Coventry City Council

Public report
Cabinet

Cabinet	13th February 2024
Audit and Procurement Committee	18th March 2024

Name of Cabinet Member:
Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:
Director of Finance and Resources

Ward(s) affected:
City wide

Title:
2023/24 Third Quarter Financial Monitoring Report (to December 2023)

Is this a key decision?
No

Executive Summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of December 2023. The net revenue forecast position after management action is a net overspend of **£8.5m**. At the same point in 2022/23 the projected overspend was £8.5m.

It should be recognised that the position above includes several largely one-off actions that have already been taken to reduce the overspend, which means that the underlying position is significantly higher than has been experienced in recent years. The Council has implemented a range of measures since quarter 1, to manage down the overspend to a less severe level. This included:

- Recruitment controls
- Discretionary spending controls
- Alternative funding opportunities

The Council continues to face budget pressure within both Adults and Children's social care, Housing, and Streetscene services. Other smaller but still significant overspends are also being reported in Transportation and Highways, and Business Investment and Culture. Financial pressures are being caused by a combination of continuing high levels of inflation, increased service demands, difficult conditions within social care markets and recruitment difficulties in some services.

During the year a number of councils with social care responsibilities have reported large in-year budgetary difficulties and it is clear that there are systemic problems for the whole sector which represent a serious threat to its financial sustainability.

The Council's capital spending is projected to be £127.6m and includes major schemes progressing across the city. The size of the programme and the nature of the projects within it continue to be fundamental to the Council's role within the city. Inflationary pressures are also affecting capital projects. The assumption is that stand-alone projects that are already in-progress will be delivered as planned but that future projects that have not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, has renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This is reflected in the Pre-Budget report which is currently out for consultation.

Recommendations:

Cabinet is requested to:

1) Approve the Council's Third Quarter revenue monitoring position.

2) Approve the revised forecast capital outturn position for the year of £127.6m incorporating £9.6m net increase in spending relating to approved/technical changes and £11.7m of net rescheduling of expenditure into future years.

Audit and Procurement Committee is requested to:

1) Consider the proposals in the report and forward any recommendations to the Cabinet.

List of Appendices included:

Appendix 1 - Revenue Position: Detailed Directorate breakdown of forecast outturn position
Appendix 2 - Capital Programme: Analysis of Budget/Technical Changes
Appendix 3 - Capital Programme: Analysis of Rescheduling
Appendix 4 - Prudential Indicators

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee, 18th March 2024

Will this report go to Council?

No

Report title:
2023/24 Third Quarter Financial Monitoring Report (to December 2023)

1. Context (or background)

1.1 Cabinet approved the City Council's revenue budget of £260.5m on 21st February 2023 and a Capital Programme of £159.2m. This is the Third Quarterly monitoring report for 2023/24. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure, recommending any action required, and also to report on the Council's treasury management activity.

1.2 The current 2023/24 revenue forecast is for net expenditure to be **£8.5m over budget** (after management action). The reported forecast at the same point in 2022/23 was an overspend of £8.5m which led to a deficit outturn of £6.7m and the use of reserves at year end to balance the position. Capital spend is projected to be £127.6m.

1.3 It is not unusual for the revenue position to reflect a forecast overspend at this stage which then improves over the remainder of the year. However, this is a significantly high figure by historical standards, and it should be recognised that the position above includes several largely one-off actions that have already been taken to reduce the overspend, which means that the **underlying position is significantly** higher than the £8.5m forecast. The Council has implemented a range of measures since quarter 1, in order to manage down the overspend to a less severe level. The overspend is caused largely by factors external to the Council and which can be expected to be ongoing, affecting future years' financial positions if the actions approved are not successful.

1.4 Following on from the £6.7m reported at 2022/23 outturn this indicates a serious financial trend for the Council which is not sustainable over the long-term. Section 2 of the report provides further detail on the revenue position and Section 5 sets out the Council's proposed approach to managing the position.

1.5 As a final backstop it should be noted that the Council maintains a strong balance sheet, in-part to protect itself from circumstances such as this, although it should be re-iterated that reserves are a finite resource and should only be applied sparingly to mitigate ongoing revenue overspends, and once a medium-term solution is in place.

2. Options considered and recommended proposal.

2.1 This is a budget monitoring report and as such there are no options.

Table 1 Revenue Position - The revenue forecast position is analysed by service area below.

Total Over / (Under) spend at Q2	Service Area	Revised Net Budget	Total Forecast Spend	Total Over/ (Under) Spend at Q3
£m		£m	£m	£m
6.0	Adult Services & Housing	115.4	121.1	**5.7**
1.2	Business Investment & Culture	8.3	9.5	**1.2**
4.2	Children & Young People's Services	95.0	98.9	**3.9**
(2.0)	Contingency & Central Budgets	(35.2)	(39.3)	**(4.1)**
(0.7)	Education and Skills	20.3	19.0	**(1.3)**
0.4	Finance & Corporate Services	9.7	10.5	**0.9**
0.0	Human Resources	1.4	1.5	**0.1**
0.2	Legal & Governance Services	8.2	8.3	**0.1**
0.2	People Directorate Management	0.9	1.2	**0.2**
0.1	Project Management & Property Services	(8.4)	(8.5)	**(0.1)**
(1.3)	Public Health	1.0	(0.3)	**(1.3)**
2.4	Streetscene & Regulatory Services	33.3	35.6	**2.2**
0.8	Transportation & Highways	10.6	11.6	**1.0**
11.5	**Total**	**260.5**	**269.0**	**8.5**

2.2 An explanation of the major forecast variances is provided below, the vast majority of which are of an ongoing nature if urgent action is not taken. Further details are provided in Appendix 1 to the report.

Directorate

Adult Services and Housing (£5.7m overspend)

Within Adult Services & Housing the largest element of overspend relates to Adult Social Care (£4.1M) which is due to an increase in the total number of packages of care, as well as increased activity across existing service users resulting in higher average costs. The increased activity reflects the complexity of the casework and the higher needs of those seeking our support with greater spend incurred in home care hours and supported living across adult services.

The other significant variance is an overspend on Housing & Homelessness (£2.2m) due to a greater than 40% increase in the number of people seeking assistance and being placed in temporary accommodation. During quarter 3 this upward trend has slowed over the final 2 months. Alongside this there has been a 15% increase in temporary accommodation fees which is required to ensure temporary accommodation continues to be available and mitigate the use of more expensive Bed and Breakfast accommodation.

Children's and Young People Services (£3.9m overspend)

£4.0m of the gross overspend relates to the cost of looked after children's placements. This overspend is caused by a lack of sufficiency in the market to meet the needs of young people in care which has significantly increased the average unit cost of those placements. There is a further overspend of £0.9m against staffing in Help and Protection due to high levels of cases requiring additional workers and agency staff. This is being offset by short term one-off savings across the directorate from additional grants, and the use of earmarked reserves.

Streetscene & Regulatory Services (£2.2m overspend)
The Streetscene and Regulatory Service has seen a small, improved position leaving an overall forecast pressure of £2.2m. This is an accumulation of gate fees at the Waste to Energy Plant & additional vehicle safety costs to meet safety standards. The lingering impact of COVID influencing the number of major planning applications, and cost of agency staff to cover overtime and vacancies continues to create a pressure for the service.

Business Investment & Culture (£1.2m overspend)
There is no material change in this area since the quarter 2 position. The majority of the overspend (£0.8m) relates to one-off holding costs for the Cultural Gateway building, sponsorship income, Godiva Festival and St Marys income shortfall.

Transport & Highways (£1m overspend)
This overspend is made up of the current planned cost of addressing the backlog in highways defects and pressure with recruitment (£0.7m). As well as the PFI energy costs increase covering the high usage Winter period (£0.7m). There are income pressures in Bus Lane and Parking Enforcement attributed to temporary bus gates closures, however the enforcement at Hales Street and the Burges/Trinity Street cameras has seen £500k improvement in the income projections since quarter two. These pressures are being offset by savings (£0.9m) generated by foregoing expenditure and utilising grant for scheme development costs as well as increased income from higher car park usage.

Education & Skills (£1.3m underspend)
£0.65m of underspend relates to Customer Services which is due to the management of a significant number of vacancies to facilitate structural change and support improved long term service delivery via Coventry Connects. There is also a smaller underspend on Transformation Programme Office (£0.25m) which is a result releasing some one-off reserve funding and an on-going review of activity. This is being offset by an underspend of £0.3m in Education Entitlement which is as a result of reduced expenditure on school bus passes and efficiencies in the Virtual School due to staff vacancies and additional grant income.

Public Health (£1.3m underspend)
Underspends in both Public Health and Migration are due to the use of some one-off reserve funding as well as using additional grants to support costs.

Corporate
Contingency and Central (£4.1m Underspend)
There is a forecast overspend for pay inflation contingencies (£1.6m) reflecting the final agreed local government employers' pay award. This is more than offset by favourable variances for other contingency budgets (£1.7m), anticipated controls to reduce discretionary expenditure (£1m), a delayed need to replace DSG funded education expenditure (£0.6m) and other minor underspends.

2.3 **Capital**

The 2023/24 quarter 3 capital outturn forecast is £127.6m compared with the second quarterly outturn of £129.7m. Table 3 below updates the budget at quarter 3 to take account of £9.6m of new approved/technical changes and £11.7m of rescheduling now planned to be carried forward into future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2023/24. It shows 79.6% of the programme is funded by external grant monies, whilst 11.1% is funded from borrowing. The programme also includes funding from capital receipts of £11.4m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2023/24 MOVEMENT	Qtr 3 Reporting £m
Revised Programme (Reported at Q2)	129.7
Approved / Technical Changes (see Appendix 2)	9.6
“Net” Rescheduling into future years (See Appendix 3)	(11.7)
Revised Estimated Outturn 2023-24	127.6

RESOURCES AVAILABLE:	Qtr 3 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	14.2
Grants and Contributions	101.6
Capital Receipts	11.4
Revenue Contributions and Capital Reserve	0.4
Total Resources Available	127.6

The inflationary pressures affecting the Council’s revenue budget are also present within capital schemes although the pattern with which this takes effect can be different due to the way in which expenditure is incurred. It is likely that most stand-alone projects that are already in-progress will be delivered within existing agreed contractual sums. However, some future projects that have not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets. In addition, where budgets have established to deliver programmes of expenditure, it is likely that these programmes will need to be reduced in size over time reflecting higher prices.

2.4 Treasury Management

Interest Rates

Inflation remains the key driver for setting interest rates with headline Consumer Price Index running at 4% in December – a slight increase on the previous month. The Bank of England’s Monetary Policy Committee has maintained the Bank Rate at 5.25% despite some of its members voting for a further increase of 0.25%. Further rises in Bank Rate are now unlikely given the reducing trend in headline CPI and wider economic weakness. Arlingclose, the authority’s treasury advisor, predict that Bank Rate will remain at 5.25% for some time. Rates may begin to fall in the mid to late part of 2024.

Long Term (Capital) Borrowing

The Council's long-term borrowing requirement for the Capital Programme is forecast to fall by £0.7m in 2023/24, taking into account borrowing set out in Section 2.3 above (total £14.2m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£14.9m). In the current interest rate climate, the Council has no immediate plans to take any further new long-term borrowing although this will continue to be kept under review.

The Public Works Loan Board (PWLB) remains the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more details and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2022/23 approved by Cabinet in February 2022 it was agreed the Council will not purchase investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loans Board (PWLB) between 2nd of October and 29th of December 2023 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2023/24 to Q3	Maximum 2023/24 to Q3	As at the End of Q3
5 year	4.33%	5.69%	4.39%
50 year	4.72%	5.94%	4.88%

The PWLB allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This "certainty rate" initiative provides a small reduction in the cost of future borrowing.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings.

Short Term (Temporary) Borrowing and Investments

The Council's Treasury Management Team acts daily to manage the City Council's day-to-day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds.

Returns provided by the Council's short-term investments again yielded an average interest rate of 5.36% over the last quarter. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds and other Local Authorities.

Although the level of investments varies from day to day with movements in the Council's cash-flow, investments held by the City Council identified as a snapshot at the reporting stages were: -

	As at 30th September 2023 £m	As at 29th December 2023 £m
Banks and Building Societies	0.0	0.0
Local Authorities	33.0	11.0
Money Market Funds	28.08	31.03
Corporate Bonds	0.0	0.0
HM Treasury	0.0	0.0
Total	**61.08**	**42.03**

External Investments
In addition to the above in-house investments, a mix of Collective Investment Schemes or "pooled funds" is used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. The pooled funds are generally AAA rated; are highly liquid, as cash can be withdrawn within two to four days; and have a short average duration. These investments include Certificates of Deposit, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits, Property and Equities. However, they are designed to be held for longer durations allowing any short-term fluctuations in return due to volatility to be smoothed out. In order to manage risk these investments are spread across several funds (CCLA, Schroders, Ninety-One Investec, Columbia Threadneedle and M&G Investments).

Returns provided by the Council's pooled funds yielded an average of 5.10% over the last 12 months. At 31st December 2023, the pooled funds were valued at £27.3m (£26.9m at 30 September 2023), against an original investment of £30m (a deficit of £2.7m). All seven pooled funds show a deficit, mainly because of dropping property prices and volatility in bonds and equities. Six of the seven funds made a significant increase in their capital value in the last quarter. The outlier being the property fund which decreased further in capital value although it is hoped that values should begin to increase in 2024. There remains an expectation that the full value for each pooled fund will be recovered over the medium term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss. This override was due to change in April 2023 but a further extension to 31st March 2025 has been granted by the government. These investments will continue to be monitored closely and are likely to be redeemed when they reach par value.

Prudential Indicators and the Prudential Code
Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against Prudential Indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing for capital purposes is affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at 31 December 2023 are included in **Appendix 4** to the report. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2023/24. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 31st December 2023 the value is -£68.8m (minus) compared to +£96.2m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.

- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 31st December 2023 the value is £245.7m compared to £480.9m within the Treasury Management Strategy, reflecting both the level of actual borrowing and that a significant proportion of the Council's investment balance is at a fixed interest rate.

2.5 Commercial Investment Strategy – Loans and Shares

The Council's Commercial Investment strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property and loans to external organisations, is proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares. The total combined limit for 2023/24 is £146m, against which there are £110m of existing commitments: -

	Limit	Actual 31st March 2023	2023/24 Committed and Planned	Total	Headroom
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	2.9
Loans	91.0	53.8	4.1	57.9	33.1
	146.0	**105.9**	**4.1**	**110.0**	**36.0**

The committed or planned total of £4.1m includes a number of loan facilities to lend which may not necessarily be taken up, although the Council is committed to provide the funds if requested.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision.

4.1 There is no implementation timetable as this is a financial monitoring report.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial implications

Revenue

The net quarter 3 forecast continues to reflect an extremely serious and concerning position for the Council although this has improved marginally from quarter 2. The net forecast, after significant management action is a **£8.5m revenue overspend** and incorporates a range of intractable ongoing issues and the continuation of inflationary pressures which will have an impact beyond the current financial year.

At this stage of the monitoring cycle, it is expected that the Council will not be able to balance its revenue position by year-end without the use of reserve contributions. This in-year pressure contributes the 2024/25 budget gap as set out in the Pre-Budget Report. The improvement in the 2023/24 forecast since quarter 2 does not change the 2024/25 pre-budget position.

These circumstances are common to councils across the country with instances of financial stress being widely reported. Alongside authorities that have already been in difficult financial circumstances due to a variety of largely local reasons, 2023 has seen an increasing number of councils give dire warnings about their ability to balance their 2023/24 budgetary positions and beyond. The failure of the local government finance system to tackle issues around social care funding plus the continued impact of inflation in excess of that anticipated in the 2023/24 budgets, have put many councils in a perilous financial position.

The cost of service delivery has reflected an upwards trajectory for some time as a result of prevailing inflation and market conditions. However, the unprecedented levels of inflation in the last 2 calendar years have affected all service delivery costs creating a very steep upward trend for the Council’s key service costs.

Difficulties in the external markets for both children and adults are well documented but issues including the cost of highly complex cases and higher than planned levels of inflationary increases in placement costs have exceeded the additional budgetary provision included within the Council’s budget. In addition, very significant increases in demand for housing have developed through the year.

Management Action

Services have been implementing the budgetary responses outlined in the quarter 1 report to mitigate the overall budgetary position although it is not possible to disaggregate the impact of this from other aspects of the Council’s budgetary position. In addition to these primarily one-off solutions, the focus has also turned to other actions with a forward-looking perspective to identify options and the service impact of reducing ongoing spend levels to within budget for political decision. Senior managers have undertaken review work looking at service and policy options to feed into the 2024/25 budget process and the result of this work is included within the Pre-Budget Report currently out to public consultation.

In totality, this work gives sufficient assurance that the Chief Operating Officer does not need to take any extra-ordinary action at this stage to respond to the financial position such as issuing a Section 114 Notice (a self-imposed limit on making any non-statutory expenditure as result of financial distress). However, Cabinet is reminded above that the underlying position for 2023/24 is incredibly challenging and that the Council will face some difficult choices in the future.

Capital
The Council's Capital Programme continues to include a range of strategically important schemes across the city. This continues to be a large mostly grant funded programme continuing the trend of recent years. The programme includes major scheme expenditure on secondary schools' expansion, Very Light Rail, the Air Quality programme, disabled facilities grant (DfG), the A45 Overbridge Eastern Green, City Centre South and support to the Friargate Hotel development.

Legal implications

None

6. Other implications

6.1 How will this contribute to the One Coventry Plan?
https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan

The Council monitors and reports separately on the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan. As far as possible it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage within a tight resource envelope.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. A recent reassessment indicates that the Council now faces a greatly increased level of risk in this area, described in section 5. Good financial discipline through budgetary monitoring continues to be paramount in managing this risk and this report is a key part of the process. A range of urgent actions has been set out in response to the Council's financial position. It is vital that Council officers and members are aware of the current financial challenge and that activity across the remainder of the year is successful. This in turn will dictate the extent to which the bottom line can be moved significantly closer to a balanced position.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. The Council may be forced to make some difficult policy choices in the forthcoming Budget process especially in areas that do not have a strict statutory basis, and which involve material levels of discretionary and flexible expenditure.

6.4 Equalities / EIA

No current policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services. If this is the case, the Council's equality impact process will be used to evaluate the potential equalities impact of any proposed changes.

6.5 Implications for (or impact on) climate change and the environment

No impact at this stage although climate change and the environmental impact of the Council's decisions are likely to feature more strongly in the future.

6.6 Implications for partner organisations?

No impact.

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Contributor/approver name	**Title**	**Service Area**	**Date doc sent out**	**Date response received or approved**
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Appendix 1
Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Budget variations have been analysed between those that are subject to a centralised forecast and those that are managed at service level (termed "Budget Holder Forecasts" for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend shown below is principally the effect of unfilled vacancies.

Service Area	Revised Net Budget	Forecast Spend	Centralised Variance	Budget Holder Variance	Total Variance
	£m	£m	£m	£m	£m
Adult Services & Housing	115.4	121.1	(1.7)	7.5	**5.7**
Business Investment & Culture	8.3	9.5	(0.0)	1.2	**1.2**
Children & Young People's Services	95.0	98.9	(2.7)	6.6	**3.9**
Contingency & Central Budgets	(35.2)	(39.3)	0.0	(4.1)	**(4.1)**
Education and Skills	20.3	19.0	(0.8)	(0.5)	**(1.3)**
Finance & Corporate Services	9.7	10.5	(0.3)	1.1	**0.9**
Human Resources	1.4	1.5	0.0	0.1	**0.1**
Legal & Governance Services	8.2	8.3	(0.7)	0.8	**0.1**
People Directorate Management	0.9	1.2	(0.1)	0.3	**0.2**
Project Management & Property Services	(8.4)	(8.5)	(0.4)	0.3	**(0.1)**
Public Health	1.0	(0.3)	0.0	(1.3)	**(1.3)**
Streetscene & Regulatory Services	33.3	35.6	(1.1)	3.3	**2.2**
Transportation & Highways	10.6	11.6	(0.4)	1.4	**1.0**
Total	**260.5**	**269.0**	**(8.2)**	**16.7**	**8.5**

Budget Holder Forecasts

Service Area	Reporting Area	Explanation	Budget Holder Variance £m
Adult Social Care	Strategic Commissioning (Adults)	Underspend relates to New Homes for Old PFI due to additional client fee income and the continuation of lower transport costs to day opportunities.	**(0.7)**
Adult Social Care	Housing and Homelessness	There are a number of reasons why the service is currently forecasting a significant overspend. The number of people seeking assistance with housing issues and subsequently the number being placed in Temporary Accommodation (TA) has increased by over 40% during 2023. During quarter 3 the upward trend has slowed and the number of households in	**2.2**

		TA has plateaued during the last 2 months. The cost of TA with private providers has increased by 15% from the 1st April (the first increase since the rates were set in 2019). A number of mitigations including purchasing additional TA, working with a Registered provider to provide us with an additional 50 flats for TA and new contracts with private providers are being progressed. The service has also developed and is implementing a detailed TA reduction plan. The increase in TA is a national issue with the highest number of households in TA in England being reported in Jun 2023. The overall overspend is partially offset by application of £0.6M migration grant resource against relevant additional costs.	
Adult Social Care	Adult Social Care Director	Overspend relates to an increase in bad debt provision of £0.9m and additional spend on joint health initiatives to improve provision across Health and Social Care of £1.1m partly off-set by iBCF grant under-spend of -£0.3m.	0.8
Adult Social Care	Enablement & Therapy Services	Increased capitalisation of relevant salaries against Disabled Facilities Grant resulting in reduced revenue costs. Also, there are overspends on equipment purchases due to high inflation which have been offset by centralised underspends in salaries due to vacancies.	(0.3)
Adult Social Care	Internally Provided Services	Overspends on casual and overtime costs which have been offset by centralised underspends in salaries due to vacancies.	0.2
Adult Social Care	Community Purchasing Mental Health	The community purchasing budget is managed as a whole - please refer to the explanation against 'Community Purchasing Other'.	(0.4)
Adult Social Care	Adult Social Care Business & Financial Management	The over-spend comprises the CM2000 (Access 2000) implementation fees and back-dating of the contractual price increase equivalent to £1,300 per month to June 2022.	0.1
Adult Social Care	Partnerships and Social Care Operational	Overspends relating to additional agency costs which have been partly offset by centralised underspends due to staff vacancies.	0.5
Adult Social Care	Localities and Social Care Operational	Overspends relating to additional agency costs more than offset by centralised underspends due to staff vacancies.	0.4

Adult Social Care	Community Purchasing Other	The budget for purchasing packages of care for adults and older people in adults social care continues to see significant pressures. The service has seen an increase in the total number of packages of care, as well as increased activity across existing service users resulting in higher average costs to the budget. The increased activity reflects the complexity of the casework and the higher needs of those seeking our support with greater spend incurred in home care hours and supported living across adult services.	4.1
Adult Social Care	Mental Health Operational	There remains significant pressures in Deprivation of Liberty Assessment demand leading to additional assessment costs (£0.3m) in particular, doctors' assessment costs. Additional agency costs have been partly offset by underspends on centralised salaries due to vacancies.	0.6
TOTAL Adult Social Care Variance			**7.5**
Business Investment and Culture	Sports, Culture, Destination & Bus Relationships	The position is likely to be improved by year end but can't be prudently quantified at this stage due to ongoing legal drafting on a negotiated income line. Budget holder variance of £0.8m at quarter 3 is mainly made up of: 1. £790k Collection Centre non-pay spending without budget pending entering construction contract (£74k staffing costs on Centralised variance so total £864k pressure on collection centre spending); 2. £20k Brandon Wood golf course (BWGC) overspend on professional fees etc. incurred in options appraisal (total BWGC cost could be £110k but the overspend is likely to be absorbed by underspend from other Service budget (e.g. energy budget). 3. Godiva Festival overspend £78k due to a mix of reasons including income underachieved from sale of premium tickets (although sale of standard tickets performed well), shortfall from sponsorship income target, overspend on production costs etc. 4. £200k St Mary's projected income under achievement. Action has been taken to improve the position, but impact not yet evidenced.	0.8

		5. £166k sponsorship income underachieved although plan is in place to achieve income target from 2024-25 6. Other net underspends offset most overspend on staffing costs (in centralised variation) mainly due to (£351k) budget for restructure with actual costs on staffing codes (in centralised variation); a further (£150k) budget for events this year, for restructure from 2024-25 not fully spent. Budget will be realigned when new structure is finalised (post-Service Review).	
Business Investment and Culture	Employment & Adult Education	Reserve contribution from underspend in grant funded programmes. Net Overall variation is £18k underspend, centralised underspend due to vacancies not filled before new structure agreed. Majority underspend is grant related to be put into reserve for future programme spend in line with grant condition	0.5
Business Investment and Culture	Other Variances Less than 100K		(0.1)
TOTAL Business Investment and Culture Variance			**1.2**
Children and Young People's Services	Children's Services Management Team	This unbudgeted income is as a result of a successful grant bid to the Department for Education.	(0.4)
Children and Young People's Services	Commissioning, QA and Performance	The Safeguarding Children's Service is forecasting a budget holder overspend of £0.2M. There are overspends arising from agency staffing spend for Independent Reviewing Officers, Child Protection Chairs and Local Authority Designated Officer, given pressures arising from vacancies and caseloads. In addition, income from Safeguarding in Education training is £80K below the budgeted target set. There is a further budget holder overspend as a result of development of a Placements Portal. The overall position is mitigated in part by underspends across other areas of the service.	0.2
Children and Young People's Services	Help & Protection	There is a £2.6M budget holder overspend in the Area Teams, offset by a £1.7M underspend against centralised salaries. This overall £0.9M overspend is linked to staff costs, with high levels of cases	2.6

		requiring additional workers and agency staff. There is a £0.5M budget holder overspend in Section 17 spend is attributable to high costs to commissioning services from private providers to support children with complex needs to remain safely at home. There has also been growth with specialist assessments which is met from S17 budget, drug testing, psychiatric / psychological, Parent Assess / PAMS, Cognitive Assessment, Aims assessment etc. as part of front loading assessments within Public Law Outline There are short-term one-off savings which are currently offsetting the budget pressures from additional grants and the use of earmarked reserves.	
Children and Young People's Services	LAC & Care Leavers	There is a £4M overspend on looked after children's (LAC) placements. This figure takes into account our expected increase in income from central government for unaccompanied asylum-seeking children which ensures these children do not contribute to the budgetary pressure. The overspend relates to external residential and is linked to increasing unit costs for placements due to a lack of sufficiency in the market to meet the needs of young people in care. This is despite a decrease in the number of looked after children and placement mix being in line with targets. There is a further budgetary pressure of £0.3M within the Children's Disability Service. This overspend relates to increased costs for short breaks & direct payments, DFG shortfalls and intensive support for some children to enable them to remain living at home, as an alternative to living in residential care. We are currently in the process of retendering our short breaks contracts to ensure 'best value' and reduce high-cost support spend. There is a budget pressure of £0.1M due to staffing challenges within the LAC Permanency Service and the need for agency staff to ensure that care proceedings continue to be progressed.	4.2

		This situation has now improved, and no agency workers remain. There is an overspend of £0.2M in the Internal Fostering Service due to a high number of staff taking maternity leave and agency cover being required. There is an overspend of £0.3M on Adoption Central England (ACE) that relates to an increase in interagency fees and pay increases. Work is being undertaken to address this and clarify the budgetary needs of ACE moving forwards. These pressures are offset in part by underspends across the service, including £0.2M in Through Care which is mainly due to vacancies.	
TOTAL Children and Young People's Services Variance			**6.6**
Corporate & Contingency	Corporate Finance	There is a forecast overspend for pay inflation contingencies (£1.6m) reflecting the final agreed local government employers' pay award. This is more than offset by favourable variances for other contingency budgets including (£2.7m) for AMRA due largely to higher cash flow interest receipts, anticipated controls to reduce discretionary expenditure (£1m), a delayed need to replace DSG funded education expenditure (£0.6m) and other minor underspends.	(4.1)
TOTAL Corporate & Contingency Variance			**(4.1)**
Education and Skills	Customer and Business Services	Customer Services is forecasting a budget holder underspend of £172K. Where possible the service has reviewed spending and applied constraints through the identification of alternative funding from time limited grants and the release of reserves. The underspend associated with the centralised forecast has resulted from the management of vacancies to facilitate structural change and support improved long term service delivery. The service area is starting to fill vacancies that have been on hold for a time, due to recruitment the impact is not yet showing in the centralised forecast.	(0.2)

Education and Skills	Transformation Programme Office	Transformation Office is forecasting a budget holder underspend of £256K. The majority of this is a result of work undertaken earlier in the year to identify a saving of £143k via a release from reserves. Further on-going review of activity on professional fees has also allowed a further saving (£60k) to be released.	(0.3)
Education and Skills	SEND & Specialist Services	The quarter 2 SEN Travel Assistance forecast identified a budget pressure of £478k. This has reduced by £200k at quarter 3 as a direct consequence of management action to control the use and cost of taxis. In addition, an offset of £200k has been applied from reserves. Additional expenditure in external Educational Psychology costs has been offset by an equivalent under spend against centralised staffing costs.	0.2
Education and Skills	Education Entitlement	A proportion of the underspend is as a result of reduced expenditure on school bus passes. The number of pupils eligible for bus passes is based on statutory criteria and policy and has not reduced, but we are now only charged where passes are used. There is also an underspend against the interpreter service as a result of cost review and increased efficiencies. There is also an underspend against the Virtual School as a result of utilising additional pupil premium grant funding.	(0.2)
TOTAL Education and Skills Variance			**(0.5)**
Finance & Corporate Services	Revenues and Benefits	There is a net Housing Benefit subsidy pressure of £0.7m caused by an increase in the volume and price of supported accommodation, for which the Council only receives partial subsidy payments if the provider is not a registered social landlord. In addition, there are higher than expected levels of local authority benefit overpayments. Pressures elsewhere (£0.5m) are primarily attributable to the cost of temporary staffing as a result of increased levels of work being received, cover for a higher than normal level of staff absence and increased underlying work levels in council tax.	1.3

Finance & Corporate Services	Other Variances Less than 100K		(0.2)
Finance & Corporate Services Variance			**1.1**
Human Resources	Employment Services	Employment Services has a forecast over-spend of £107K. This relates to a reduction in income from external organisations. It has not been possible to reduce costs further as a range of legislation and regulatory changes has created an increase in overall workload	0.1
Human Resources	ICT & Digital	Digital Services is forecasting a Budget Holder underspend of £151K. A decision to slow down the refresh cycle of laptops has created significant one-off savings. The shortfall on schools income of £433K due to reduced buy in as schools convert to academies and academies join larger MATs is an on-going and increasing problem. Additional contract and security costs are being offset by a range of spending reductions.	(0.2)
Human Resources	Other Variances Less than 100K		0.2
Human Resources Variance			**0.1**
Legal & Governance Services	Legal Services	Recruitment of staff (particularly lawyers) into vacant positions remains a challenging situation within the service despite numerous attempts made to advertise vacancies. As a consequence, there is a significant amount of expenditure (circa £700k) on agency staff which is offset in part by vacancies within the Legal Services team. The service is also managing additional workload in the children's social care sector which has made it difficult to end locum contracts.	0.5
Legal & Governance Services	Procurement	The variance is due to improved income performance from the early payment scheme	(0.1)
Legal & Governance Services	Regulatory Services	The variance is largely due to the use of external suppliers to cover vacancies in the Emergency Services Unit. In addition, there are income pressures in Building Control due to staff resourcing issues.	0.3
Legal & Governance Services	Democratic Services	Additional resource required to manage subject access requests whilst a permanent solution is investigated to	0.1

		manage and process the significant number of complex and large cases.	
Legal & Governance Services Variance			**0.8**
People Directorate Management			0.3
People Directorate Management Variance			**0.3**
Project Management and Property Services	Commercial Property and Development	£1.4m is made up of: 1. Overspend of £176k mainly on agency staff in Property Development is funded by vacant posts budget which includes budget to cover costs for one-year only; 2. Commercial Property BAU £569k rental property mainly due to income shortfall, void costs etc; 3. £125k retail market pressure as external supplies and services costs are higher than existing budget available 4. £136k City Centre South related mainly due to void NNDR charge, with former Aviva sites (£25K) net additional income received after the property handover date for development is delayed and cost for insurance. 5. £291k overhead overspend mainly due to agency costs higher than budget from vacant posts 6. £110k overspend on the major city centre development projects includes costs for former Aviva sites insurance charge and agency staff to be partially funded by budget in Property Development this year only.	1.4
Project Management and Property Services	Facilities & Property Services	£1.3m is made up of: 1. (£560k) Energy underspend 2. (£650k) Operational Property R&M programme delayed controlling cost in this year 3. (£265k) R&M service income overachieved by (£200k) with saving from vacancies (£65k) 4. (£194k) savings from Business Rates 5. Pressure on rents £190k and £170k Fairfax L.C	(1.3)
Project Management and Property Services	PMPS Management & Support	relates to additional A60 income target to be achieved	0.2

Project Management and Property Services Variance			**0.3**
Public Health	Public Health Staffing & Overheads	A result of the release of funding previously held in reserve	(0.3)
Public Health	Public Health - Migration	A result of some grant flexibility	(0.4)
Public Health	Public Health - Insight	A result of utilising some additional grant to support relevant public health costs.	(0.6)
Public Health Variance			**(1.3)**
Streetscene & Regulatory Services	Planning Services	There has been an overall reduction in planning applications since COVID which reflects the national trend. This is partly mitigated by an increase in fees effective from 1st October 2023.	0.2
Streetscene & Regulatory Services	Streetpride & Parks	The net variation across Street pride and Parks is £1.36m overspend due to a number of factors including: a) shortfalls in income - activities c£271k - in the parks (includes car park) b) Set up costs and non-achievement of (historic) savings target - Coventry Funeral Services c£330k c) Pressures in Urban Forestry of £208k due to Tree Surveys/Remedial works and inflationary pressures d) Various spend pressures across Parks c£190k e) A net overspend of c£274k on Street pride as a result of using Agency/Overtime to cover vacancies whilst the new structure is being implemented and, f) Traveller incursions c£100k	1.3
Streetscene & Regulatory Services	Waste & Fleet Services	Commercial Waste is currently under review and is forecasting a deficit of c£312k. A decision was made for a 3rd party to deliver the Waste Collection service alongside CCC staff at an additional net cost of £681k.There are also pressures in this area relating to Fleet (Spot Hires) due to HSE recommendations. Waste disposal is forecasting an o/spend of £439k partly due to higher than expected gate fee increases (mainly at WEP), increases in tonnages and additional costs associated with the WTS.	1.4

		(Anticipated savings related to SRL have been factored in to this.) PTS are forecasting an overspend o c£170k as a result of high sickness levels and additional Fleet costs. These pressures are all partly offset by a surplus in Fleet of c(£288k) which has arisen as a result of a combination of additional (one-off) income and savings on capital finance (time limited) as a result of the EV Programme.	
Streetscene & Regulatory Services	SSGS Management & Support	This relates to Legal costs associated with HSE and Equal Pay claims.	0.2
Streetscene & Regulatory Services	Environmental Services	Vacancies in Street Team Enforcement are being covered by O/time/Agency c£85k. There are also pressures in Pest Control relating to cover for vacancies c£29k, Kennel Safety Improvements c£17k and costs associated with re-homing pets c£15k (XL Bullies)	0.2
Streetscene & Regulatory Services Variance			**3.3**
Transportation & Highways	Traffic	The contract price for Street Lighting energy has risen during the highest period of usage (winter). In addition, contractual payments made to the PFI company have also been affected as they are partly based on energy rates.	0.7
Transportation & Highways	Highways	There is a pressure largely due to the anticipated costs to be incurred to address highways defects (£350k) together with the delayed achievement of some MTFS savings targets (£250k).	0.7
Transportation & Highways	Transport Policy	Savings have been made by forgoing expenditure and utilising grant funding for scheme development costs	(0.1)
Transportation & Highways	Other Variances Less than 100K		0.1
Transportation & Highways Variance			**1.4**
Ringfenced Funding	SEND & Specialist Services	Dedicated Schools Grant Variance: The number of Education Health and Care Plans maintained by the Council grew by circa 15% during 2023 against a forecast of 10%. Consequently, the Dedicated Schools Grant is absorbing a further £1.5 million of unplanned expenditure. Demand for specialist provision now exceeds locally available provision for some types of need	1.0

		in specific age ranges. Coventry has therefore increased its use of external / out of City placements to ensure children's needs are met. This is at a significantly higher unit cost compared to publicly funded schools. Any opportunity to increase the number of in-year commissioned special school placements has been taken and medium-term plans are evolving to expand local provision further. An offset of £0.4M under spend in respect of vacancy savings in SEN Support Services has been applied.	
Ringfenced Funding	Schools	Dedicated Schools Grant Variance: This underspend primarily relates to the Council's High Needs holding pot. This is budget that has been earmarked to support the Council's overall SEND Strategy and fund known provision cost pressures that will arise in future years.	(2.1)
Ringfenced Funding	Financial Strategy	Technical adjustment to remove total Dedicated Schools Grant Variance from the General Fund position.	1.2
Ringfenced Funding	Education Improvement & Standards	Dedicated Schools Grant Variance: This is a pooled fund for primary maintained schools that supports the funding of maternity leave for teachers. The number of staff taking maternity leave (including shared paternity leave) in the 23/24 financial year is lower than was estimated when the level of the fund was set resulting in an in-year underspend. We have adjusted and reduced the level of the fund for the 24/25 financial year, and any underspend will be ringfenced within the DSG reserve for de-delegated services.	(0.1)
Ringfenced Funding Variance			**0.0**
Total Non-Controllable Variances			**16.7**

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
Highways Investment	The Prime Minister's Network North announcement on 4 October 2023 included a commitment to an additional £8.3 billion for local highway maintenance from 2023/24 - 2033/34. This equates to £439k additional funding that the Council will receive this financial year.	0.4
Eastern Green - A45 Overbridge	The awarded £15.6m from Homes England for the delivery of the A45 Overbridge at Eastern Green has now been fully drawn down and passported over to the developer. As Coventry City Council (CCC) are the accountable body for the delivery of the scheme, there is a legal agreement that the process moving forward will entail the developer re-imbursing CCC all invoiced amounts prior to CCC paying these funds over to the contractor. This ensures no financial risk to CCC.	6.0
Education Programme - Basic Need	Further S106 funds have been paid by Developers on completion of housing developments for Pickford Lane and Paragon park	1.1
Devolved Formula Capital Energy Eff	This is a new Grant - Eligible schools and sixth-form colleges will receive an allocation from an additional £447 million of capital funding to improve energy efficiency in 2022 to 2023. This is part of an additional £500 million of capital funding for schools and further education institutions in England.	0.5
MRF (Sherbourne Recycling Loan)	The technical change is due an overstated forecast of interest payments	(0.5)
UKSPF - Coventry UK Shared Prosperity Fund - Job Shop	Re-profiled after additional grant funding, an additional £200k from UKSPF, £150k from WMCA and £150k from Landlord Contribution	0.5
Green Homes Grant Phase 3	Technical change of re-profiling across the capital 5 year programme to reflect the latest reported position.	0.5
Cultural Gateway	Report taken to Cabinet on 14th March 2023 – City Centre Cultural Gateway Project with an approval of capital expenditure up to £48.6m. The £0.8m change to the programme reflects the first drawn down of these funds to cover professional fees towards the Collection Centre Development.	0.8
Miscellaneous	Schemes below £250k threshold	0.3
TOTAL APPROVED / TECHNICAL CHANGES		**9.6**

Appendix 3

Capital Programme: Analysis of Rescheduling

SCHEME	EXPLANATION	£m
Coventry Very Light Rail	The process of securing funding approvals from the Department for Transport has taken longer than initially programmed, which has in turn meant that work on the City Centre Demonstrator (CCD) project has been delayed with delivery now programmed for 2024/25 financial year. Work has progressed on the development and testing of the prototype vehicle, which is well advanced, and on the testing of the track, with test sites at the Whitley Depot, University of Warwick and the VLR National Innovation Centre at Dudley. The re-profiling of funding reflects the revised programme for the CCD project.	(5.0)
Friargate Building 2	Report taken to Cabinet on 25th August 2020 - Funding and Delivery of Friargate 2. The £362k acceleration of spend relates to the specific report recommendation of capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.	0.4
Local Network Improvement Plan (LNIP)	Schemes identified for delivery through the Local Safety Schemes (LSS) were intended to stretch across multiple years due to the size and complexity of the schemes to be delivered. Year 1 has focused and prioritised on scheme investigation and development with design work taking place to enable delivery of schemes from April 2024. The UTMC LNIP programme is aligned with service resources and delivery priorities in 2023/24 which has focused on delivery of the Binley Cycle Scheme, Air Quality Programme and Key Route Network schemes which sit separate to the LNIP programme. It is also noted that in quarter 3 the DfT announced a bidding opportunity for funding to refresh existing signals assets which aligns with priorities in our existing LNIP programme and as such delivery has been paused and proposed to be rescheduled into 2024/25 to tie in with the funding announcement which is now expected in March 2024.	(0.6)
City Region Sustainable Transport Settlement (CRSTS) - Foleshill Transport Package	Process to submit business case has taken longer than initially planned and resource switching to secure Active Trave for England extension (ATF4e) bid funding for the scheme. Work has progressed on the design of the scheme; business case for Blue Ribbon Roundabout submitted; consultation exercise completed and £2.15m provisionally secured through ATF4e. The re-profiling of funding reflects the revised programme for the Foleshill Transport Package.	(1.1)
City Region Sustainable Transport Settlement	Process to submit the business case and detailed design work; took longer than initially planned due to resource limitations and changes following feedback from stakeholders. The first package of work (Abbey Road / London Road junction) is in construction,	(2.4)

(CRSTS) - Coventry South Transport Package	business case submitted, and design of other works packages are underway. The re-profiling of funding reflects the revised programme for the Coventry South Transport Package.	
Loans -Duplex	The drawdown of the loan is dependant on the demand for on lending	(0.6)
Children with disabilities new build home	The build programme time slippage, and this is mainly due to the procurement of the build contractor taking longer than expected and costs coming back higher than expected. All of this pushed the build programme back, and as such costs have slipped into the next financial year.	(0.6)
Provision of Temporary Accommodation	As approved at Cabinet on 15th March 2022, phase 2 £7m to purchase, refurbish and manage properties to use as Temporary Housing for homeless families. Due to the success of the programme, following the delivery of phase 1 we are now in a position to accelerate the proposed funding sitting in next financial year.	0.9
Residential Home (Short Term)	An element of the works that were due be completed by the end of the financial year have started later than anticipated, therefore the works will now be completed in 2024-25 financial year.	(0.5)
Multi Storey Car Parks - New Union Street Car Park Demolition	The rescheduling is due to Contractors not being on site until end of year so payments will not be made until the first quarter of 24/25	(0.5)
Woodlands	Project delayed due to planning pre-commencement conditions issues and change of requirement by Sidney Stringer Multi Academy Trust in relation to the temporary accommodation to rehouse pupils out of building scheduled for demolition	(1.8)
Basic Need	A few projects have been brought forward from their originally envisaged cashflow, this being due to starting projects earlier than designed and some additional enabling works have been undertaken before the formal start of projects so that on official start all/most of the information required is readily available.	0.5
Miscellaneous	Schemes below £250k rescheduling	(0.4)
TOTAL RESCHEDULING		**(11.7)**

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2023/24	As at 31 Dec 2023
Ratio of Financing Costs to Net Revenue Stream (Indicator 1), This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.	14.98%	14.60%
Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2023 plus the estimates of any additional CFR in the next 3 years (Indicator 2), illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme and is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.	Estimate / limit of £546.2m	£312.7m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 5), This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.	£534.8m	£312.7m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6), This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.	£514.8m	£312.7m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 9), These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.	£480.9m	£245.7m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9), as above highlighting interest rate exposure risk.	£96.2m	-£68.8m
Maturity Structure Limits (Indicator 10), This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to		

protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment. < 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	 0% to 50% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	 4% 13% 9% 12% 62%
Investments Longer than 364 Days (Indicator 11), This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.	£30m	£0.0m