

CITY OF  
WOLVERHAMPTON  
COUNCIL

# Our Council Scrutiny Panel

15 January 2020

**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 MP (Con)

### Labour

Cllr Alan Bolshaw  
Cllr Caroline Siarkiewicz  
Cllr Milkinderpal Jaspal  
Cllr Susan Roberts MBE  
Cllr Dr Paul John Birch J.P.  
Cllr Roger Lawrence  
Cllr Hazel Malcolm  
Cllr Stephen Simkins

### Conservative

Cllr Payal Bedi-Chadha  
Cllr Simon Bennett

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:

**Contact** Earl Piggott-smith  
**Tel/Email** earl.piggott-smith@wolverhampton.gov.uk /01902 551251  
**Address** Democratic Services, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

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**Tel** 01902 555046

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# Agenda

## Part 1 – items open to the press and public

*Item No.*    *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies**
- 2            **Declarations of interest**
- 3            **Minutes of previous meeting (20 November 2019)** (Pages 3 - 6)  
[To approve the minutes of the previous meeting as a correct record]
- 4            **Matters arising**  
[To consider any matters arising from the minutes]

### EXEMPT ITEM, CLOSED TO PRESS AND PUBLIC

- 5            **Digital Printing Service - update (report to follow)**  
[Steve Charles, Customer Support Manager Place, to present report]

### DISCUSSION ITEMS

- 6            **Cllr Alan Butt, Chair of Audit and Risk Committee - briefing** (Pages 7 - 18)  
[Cllr Alan Butt ,Chair of Audit and Risk Committee, and Peter Farrow  
,Head of Audit, to present report]
- 7            **Treasury ManagementActivity Monitoring - Mid Year Review 2019-2020** (Pages  
19 - 42)  
[Alison Shannon, Chief Accountant,to present report]
- 8            **Our Council Scrutiny Panel Draft Work Programme 2019/20** (Pages 43 - 46)  
[Earl Piggott-Smith,Scrutiny Officer, to present report]

# Our Council Scrutiny Panel

Agenda Item No: 3

Minutes - 20 November 2019

## Attendance

### Members of the Our Council Scrutiny Panel

Cllr Alan Bolshaw  
Cllr Payal Bedi-Chadha  
Cllr Jane Stevenson (Vice-Chair)  
Cllr Susan Roberts MBE  
Cllr Simon Bennett  
Cllr Dr Paul John Birch J.P.  
Cllr Paula Brookfield (Chair)  
Cllr Hazel Malcolm  
Cllr Stephen Simkins

### In Attendance

Cllr Louise Miles  
Michelle Howell  
Alison Shannon  
Claire Nye  
Kate Martin  
Denise Pearce  
Gail Rider  
Earl Piggott-Smith

Cabinet Member Resources  
Finance Business Partner  
Chief Accountant  
Director of Finance  
Director of City Assets & Housing  
Head of Human Resources  
Head of ICT  
Scrutiny Officer

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## Part 1 – items open to the press and public

*Item No.*    *Title*

1        **Apologies**

Apologies were received from the following:

Cllr Roger Lawrence  
Cllr Milkinderpal Jaspal

2        **Declarations of interest**

There were no declarations recorded.

3        **Minutes of previous meeting (4 September 2019)**

That the minutes be corrected to show Cllr Steve Simkins as attending the meeting on 4.9.19. The minutes of the meeting were approved as a correct record and signed by the Chair.

4        **Matters arising**

There were no matters arising from the minutes.

- 5 **Draft Budget and Medium-Term Financial Strategy 2020-2021 to 2023-2024**  
Michelle Howell, Finance Business Partner, introduced the report and invited Panel members to comment on the budget proposals relevant to the remit and how they were aligned to the priorities of the Council.

The Cabinet Member advised the Panel that the Council was waiting for details of the financial settlement and specifically the level of funding support for Adult Social Care which is a key challenge. The delay in the publication of the Green Paper on the future of funding for Adult Social Care had added to the difficulties in responding to the challenge of meeting increasing levels of demand and rising costs of providing the service. The Government had stated that it was committed to bringing forward proposals to support adults and children's social care future funding provisions in due course.

The Panel discussed the approach taken by other local authorities across the West Midlands to meeting pressures on the social care budget. Claire Nye, Director of Finance, advised the Panel that an announcement on provisional local government settlement 2020-2021 was originally planned for December 2019, but was now unlikely to be announced until the new year at the earliest.

The Director of Finance commented on the range of external factors which had made it difficult for local authorities to plan with any degree confidence and the risks due to the lack of certainty about the level of future funding. The local authorities across the West Midlands continued to make representations to Government about future funding of the social care system.

The Panel discussed references in the election manifesto about the plans for funding adult social care in the future.

The Panel queried the presentation of gross expenditure and income figures in Table 1 of the report and reasons for why it was different from the private sector. The Director of Finance explained that local authorities are required to follow the standards published by CIPFA and also needed to comply with International Financial Reporting Standards. The Council followed the correct convention for the public sector, which was consistent with the format of the figure presented in the report. This was also consistent with the format of the Statement of Accounts, which were approved by Grant Thornton, who were the Council auditors.

The Panel queried the reference in the report to work being done to identify efficiencies in order to reduce the budget deficit in adults and children's services due to uncertainty about future levels of funding. The Director of Finance commented on the introduction of new working methods such as 'three conversations' in adult social care and work done in collaboration to improve the efficiency of services, as examples.

The Panel were invited to comment on the specific proposals detailed in the report. A summary of the key points is given below:

### **Communication Services Review**

A member of the Panel welcomed the reduction in expenditure in the service and planned to generate income in the future.

**Efficiencies through Contract Procurement and Management**

No Panel comments

**Finance Efficiencies**

No Panel comments

**Governance - Efficiencies**

The Panel were advised that a new Director of Governance had recently been appointed and would be asked to identify efficiencies and new income generation opportunities. The Panel suggested that the Director of Governance be invited to a future meeting to give a briefing on priorities for the service. The 11 March 2020 was suggested as a provisional date.

**HR Business Improvement Review**

The Panel asked for clarification on the savings target for the proposal. The Head of Human Resources, explained that savings would be achieved by the introduction of new recruitment processes and changes in back-office arrangements, supported by the introduction of self-service systems.

**Organisational Development Review**

No Panel comments

**Staff Terms and Conditions**

No Panel comments

Resolved:

1. The Panel's comments on the Draft Budget and Medium-Term Financial Strategy 2020-21 to 2023-24 and the draft budget proposals relevant to the remit of the Panel to be included in the response to Scrutiny Board for consideration.
2. A final response to be finalised by the Chair and Vice Chair.
3. The Director of Governance to be invited to a Panel meeting on 11 March 2020.

6

**Medium Term Financial Strategy – Growth and Inflation Assumptions**

Alison Shannon, Chief Accountant, introduced the report and advised the panel the report explained the financial assumptions used to prepare the Medium-Term Financial Strategy (MTFS). The Chief Accountant referred to the list of General Inflation Assumptions in Table 1 which have been built into the MTFS.

The Chief Accountant advised the panel that Table 2 details the specific growth assumptions to support specific services and respond to factors such as changes in demographic growth, increased demand for services.

The panel queried how future pay award increases are considered in the assessment. The Chief Accountant advised the panel that assumptions about the level of future pay awards and annual salary increments are included in the assessment. The panel welcomed the increased funding to support growth in response to increase demand in social care.

The panel discussed the link between the report and recent findings in the treasury management report assumptions. The panel queried the impact as a result of the increase in the loan rate of PWLB on the financial assumptions. The Cabinet Member for Resources advised the panel that the Council would continue to ensure best value.

Resolved:

The panel agreed to note the report.

#### 7 **Our Council Scrutiny Panel Draft Work Programme 2019/20**

Earl Piggott-Smith, Scrutiny Officer, presented the report and invited panel members to comment and add topics that fall within its remit. The panel suggested it would be helpful to get a future report on the impact of climate change on council finances and implications for growth and inflation assumptions.

The panel commented on the plans to increase number of city centre properties and suggested that it would be helpful to consider the impact on the environment and specific carbon reduction targets of these plans. Kate Martin, Director of City Assets & Housing, agreed to ask representatives of Wolverhampton Homes who were already scheduled to present the annual report on 11 March 2020 to include a reference to a response the recent climate change declaration.

Resolved:

The panel work programme to be updated to reflect issues discussed during the meeting.

The meeting ended at 19:45

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Our Council Scrutiny Panel</b> 15 January 2020
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<b>Report title</b>	Audit and Risk Committee Briefing	
<b>Decision designation</b>	Not Applicable	
<b>Cabinet Member with Lead Responsibility</b>	Councillor Louise Miles	
<b>Corporate Plan Priority</b>	Confident Capable Council	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	Not Applicable	
<b>Accountable director</b>	Claire Nye, Finance	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 554460 Peter.farrow@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Not Applicable	

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**Recommendations for noting:**

The Our Council Scrutiny Panel is recommended to:

1. Note the role of the Council's Audit and Risk Committee, and in particular its role with regards to risk management.

## 1.0 Purpose

- 1.1 To inform the Our Council Scrutiny Panel of the role of the Council's Audit and Risk Committee, and in particular its role with regards to risk management.

## 2.0 Background

- 2.1 The Our Council Scrutiny Panel have asked to be provided with information on the role of the Council's Audit and Risk Committee, and in particular its role with regards to risk management.

- 2.2 While risks are ultimately owned and managed by the individual risk owners/senior officers, the responsibility for the monitoring of the Council's strategic risk register sits predominantly with the Audit and Risk Committee. Within the Committee's terms of reference, there is a statement of purpose which states:

*"The purpose of our Audit and Risk Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place".*

The terms of reference go on to state part of their role is:

*"To monitor the effective development and operation of risk management in the Council".*

*"To monitor progress in addressing risk-related issues reported to the committee".*

- 2.3 In order to help discharge this role, the strategic risk register is presented to each meeting of the Audit and Risk Committee, who review the register and obtain assurance that key risks are appropriately managed. They also take the opportunity to conduct deep dives by 'calling-in' certain risks for a more detailed review at their next meeting.
- 2.6 The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. Other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.
- 2.7 The latest version of the strategic risk register is due to be presented to the Audit and Risk Committee on 20 January 2020.
- 2.8 Specific questions that have been raised with regards to the role of the Audit and Risk Committee, are answered below:

**Can you set out briefly the responsibilities of Audit and Risk Committee and the principles and guidance that informs the work of the committee**



The role of the Audit and Risk Committee is to provide independent assurance on the adequacy of the risk management framework and the internal control environment. It provides an independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees both internal audit and external audit helping to ensure that efficient and effective assurance arrangements are in place. It operates to terms of reference based on the model provided by the Chartered Institute of Public Finance and Accountancy (CIPFA).

**What are the main messages that you would like to highlight in the Audit and Risk Committee Annual Report 2018-2019?**

The key achievements of the committee as set out in its Annual Report are:

- Providing assurance to the Council through a process of independent review and challenge
- Raising the profile of internal control issues across the Council and of the need to ensure that agreed audit recommendations are implemented
- Regular consideration and review of the key risks that the Council faces, through examination of the strategic risk register and accompanying strategic assurance map
- Maintaining a good working relationship with the Council's internal and external auditors
- Building the skills and knowledge of the committee members through regular technical updates and the consideration of related guidance issued by CIPFA
- The presence of two independent members serving on the committee in order to broaden the committee's experience and independent view point
- Maintaining a detailed focus on the actions being taken to combat fraud

**What is your assessment of the extent to which the organisation as a whole is aware of the importance of risk management and the Council's overall risk appetite?**

The Council has a strong and embedded risk management process. The risk appetite is fluid, dependent upon the nature and type of each risk and its importance in ensuring the Council can meet its objectives.

**Do you think that there is a comprehensive process for identifying and evaluating risk, and for deciding what levels of risk are tolerable?**

Each directorate maintain their own operational risk register which includes an element of horizon scanning. Each risk identified is scored using a corporate risk scoring methodology and assessed as red, amber or green. There is then an escalation process in place should it be felt that an existing or emerging risk needs to be considered for inclusion on the strategic risk register. The strategic risk register is then reviewed by the

Strategic Executive Board before being presented to the committee. The Strategic Executive Board may also collectively add a risk to the strategic risk register.

When risks are added to the strategic risk register a risk owner is identified and a risk score is allocated to each risk, mitigating actions, controls and gaps in control are discussed with the risk owner on at least a quarterly basis. The register is then monitored regularly to ensure that controls are being adhered to and mitigating actions put in place. Where appropriate, target dates to reduce risk scores are set and monitored.

Risks are scored by assessing the likelihood of the risk occurring and its potential impact. A '5 by 5' risk matrix approach, rating the likelihood and impact of each risk from 1 – 5 using the criteria set out below:

### Risk Scoring – Impact

Impact	Score	Descriptor
Low	1	Minimal loss, delay inconvenience or interruption. Can be easily and quickly remedied
Low / Medium	2	Minor loss, delay, inconvenience or interruption. Short to medium term effect.
Medium	3	Significant waste of time and resources. Impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover.
Medium / High	4	Major impact on costs and objectives. Serious impact on output / or quality. Medium to long-term effect and expensive to recover.
High	5	Critical impact on the achievement of objectives and overall performance. Critical impact on costs and / or reputation. Very difficult and possibly long-term to recover.

### Risk Scoring – Likelihood

Impact	Score	Descriptor	
Low	1	Rare (0-5%)	This risk will only materialise in exceptional circumstances.
Low / Medium	2	Unlikely (5-25%)	The risk will probably not materialise.
Medium	3	Possible (25-60%)	The risk may materialise at some point.
Medium / High	4	Likely (60-80%)	The risk will probably materialise.
High	5	Almost certain (80%+)	The risk will materialise in most circumstances.

The two ratings are then multiplied to give a final score for each risk. Scores are then plotted onto the risk matrix below to identify whether risks are red, amber or green.

Likelihood	5	Yellow	Yellow	Red	Red	Red
	4	Yellow	Yellow	Yellow	Red	Red
	3	Green	Yellow	Yellow	Yellow	Red
	2	Green	Green	Yellow	Yellow	Yellow
	1	Green	Green	Green	Yellow	Yellow
		1	2	3	4	5
		Impact				

**Do you think that there is appropriate co-operation between the work of internal and external auditors?**

There is a good working relationship between the internal and external auditors, and both always attend each meeting of the committee.

**Do you think that Risk Register is an appropriate reflection of the known risks facing the Council?**

The strategic risk register captures all of the key risks faced by the council and it is reviewed by the Strategic Executive Board before being presented to the committee. The register also includes a detailed summary on how each risk is being managed.

**How are future risks related to different Brexit outcomes, or a sudden loss of funding or revenue, project delays, identified and managed as part of the work of the committee? Can you describe the system of assurance used to alert the committee of things that may be going wrong?**

As indicated in the answers above, each directorate maintain their own operational risk register and there is an escalation process in place should it be felt that an existing or emerging risk needs to be considered for inclusion on the strategic risk register. The register is then reviewed by the Strategic Executive Board before being presented to the committee. The register notes if each risk has increased, decreased or remained static since it was last reviewed. The committee may also ‘call-in’ specific risks in areas of concern, for a more detailed review at its next meeting.

**Broadly set out the reporting arrangements for the committee and communicating work done during the year internally and externally and the progress made against stated priorities.**

The committee's reports, minutes and papers are publicly available on the Council's website. The committee's Annual Report is presented to Full Council by the Chair and a copy of the latest Annual Report has been appended to this report.

**What is your view of how well the implementation of the committee's recommendations are monitored and actioned?**

Both the internal and external auditors follow up their recommendations – and any non-compliance would be reported back to the committee. The committee is not aware of there being any significant concerns over the non-implementation of agreed recommendations.

**To what extent is the work of the committee effective in adding value to corporate governance and control systems of the Council?**

The work of the committee adds value in the following:

- Increasing public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and similar review processes;
- Providing additional assurance through a process of independent review; and
- Raising awareness of the need for internal control and the implementation of audit recommendations.

**4.0 Financial implications**

4.1 There are no financial implications arising from the recommendations in this report.  
[GE/03012020/P]

**5.0 Legal implications**

5.1 There are no legal implications arising from the recommendations in this report.  
[GE/03012020/P]

**6.0 Equalities implications**

6.1 There are no equalities implications arising from the recommendations in this report.

**7.0 Environmental implications**

7.1 There are no environmental implications arising from the recommendations in this report.

**8.0 Human resources implications**

8.1 There are no human resources implications arising from the recommendations in this report.

**9.0 Corporate landlord implications**

9.1 There are no corporate landlord implications arising from the recommendations made in this report.

**10.0 Schedule of background papers**

10.1 Appendix A – Audit and Risk Committee Annual Report 2018-2019

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<h1>Audit and Risk Committee</h1> <p>10 June 2019</p>
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<b>Report title</b>	Audit and Risk Committee Annual Report – 2018-2019	
<b>Accountable director</b>	Claire Nye, Finance	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 554460 <a href="mailto:peter.farrow@wolverhampton.gov.uk">peter.farrow@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Not applicable	

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**Recommendation for decision:**

The Committee is recommended to:

1. Endorse the Audit and Risk Committee Annual Report for 2018-2019 and refer it to Full Council for approval.

## **1.0 Purpose**

1.1 This report summarises the main areas of work undertaken by the Audit and Risk Committee during 2018-2019.

## **2.0 Background**

2.1 The purpose of the Audit and Risk Committee is to provide independent assurance on the adequacy of the risk management framework and the internal control environment. It provides an independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

## **3.0 Progress, options, discussion**

3.1 The Audit and Risk Committee will continue to receive regular assurance reports throughout the year.

## **4.0 Financial implications**

4.1 There are no financial implications arising from the recommendation in this report.  
[GE/10052019/L]

## **5.0 Legal implications**

5.1 There are no legal implications arising from the recommendation in this report.  
[TS/10032019/Q]

## **6.0 Equalities implications**

6.1 There are no equalities implications arising from the recommendation in this report.

## **7.0 Environmental implications**

7.1 There are no environmental implications arising from the recommendation in this report.

## **8.0 Human resources implications**

8.1 There are no human resources implications arising from the recommendation in this report.

## **9.0 Corporate landlord implications**

9.1 There are no corporate landlord implications arising from the recommendation in this report.



**10.0 Health and Wellbeing implications**

10.1 There are no health and wellbeing implications arising from this report.

**11.0 Schedule of background papers**

11.1 None

**12.0 Appendices**

12.1 Appendix 1 - Audit and Risk Committee – Annual Report

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# Our Council Scrutiny Panel

## 15 January 2020

<b>Report title</b>	Treasury Management Activity Monitoring – Mid Year Review 2019-2020	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	31 October 2019
	Cabinet	13 November 2019
	Council	18 December 2019

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### Recommendation for action or decision:

The Scrutiny Panel is recommended to:

1. Consider the activity undertaken throughout quarter two of 2019-2020.

### Recommendations for noting:

The Scrutiny Panel is asked to note:

1. That a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2019.
2. That revenue underspends of £253,000 for the General Revenue Account and £124,000 for the Housing Revenue Account are forecast from treasury management activities in 2019-2020.

## **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 13 November 2019.

## **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 Our Council Scrutiny Panel fulfils this role.
- 2.2 On 13 November 2019 Cabinet received the report 'Treasury Management Activity Monitoring – Mid Year Review 2019-2020'. 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 13 November 2019. [SH/02012020/A]

## **4.0 Legal implications**

- 4.1 The legal implications are detailed in the Cabinet report of 13 November 2019. [TS/02012020/Y]

## **5.0 Equalities implications**

- 5.1 The equalities implications are detailed in the Cabinet report of 13 November 2019.

## **6.0 Climate change and environmental implications**

- 6.1 The climate change and environmental implications are detailed in the Cabinet report of 13 November 2019.

## **7.0 Human resources implications**

- 7.1 The human resources implications are detailed in the Cabinet report of 13 November 2019.

## **8.0 Corporate landlord implications**

- 8.1 The corporate landlord implications are detailed in the Cabinet report of 13 November 2019.

## **9.0 Health and wellbeing implications**

- 9.1 The health and wellbeing implications are detailed in the Cabinet report of 13 November 2019.

## **10.0 Schedule of background papers**

- 10.1 Treasury Management Activity Monitoring – Mid Year Review 2019-2020, report to Cabinet, 13 November 2019.

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>13 November 2019</b>
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<b>Report title</b>	Treasury Management Activity Monitoring – Mid Year Review 2019-2020	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board	31 October 2019
	Council	11 December 2019
	Our Council Scrutiny Panel	15 January 2020

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**Recommendations for decision:**

That Cabinet is recommended to recommend that Council notes:

1. That a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2019.
2. That revenue underspends of £253,000 for the General Revenue Account and £124,000 for the Housing Revenue Account are forecast from treasury management activities in 2019-2020.

## **1.0 Purpose**

- 1.1 The report provides a monitoring and progress report on treasury management activity for the second quarter of 2019-2020 as part of the mid-year review, in line with the Prudential Indicators approved by Council in March 2019.

## **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 2019-2020 report which can be accessed online on the Council's website [here](#).

- 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 Cabinet / Cabinet (Resources) Panel receive quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.5 The Council continues to use Link Asset Services as its treasury management advisors throughout 2019-2020. Link Asset Services 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 2019-2020**

- 3.1 On 10 July 2019 Cabinet received the 'Treasury Management – Annual Report 2018-2019 and Activity Monitoring Quarter One 2019-2020' report. In this report it was noted that an underspend of £910,000 for 2019-2020 for the Housing Revenue Account (HRA) was forecast. Subsequently, on 23 July 2019 Cabinet (Resources) Panel approved a reduction of £1.0 million in the interest budget for the HRA resulting in the approved treasury management budget now being £9.9 million.



3.2 The forecast outturn for treasury management activities in 2019-2020 compared to budget is shown in Table 1.

**Table 1 – Treasury management budget and forecast outturn 2019-2020**

	<b>Approved Budget £000</b>	<b>Forecast Outturn £000</b>	<b>Variance at Quarter two £000</b>
General Revenue Account	33,683	33,430	(253)
Housing Revenue Account	9,868	9,744	(124)
<b>Total</b>	<b>43,551</b>	<b>43,174</b>	<b>(377)</b>

- 3.3 Overall, underspends of £253,000 for the General Revenue Account and £124,000 for the Housing Revenue Account are projected for the year 2019-2020.
- 3.4 The underspend for the General Revenue Account is mainly due to a reduced borrowing need in year arising as a result of re-phasing of the capital programme offset against an increase in Minimum Revenue Provision (MRP) charges and loss of income for interest charged on loans to others. The MRP has increased due to the amount of borrowing applied in 2018-2019 against short life assets compared to the forecast. The loss of interest income is due to the revised timing of loan requests from WV Living.
- 3.5 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 savings wherever possible.
- 3.6 Appendix 1 to this report 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 2019.

#### **4.0 Borrowing forecast for 2019-2020**

- 4.1 The main source of borrowing for local authorities is the Public Works Loan Board (PWLB). The Government set a statutory limit for the maximum net amount of PWLB loans that can be outstanding at any time, on 8 October 2019 legislation increased this limit from £85 billion to £95 billion. On 9 October 2019, in response to an increase in local authorities using the PWLB in recent months, HM Treasury increased the margin that applies to new loans from the PWLB by one percentage point with immediate effect.
- 4.2 There was no prior warning that this would happen. Local authorities are now reassessing how to finance their external borrowing needs, including the financial viability of capital projects in their capital programme, due to this unexpected increase in the cost of borrowing.
- 4.3 The Council has previously relied on the PWLB as its main source of funding, we are now considering alternative cheaper sources of borrowing to finance capital programmes. At the current time, this is a developmental area as this event has also taken the financial

services industry by surprise. It is expected that various financial institutions will enter the market or make products available to local authorities. Updates will be provided in future reports as and when necessary as this area evolves.

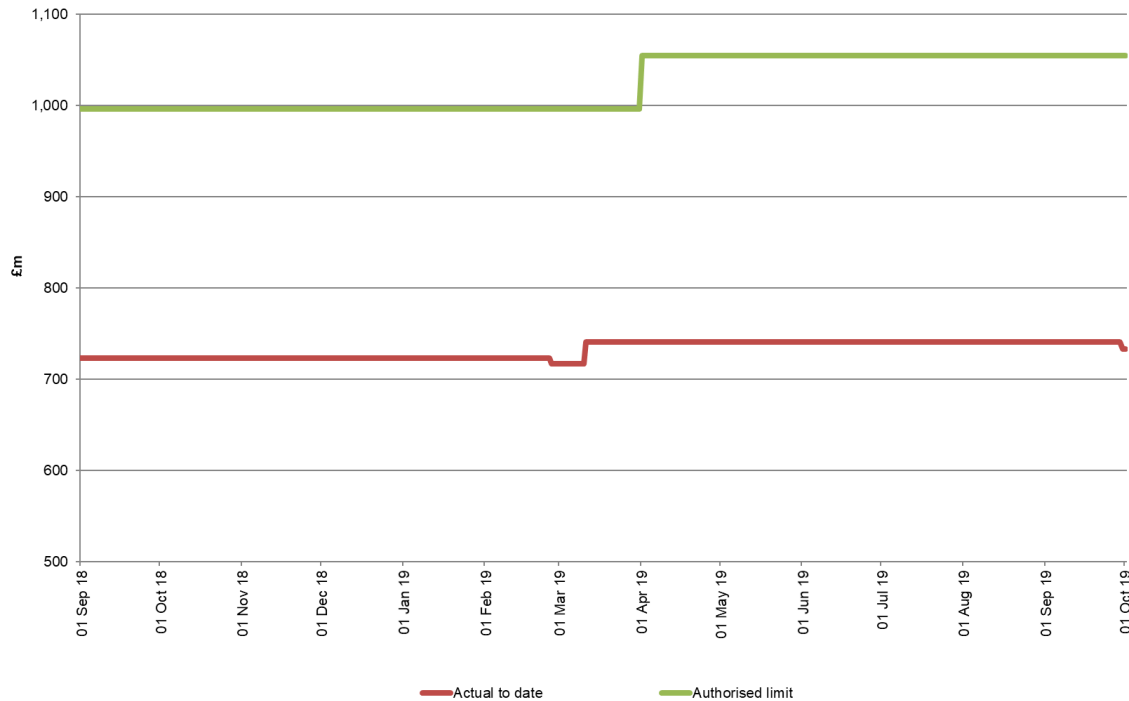
- 4.4 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.5 Table 2 shows the average rate of interest payable in 2018-2019 and forecast for 2019-2020.

**Table 2 – Average interest rate payable in 2018-2019 and 2019-2020**

	<b>2018-2019 Actual</b>	<b>2019-2020 Forecast</b>
Average Interest Rate Payable	3.75%	3.73%

- 4.6 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 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 2 to this report shows the maturity profile of external borrowing.
- 4.7 As always, the Council needs to be mindful that the opportunity to secure short term savings by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link Asset Services interest rate forecast for quarter two 2019-2020 which forecasts that interest rates across all periods will increase up to March 2022. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.8 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**



- 4.9 The level of borrowing at 30 September 2019 is £732.9 million. Appendix 4 to this report shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year. There is no existing borrowing due to be repaid between quarters three and four.
- 4.10 In March 2019, Council approved a net borrowing requirement for 2019-2020 of £206.8 million. The forecast net borrowing requirement for 2019-2020 is £114.1 million, as shown in appendix 5 to this report. 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.

## 5.0 Investment forecast for 2019-2020

- 5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 5.2 Table 3 shows the total amount of surplus funds invested as at 30 September 2019 and 31 May 2019.

**Table 3 – Total amounts invested 2019-2020**

	<b>31 May 2019</b> £000	<b>30 September 2019</b> £000
Business Reserve Accounts	112	120
Money Market Funds	32,335	20,190
	<b>32,447</b>	<b>20,310</b>
Average cash balance for the year to date	35,225	35,165

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access which is consistent with the Council's strategy.
- 5.4 The Council's cash flow balance for the second quarter of the current financial year has moved between a low of £16.4 million and a maximum of £45.5 million. The average cash balance for the quarter being £35.1 million.
- 5.5 Table 4 shows the budgeted average rate of interest receivable in 2019-2020 and the forecast for the year.

**Table 4 – Average interest rate receivable in 2019-2020**

	<b>2019-2020</b> <b>Budget</b>	<b>2019-2020</b> <b>Forecast</b>
Average Interest Rate Receivable	0.60%	0.72%

- 5.6 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 so far during the year.
- 5.7 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 borrowing (this is referred to as internal borrowing).
- 5.8 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.

5.9 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 6 to this report shows the Council's current specified investments lending list.

5.10 In quarter two 2019-2020 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counter-parties.

## **6.0 Evaluation of alternative options**

6.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy 2019-2020, there are no alternative options available.

## **7.0 Reasons for decisions**

7.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy 2019-2020.

## **8.0 Financial implications**

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

[SH/25102019/V]

## **9.0 Legal implications**

9.1 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.

9.2 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.

9.3 This 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 Public Services', contains treasury management indicators and advice on treasury management strategy. Investment strategy is regulated by 'MHCLG

Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

[TS/24102019/R]

## **10.0 Equalities implications**

10.1 There are no equalities implications arising from this report.

## **11.0 Climate change and environmental implications**

11.1 There are no climate change and environmental implications arising from this report.

## **12.0 Human resources implications**

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

## **13.0 Corporate landlord implications**

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

## **14.0 Health and Wellbeing Implications**

14.1 There are no health and wellbeing implications arising from this report.

## **15.0 Schedule of background papers**

15.1 Cabinet, 20 February 2019 – [‘Treasury Management Strategy 2019-2020’](#)

15.2 Cabinet, 10 July 2019 - [‘Treasury Management – Annual Report 2018-2019 and Activity Monitoring Quarter One 2019-2020’](#)

## **16.0 Appendices**

Appendix 1 – Prudential and Treasury Management Indicators

Appendix 2 – Borrowing maturity profile

Appendix 3 – Link interest rate forecasts

Appendix 4 – Borrowing type, borrowing and repayments

Appendix 5 – Disclosure for certainty rate

Appendix 6 – Lending list

## 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.

<b>PI 1 - Estimates and actual capital expenditure.</b>								
Full details of capital expenditure plans and funding can be found in the quarter two capital budget monitoring 2019-2020 report.								
	Approved by Council 6 March 2019				As at 30 September 2019			
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2018-2019 Actual £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
General *	100,525	170,756	59,398	7,152	76,471	139,184	133,445	42,536
HRA	49,772	99,350	90,770	77,660	42,832	63,932	110,122	92,796
	150,297	270,106	150,168	84,812	119,303	203,116	243,567	135,332
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	15,515	17,000	17,350	-	6,958	25,569	17,350	-

<b>PI 2 - Estimates and actual capital financing requirement General Fund and HRA.</b>								
The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.								
	Approved by Council 6 March 2019				As at 30 September 2019			
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2018-2019 Actual £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
General *	651,714	729,726	745,447	729,723	641,334	702,409	730,729	722,223
HRA	257,200	308,896	356,087	392,946	252,052	265,989	331,706	382,076
Total capital financing requirement	908,914	1,038,622	1,101,534	1,122,669	893,386	968,398	1,062,435	1,104,299
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	25,325	36,286	25,763	25,068	16,767	34,983	28,145	20,906
<b>Movement in capital financing requirement represented by:</b>								
New borrowing for capital expenditure	65,336	166,189	100,479	57,866	53,517	115,653	129,051	79,335
Less minimum revenue provision/voluntary minimum revenue provision	(32,944)	(36,481)	(37,567)	(36,731)	(36,653)	(40,641)	(35,014)	(37,471)
Movement in capital financing requirement	32,392	129,708	62,912	21,135	16,864	75,012	94,037	41,864

<b>PI 3 - Authorised limit for external debt.</b>					
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).					
	Approved by Council 6 March 2019				
	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000	2021-2022 Limit £000	
Borrowing	996,745	1,054,931	1,138,865	1,185,714	
Other Long Term Liabilities	90,754	86,553	82,275	79,663	
Total Authorised Limit *	1,087,499	1,141,484	1,221,140	1,265,377	
Actual and Forecast External Debt as at 30 September 2019	831,596	933,609	1,051,645	1,093,509	
Variance (Under) / Over Authorised limit	(255,903)	(207,875)	(169,495)	(171,868)	
* Commercial activities / non-financial investments included within this figure.	18,237	40,321	35,667	35,667	

<b>PI 4 - Operational boundary for external debt.</b>				
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.				
	Approved by Council 6 March 2019			
	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000	2021-2022 Limit £000
Borrowing	964,873	1,013,398	1,113,771	1,171,325
Other Long Term Liabilities	90,731	86,545	82,268	79,656
Total Operational Boundary Limit *	1,055,604	1,099,943	1,196,039	1,250,981
Actual and Forecast External Debt as at 30 September 2019	831,596	933,609	1,051,645	1,093,509
Variance (Under) / Over Operational Boundary Limit	(224,008)	(166,334)	(144,394)	(157,472)
* Commercial activities / non-financial investments included within this figure.	17,048	35,667	35,667	35,667

## Prudential Indicators (PI) required by The Prudential Code

<b>PI 5 - Gross debt and the capital financing requirement.</b>								
*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*.								
	Approved by Council 6 March 2019				As at 30 September 2019			
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2018-2019 Actual £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,101,535	1,122,670	1,123,546	1,123,546	1,062,436	1,104,301	1,114,402	1,114,402
Gross Debt	881,513	1,038,222	1,101,133	1,122,269	831,596	933,609	1,051,645	1,093,509
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.

<b>PI 6 - Estimates and actual ratio of financing costs to net revenue stream.</b>								
This represents the cost of financing capital expenditure as a % of net revenue for both the General Fund and HRA.								
	Approved by Council 6 March 2019				As at 30 September 2019			
	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast	2021-2022 Forecast	2018-2019 Actual	2019-2020 Forecast	2020-2021 Forecast	2021-2022 Forecast
General *	12.5%	14.3%	17.2%	17.5%	12.6%	14.3%	16.5%	18.0%
HRA	33.8%	34.5%	35.5%	35.8%	29.4%	29.0%	30.1%	31.7%
* Commercial activities / non-financial investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc.	0.4%	0.7%	0.7%	0.6%	0.3%	0.7%	0.8%	0.6%

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

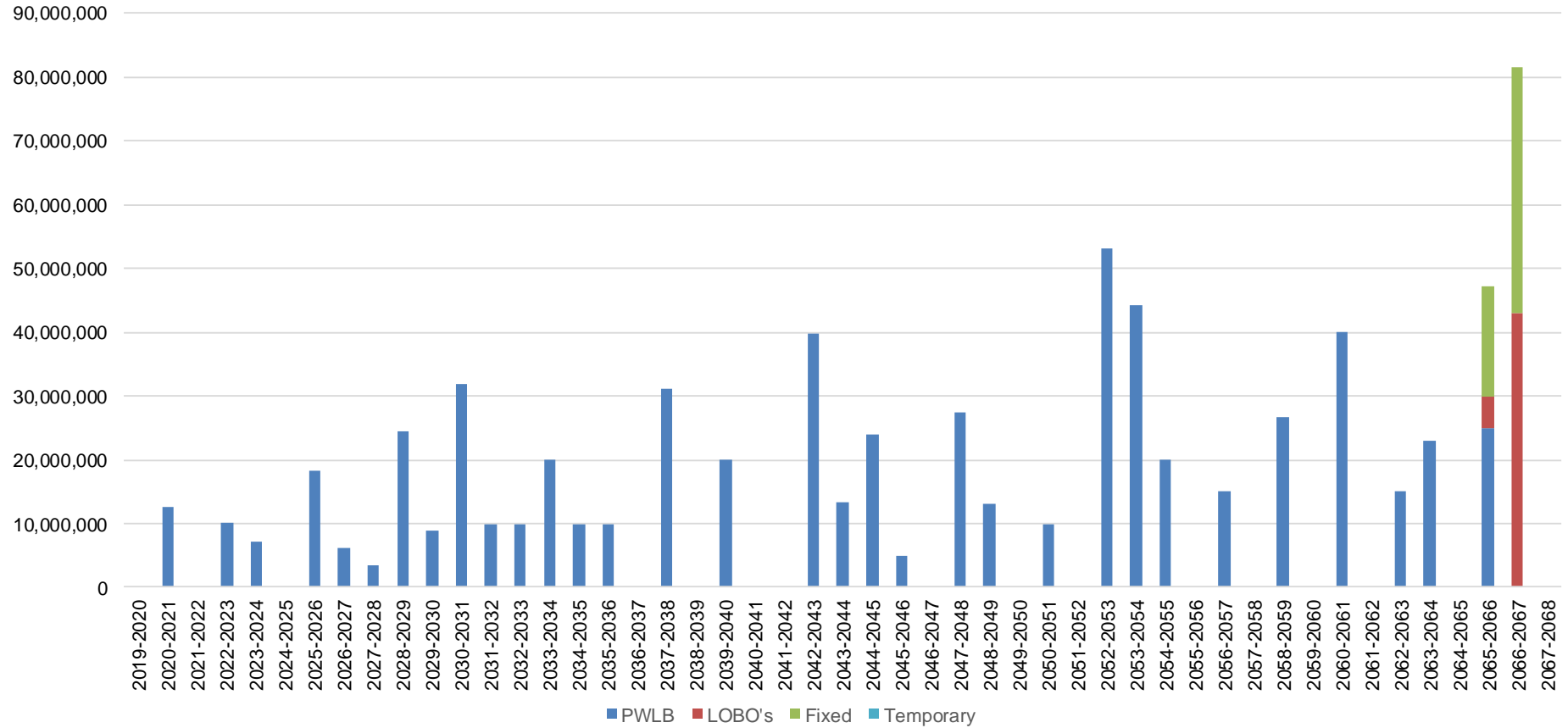
<b>TMI 1 - Upper limits to the total of principal sums invested over 365 days.</b>				
This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.				
	Approved by Council 6 March 2019			
	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000	2021-2022 Limit £000
Upper limit for more than 365 days		35,000	35,000	35,000
Actual and Forecast Invested at 30 September 2019		-	-	-
Variance (Under) / Over Limit		(35,000)	(35,000)	(35,000)

<b>TMI 2 - Upper and lower limits to the maturity structure of its borrowing.</b>				
These limits relate to the % of fixed and variable rate debt maturing. Upto 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 6 March 2019		As at 30 September 2019	
	Upper Limit	Lower Limit	2018-2019 Actual Borrowing	2019-2020 Forecast Borrowing
Under 12 months	25%	0%	1.08%	-
12 months and within 24 months	25%	0%	1.69%	7.85%
24 months and within 5 years	40%	0%	2.33%	2.04%
5 years and within 10 years	50%	0%	7.08%	7.24%
10 years and within 20 years	50%	0%	17.80%	14.53%
20 years and within 30 years	50%	0%	19.28%	23.96%
30 years and within 40 years	50%	0%	22.83%	19.97%
40 years and within 50 years	50%	0%	27.91%	24.41%
50 years and within 60 years	50%	0%	-	-



Borrowing Maturity Profile at 30 September 2019

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### Interest rate forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

This forecast includes the increase in margin over gilt yields of 100bps introduced on 9 October 2019.

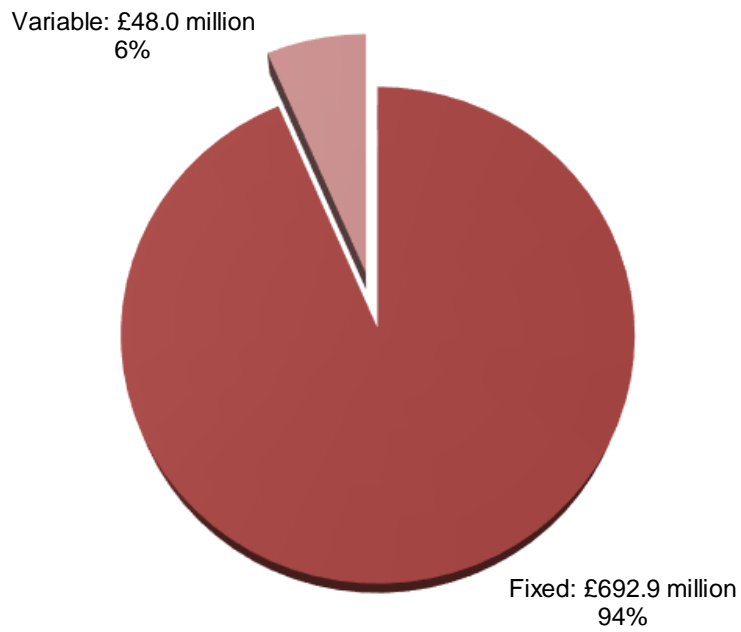
Link Asset Services Interest Rate View										
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

Given the current level of uncertainties, forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

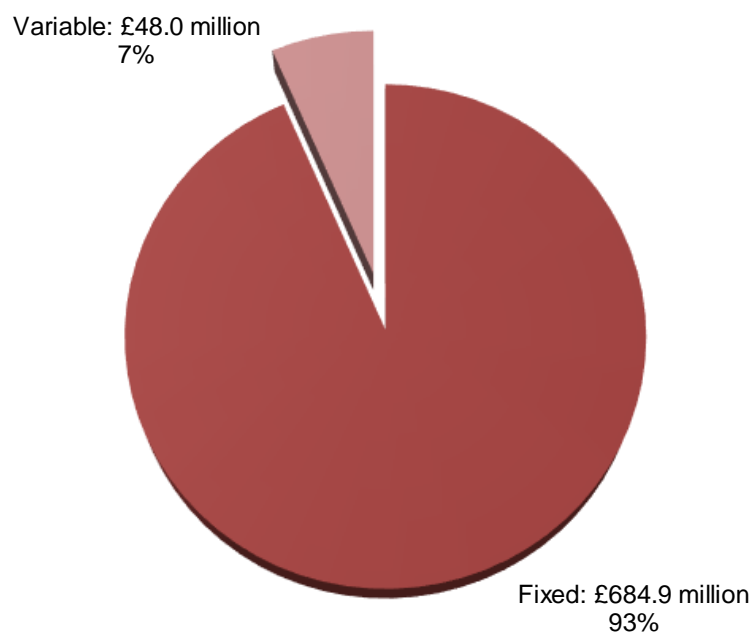
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### Borrowing by Type

As at 30 June 2019



As at 30 September 2019



## Borrowing and Repayments in 2019-2020

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
<b>2019-2020 Borrowing</b>						
<b>PWLB Fixed Maturity:</b>						
No activity in quarter 2						
<b>Sub total for PWLB</b>			-			-
<b>Temporary Loans:</b>						
No activity in quarter 2						
<b>Sub total for Temporary Loans</b>			-			-
<b>Grand total borrowing</b>			-			-

	Start Date	Maturity Date	Amount £000	Length years	Interest Rate	Full Year Interest £000
<b>2019-2020 Repayments</b>						
<b>PWLB Fixed Maturity:</b>						
No activity in quarter 2						
<b>Sub total for PWLB</b>			-			-
<b>Temporary Loans:</b>						
London Borough of Wandsworth	28/09/2017	30/09/2019	8,000	2	0.80%	64
<b>Sub total for Temporary Loans</b>			8,000		0.80%	64
<b>Grand total repayments</b>			8,000			64
<b>Net movement</b>			(8,000)			(64)

## Disclosure for certainty rate

<b>Certainty Rate</b>								
This table details the information that is required to enable the Council to submit a return for 2019-2020.								
	Approved by Council 6 March 2019				As at 30 September 2019			
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000	2018-2019 Actual £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
<b>Net Borrowing Requirement:</b>								
Borrowing to finance planned capital expenditure	65,239	166,129	100,373	57,554	53,420	115,593	128,945	79,023
Existing maturity loans to be replaced during the year	87,682	73,000	62,500	50,000	53,294	35,000	90,500	50,000
Less:								
Minimum Revenue Provision for debt repayment	(12,012)	(15,445)	(18,247)	(18,910)	(12,012)	(16,220)	(18,588)	(20,657)
Voluntary debt repayment	(17,013)	(16,850)	(14,937)	(14,897)	(20,702)	(20,235)	(12,043)	(13,890)
	(29,025)	(32,295)	(33,184)	(33,807)	(32,714)	(36,455)	(30,631)	(34,547)
Loans replaced less debt repayment	58,657	40,705	29,316	16,193	20,580	(1,455)	59,869	15,453
<b>Net Advance Requirement</b>	<b>123,896</b>	<b>206,834</b>	<b>129,689</b>	<b>73,747</b>	<b>74,000</b>	<b>114,138</b>	<b>188,814</b>	<b>94,476</b>

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## Lending List

## 2019-2020 Specified Investments as at 30 September 2019

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10,000	6 mths
Bank Nederlandse Gemeenten	Netherlands (AAA)	20,000	12 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
Landwirtschaftliche Rentenbank	Germany (AAA)	20,000	12 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
NRW.BANK	Germany (AAA)	20,000	12 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	10,000	6 mths
United Overseas Bank Ltd	Singapore (AAA)	10,000	6 mths
Westpac Banking Corporation	Australia (AAA)	10,000	6 mths
<b>Nationalised Banks</b>			
<b>Royal Bank of Scotland Group plc</b>			
National Westminster Bank plc	UK (AA)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA)	10,000	3 mths
<b>Money Market Funds</b>		<b>Fund Rating</b>	
Invesco STIC Account	Fitch AAmmf	20,000	Instant Access
Aberdeen Liquidity Fund (LUX) Class 2	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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**Our Council Scrutiny Panel Work Programme 2019-2020**

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	Notes
9 January 2020 – special meeting	<ul style="list-style-type: none"> <li>Specific Reserves Working Group</li> </ul>	Alison Shannon, Chief Accountant	<ol style="list-style-type: none"> <li>To receive a detailed report on specific reserves.</li> <li>To review and scrutinise the balances and movements of the council’s specific reserves to ensure that they are appropriately established and required.</li> </ol> <p>To make recommendation or comment to Cabinet on matters arising from the review and scrutiny of specific reserves.</p>
15 January 2020	<ul style="list-style-type: none"> <li>Digital Printing Service – update</li> </ul>	Steve Charles, Customer Support Manager Place	<ol style="list-style-type: none"> <li>Review the opportunities and competitiveness of providing print services outside of the local authority, operating on a commercial basis</li> <li>Put in place mechanisms to secure all internal printing requirements provided in-house, removing the</li> </ol>

	<ul style="list-style-type: none"> <li>• Treasury Management Activity Monitoring - Mid Year Review 2019-2020</li> <li>• Chair of Audit and Risk Committee – Annual Report - Cllr Alan Butt</li> </ul>	<p>Alison Shannon, Chief Accountant</p> <p>Peter Barrow, Head of Audit</p>	<p>opportunity for staff to commission print work outside of the authority</p> <p>3. Improve the kitchen facilities for DPS in line with the rest of the authority's amenities</p> <p>Presentation of annual report and briefing on the work on the future work of the committee</p>
11 March 2020	<ul style="list-style-type: none"> <li>• Treasury Management Activity Monitoring Report 2019-20 Quarter 3</li> <li>• Our People Strategy</li> <li>• Council Tax - HMRC Pilot – findings and collection rates</li> <li>• Wolverhampton Homes Business Plan 2019/2020</li> </ul>	<p>Alison Shannon, Chief Accountant</p> <p>Denise Pearce, Head of HR/ Paula Warrilow, Head of Organisational Development</p> <p>Tracey Richards, Recovery Manager</p> <p>Kate Martin, Director of City Assets &amp; Housing/Shawn</p>	<p>A briefing on the Our People Strategy and the results of the employee survey. Update on the Smart Working Policy and new appraisals process</p> <p>A briefing on the findings of the HMRC pilot and an update on collection rates against key performance measures</p>

	<ul style="list-style-type: none"><li>• Community Asset Transfer Strategy – update on progress</li></ul>	Aldis, Wolverhampton Homes  Julia Nock, Head of Assets	
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**Future Items – dates tbc**

1. Briefing on Universal Credit – update on transition - Heather Clarke, Service Development Manager
2. Rapid Development Platform/Update on Customer Services - Jai Ghai ICT Senior Business Service Manager/ Lisa Taylor, Head of Service Improvement (Customer Services) (Briefing on the system, current progress and the benefits of the platform and next steps and why) – date to be confirmed when schedule of council meetings 2020/21 agreed
3. Invite the Director of Governance to a future meeting to give a briefing on priorities for the service. **The 11 March 2020 was suggested as a provisional date.**
4. Community Asset Transfer: Policy and Strategy Review: Julia Nock, Head of Assets – due to be presented to Cabinet on 7.2.20.

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