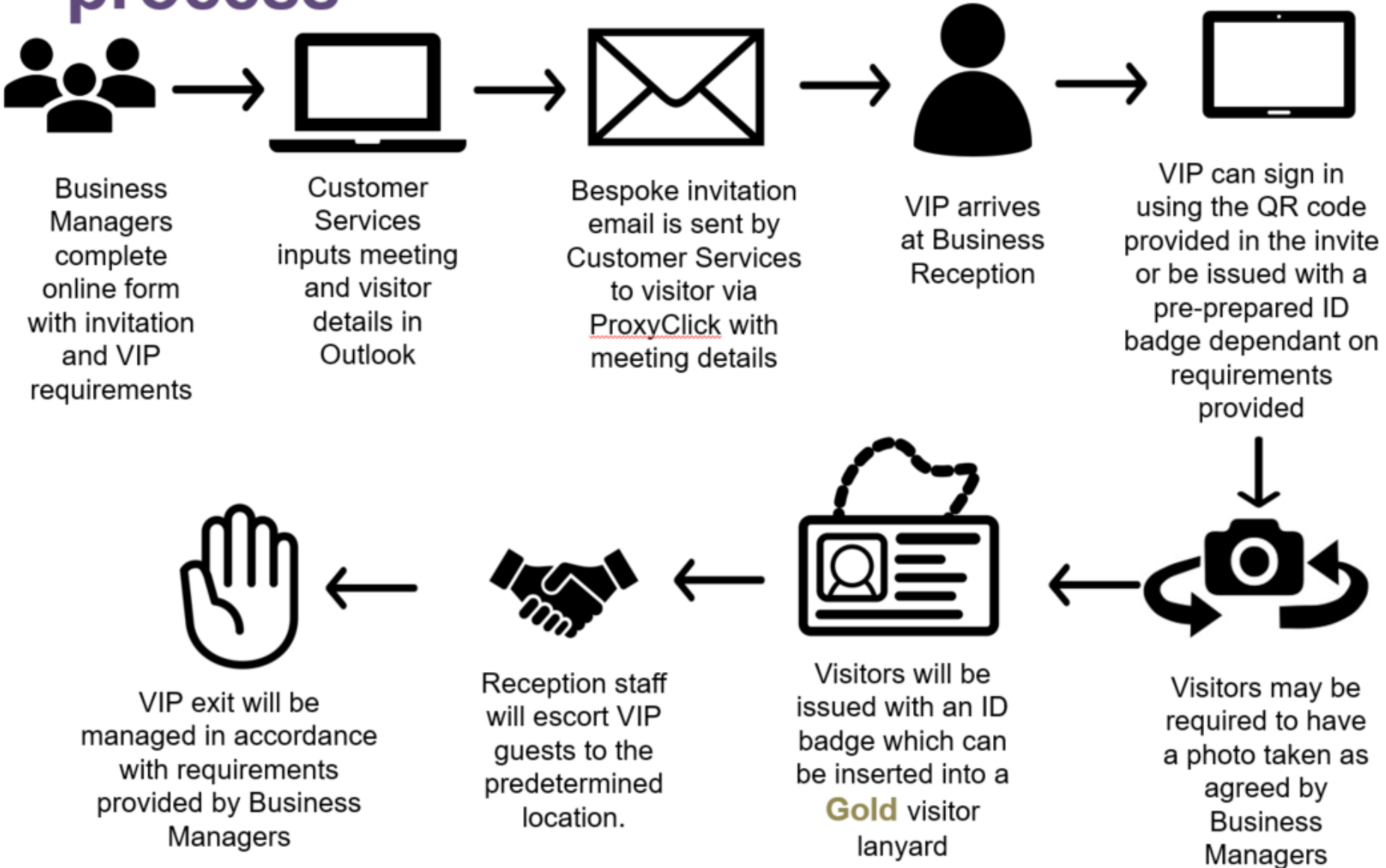


Out of hours process



VIP and Mayoral Guests - In hours process

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Briefing Note

Title: Local election – candidate expenses

Prepared by: Laura Noonan, Project Manager – Electoral Services

Date: 12 September 2018

Intended audience: Internal Partner organisation

Public Confidential

1.0 Purpose

1.1 To explain the process of completing and returning candidate expenses. This was on the request from some members that there was some confusion around the return of candidate expenses process in the 2018 local election.

2.0 Background

2.1 Electoral Services collect candidate's expenses on behalf of the Proper Officer of the council. The legislation requires the Proper Officer to retain a copy of every spending return and declaration for a two-year period for the purpose of making them available for public inspection. Anyone can request copies of the returns too for a payment of 20p per side. The candidates home address will be removed during any inspection or copy of the documents. The Electoral Commission may also request to see a copy of the returns to ensure that expenses are within spending limits.

2.2 The legislation stipulates that this is the only requirement for the Proper Officer, therefore Electoral Services are unable to offer any other guidance or support around completing elections expenses but will proactively send reminders to candidates and election agents to remind them of the deadline for return.

2.3 They key points about election expenses are:

- You will be informed of your spending limit after the notice of election when you are officially a candidate. There is a base limit plus an additional set amount per elector.
- Responsibility of election agent to prepare and submit an election spending return to Electoral Services
- The spending return must be returned within 35 days of the result being declared
- You must provide copies of invoices or receipts for any payments of £20 or over
- The candidate and election agent will need to sign a declaration of truth
- Even if you don't spend any money, you must still submit a report

3.0 Proposal

3.1 For members/election agents to contact their political parties to see if there is any further advice or support available to help complete these.

- 3.2 To refer candidates and elections agents to the candidate and agent guidance on the Electoral Commission website (particularly part 3 – spending and donations and part 6 – after the declaration of results: <https://www.electoralcommission.org.uk/i-am-a/candidate-or-agent/local-elections-in-england>)

Briefing Note

CITY OF
WOLVERHAMPTON
COUNCIL
Agenda Item No: 8

Title: Statutory Polling Place Review

Prepared by: Laura Noonan, Project Manager – Electoral Services

Date: 12 September 2018

Intended audience: Internal Partner organisation

Public Confidential

1.0 Purpose

- 1.1 This briefing note provides an overview of the statutory polling place review that must take place between October 2018 and January 2020.

2.0 Background

- 2.1 Principal authorities are required to divide every constituency within their area into polling districts for the purposes of UK Parliamentary elections and to designate a polling place for each polling district (where the polling station is situated). All local authorities must review their UK Parliamentary polling districts and polling places at least once every four years. The last polling place review for Wolverhampton was concluded in 2015.
- 2.2 The purpose of the review is to examine the 129 polling districts within the 20 wards in the city to ensure that the polling districts are well defined and do not exceed the maximum 2,500 electorate. Each polling district has a polling place where the polling station is located. The other part of the review is to ensure that polling stations are suitable in terms of location, size, availability and accessibility.
- 2.3 The Electoral Registration Officer (ERO), Leader and Chair of Special Advisory Group have signed off the timeline for the review which will formally commence in May 2019 after the next local election, with preliminary work beginning in October. The formal consultation will conclude in July 2019 and a final report will be taken to Full Council in October 2019, ready for any changes to be published in the revised register on 1 December 2019. See **appendix 1** for a timeline.
- 2.4 Feedback on the suitability of polling stations was gained from Presiding Officers, Polling Station Inspectors and Councillors after the 2018 local election and this will be used to inform the review.

3.0 Proposal

- 3.1 To invite all councillors to comment on current polling districts and polling stations and make suggestions to inform the preliminary scoping work. Laura Noonan will email all councillors in October to request feedback.

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Electoral registration and engagement initiatives

September 2018

Laura Noonan

Project Manager – Electoral Services

**CITY OF
WOLVERHAMPTON
COUNCIL**

Our mission:
Working as one to
serve our city

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Agenda Item No. 9

wolverhampton.gov.uk



General voter registration drive

REGISTRATION DEADLINE

17 APR 2018

BE VOTE READY

Local Election: **3 MAY 2018**

If you're not already registered, it only takes a few minutes online!

gov.uk/register-to-vote

Page 52



The Mayor of Dudley Councillor Dave Tyler leads the way on a charity motorcycle ride from Himley Hall

Report by Tom Oakley

LEISURE
Cracking Easter egg hunt on way

THEATRE
Wartime show makes a return

CARNIVAL
Dog display and alpacas on show

Hundreds of needy families helped

AWAY ON 3 MAY?

You can still have your say!

Apply for a postal vote today

It only takes a few minutes online!

yourvotematters.co.uk

CITY OF WOLVERHAMPTON COUNCIL



Piece in express and star

Posted on social media, along with reminders for key registration deadlines

Postal vote campaign



September 2018:
4,000 leaflet returns
1,500 postal votes
applications completed

Page 53

Never miss
an election

Have a permanent postal vote

Please tick in the box if you would like us to send you a postal vote application form (a pre-paid return envelope is enclosed for your convenience)

Name:
Address:
.....
.....

Registration drives



REGISTER TO VOTE

Name _____

Date of Birth

Address _____

Post Code

Mobile number or email _____

National Insurance Number

Nationality: British Other Nationality: _____ *(Please state)*

I don't want my details to appear on the open register
(available to third parties)

I declare the above information is correct and if found
that it is false or misleading I can be fined

BE
VOTE
READY

CITY OF
WOLVERHAMPTON
COUNCIL

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Short registration forms offered to clients, or assistant to register online

Student registration

University registration:

In September 2018, 7356 enrolled with university so far. **48% registered to vote** (3531)

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Comms shared with students union:

X2

Don't forget!
Students can get
a local vote

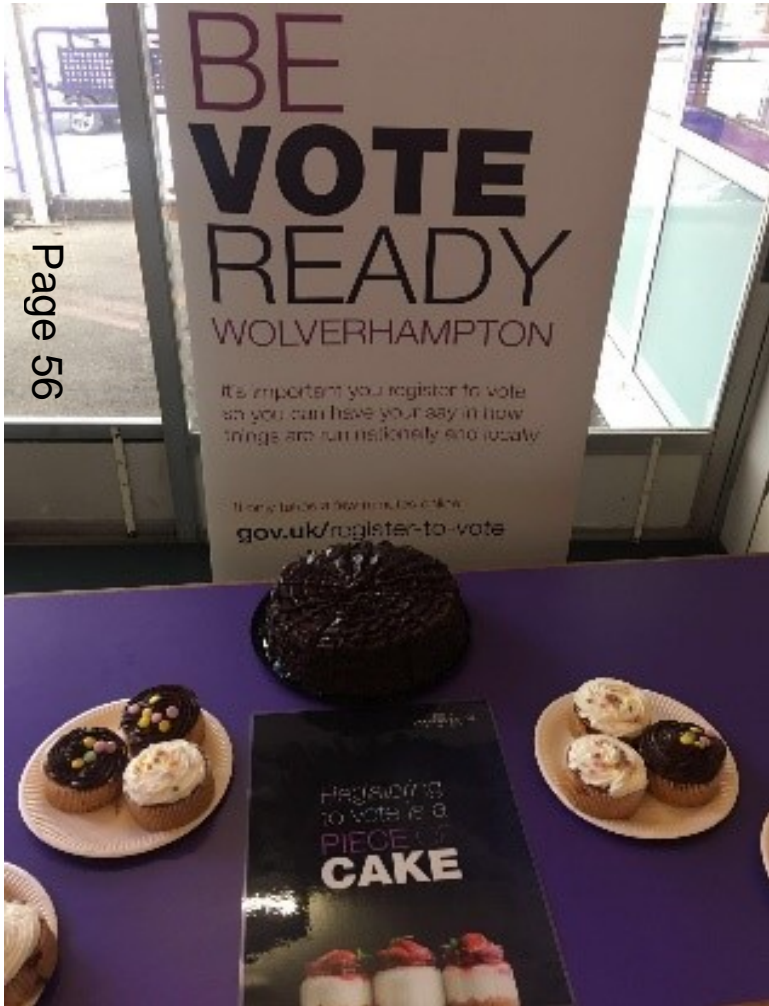
Local Election:
3 MAY 2018

It only takes a few minutes online!
gov.uk/register-to-vote



Attainers – 16 and 17 year olds

Attended Wolverhampton College freshers fayre in September 2017 and 2018



Private renters leaflet

CITY OF
WOLVERHAMPTON
COUNCIL



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Don't forget -
register your new address
to vote and protect your
credit rating

It only takes a few minutes online!
[gov.uk/register-to-vote](https://www.gov.uk/register-to-vote)

Did you know only 63% of private renters are registered to vote compared to 94% of homeowners?

When you move, you are not automatically registered to vote at your new address and you are not automatically registered to vote if you pay council tax.

Although it might not be a top priority when you have just moved house, it's important that you register to vote so that you can have your say in future elections and referendums. Being on the electoral register can also help with getting a mortgage and improving your credit rating, as well as it being a legal requirement to register to vote and to protect your credit rating.

The following people can register to vote:

- Anyone aged 16 or over can register to vote but you cannot vote until you are 18
- British citizens or qualifying Commonwealth countries
- Citizens of other EU member states resident in the UK can vote in local government elections but cannot vote in UK Parliamentary elections

Registering online is easy. You will need your national insurance number. It only takes a few minutes to register at

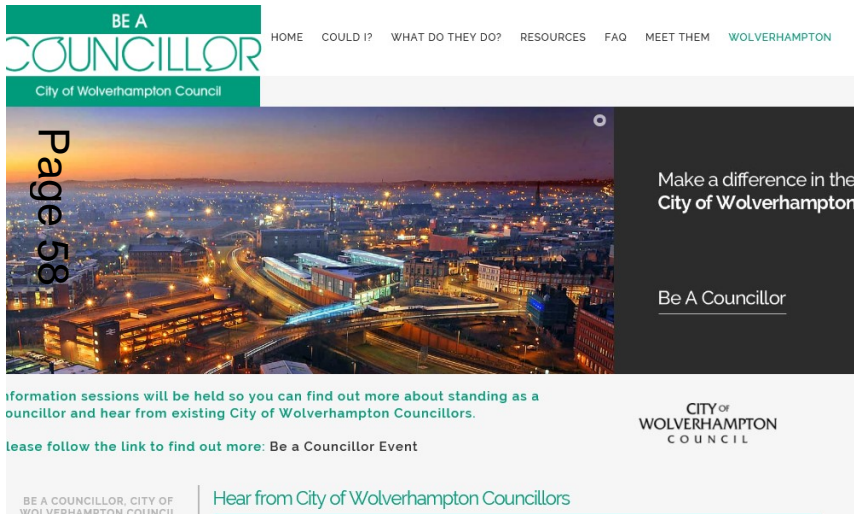
[gov.uk/register-to-vote](https://www.gov.uk/register-to-vote)

For local information contact

Wolverhampton Electoral Services:
customer.services@wolverhampton.gov.uk
01902 551177
[wolverhampton.gov.uk/elections](https://www.wolverhampton.gov.uk/elections)

Be a councillor campaign

Website with 7 councillor video case studies :



Over 700 people visited the site

Two information sessions held:



30 people attended events

8 councillors supported the event on discussion panels

Vote 100 school events



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VOTE100

YOUR MANIFESTO



- Why is yours the best chocolate?
- Why should people vote for your chocolate over others?
- What makes you stand out from other chocolates?
- How much does your chocolate cost?
- How will your chocolate change the world?
- What difference will your chocolate make to society?
- What would a world without your chocolate mean to society?
- What are the bad things about the other chocolates?

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Confident, Capable Council Scrutiny Panel Work Programme - Draft

The Panel has responsibility for Scrutiny functions as they relate to, Strategic Financial Services, Revenues and Benefits, Strategic Procurement, The HUB, Audit, Human Resources, Corporate Administration, Democracy, Corporate Landlord, Transformation and ICT

| Date of Meeting | Item Description | Lead Report Author | Specific Questions for Scrutiny to consider |
|------------------------|--|---|--|
| 28.11.2018 | <ul style="list-style-type: none"> • Legal Services Private Work • Strategic Procurement (<i>Provisional</i>) • Customer Services Journey | Kevin O'Keefe, Director of Governance Andy Moran, Director of Commercial Services Paul O'Rourke, Performance Manager | |
| 06.02.2019 | <ul style="list-style-type: none"> • Welfare Reform Changes – Update (<i>Provisional</i>) • Portfolio Holder Session with Q & A | Claire Nye, Director of Finance Cllr Louise Miles | To understand what benefits and support services are available to residents and the policies in place to help people come off, live better on, or avoid needing benefits and how effective they are. |
| 10.04.2019 | <ul style="list-style-type: none"> • Assessment and evaluation of the Smart Working Policy • Print and Design service – report on | Denise Pearce, Head of Human Resources | How well is the service being used by the |

| | | | |
|--|---|--|---------------------------------|
| | performance of the service following the installation of new machines | | Council and external customers? |
|--|---|--|---------------------------------|

Future Topics

- Future Spaces – update - capital funding of future projects and the management and disposal of council owned buildings and assets. The findings of the lessons learnt report on the Civic Halls
- Training session on Treasury Management
- Civic Centre Update