Coventry City Council

Public report
Cabinet

Cabinet — 11th February 2025
Audit and Procurement Committee — 17th March 2025

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 (Section 151 Officer)

Ward(s) affected:
City-wide

Title:
2024/25 Third Quarter Financial Monitoring Report (to December 2024)

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 2024. The net revenue forecast position after management action is for spend in 2024/25 of **£7.0m over budget**. Whilst not a wholly comparable position, at the same point in 2023/24 there was a projected overspend of £8.5m.

The Council continues to face budget pressures within both Adults and Children's social care, Housing, and City Services. Other overspends are also being reported in Property Services and Business Investment & Culture. These financial pressures are being caused by a combination of legacy inflation impacts, continued increases in service demand, complexity of cases and social care market conditions, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

The Council's position above includes a significant number of one-off actions that have been applied to reduce the overspend. Recognising that the underlying position is significantly higher, further urgent action is required to address the pressure in year and to prevent the 2025/26 position increasing to unmanageable levels.

The Council's capital spending this year is projected to be £111.3m 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. Although prevailing inflation rates look to be stabilising, legacy inflationary pressures and high borrowing rates continue to affect 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 will need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the financial pressures, both revenue and capital, has reaffirmed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This will be a priority across all services as the Council develops its future budget plans.

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 £111.3m incorporating: £3.3m net increase in spending relating to approved/technical changes and £35m of net programme 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 Service breakdown of forecast outturn position
Appendix 2 - Capital Programme: Analysis of Budget/Technical Changes
Appendix 3 - Capital Programme: Analysis of Programme Acceleration/(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 on 17th March 2025

Will this report go to Council?

No

Report title:
2024/25 Third Quarter Financial Monitoring Report (to December 2024)

1. Context (or background)

1.1 Cabinet approved the City Council's revenue budget of £277.5m on 20th February 2024 and a Capital Programme of £157.5m. This is the third quarterly monitoring report for 2024/25. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure, recommending any action required, and to also report on the Council's treasury management activity.

1.2 The current 2024/25 revenue forecast is for net expenditure to be **£7.0m over budget** (after management action). The reported forecast at the same point in 2023/24 was an overspend of £8.5m. The capital spend for 2024/25 is projected to be £109.3m.

1.3 It is not unusual for the revenue position to reflect a forecast overspend at this stage which could be improved before the end of the financial year. However, as significant management action has already been factored in, the **underlying position is significantly** higher than the £7.0m forecast and will materially impact on future years budget setting.

1.4 The overspend is caused partly by factors external to the Council and which can be expected to be ongoing (affecting future years MTFS) if action is not taken urgently. Other pressures included in the forecast reflect slower than expected delivery of some savings approved in the 24/25 budget, although these are expected to be delivered in full in due course.

1.5 Following on from the £1.8m reported at the end of 2023/24, the underlying position for which was somewhat higher, this indicates a continued 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.

1.6 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.

Table1 Revenue Position - The revenue budgets and forecast positions are shown below analysed by service area.

Total Over / (Under) spend at Q2	Service Area	Revised Net Budget	Total Forecast Spend	Total Over/ (Under) Spend at Q3
£m		£m	£m	£m
4.3	Adult Services and Housing	131.0	135.7	4.7
3.7	Childrens and Education	113.9	117.5	3.6
3.0	City Services	41.7	44.2	2.5
(3.8)	Contingency & Central Budgets	(35.9)	(42.9)	(7.0)
(0.3)	Finance and Resources	13.1	12.6	(0.5)
0.2	Legal and Governance Services	8.7	9.2	0.5
0.5	People and Organisation Development	1.0	1.5	0.5
(0.1)	Planning and Performance	6.3	6.2	(0.1)
0.1	Policy and Communication	0.0	0.1	0.1
2.0	Property Services and Development	(9.1)	(7.3)	1.8
(0.4)	Public Health	(1.3)	(1.7)	(0.4)
1.0	Regeneration and Economy Dev	8.1	9.4	1.3
10.2	**Total**	**277.5**	**284.5**	**7.0**

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

Directorate

<u>Adult Services & Housing £4.7m overspend</u>
Within Adult Services & Housing the largest element of overspend relates to Adult Social Care (£4.3m) which is mainly due to the costs of purchasing packages of care for adults and older people, this is partially offset by increased client fee income. Growth in packages of care continues to be seen in most areas, but particularly in areas of high cost and demand associated with Learning Disability home care, transitions from children to adults, Mental Health, and in general complexity associated with reviewing activity. This increase in spend on packages of care is the main reason for the overall £0.5m increase in the Adult Services and Housing overspend since Q2.

The other significant variance within Adult Services & Housing relates to Housing and Homelessness (£0.5m) which is a result of the number of families and single people seeking assistance with housing issues, and subsequently the number being placed in Temporary Accommodation. A range of different additional temporary accommodation provision is being sought to reduce this cost, however delays to some of the proposed schemes is resulting in a pressure against the delivery target. The Q3 position has improved by £0.2m due to lower than projected increases in temporary accommodation placements this quarter alongside further management actions to mitigate pressures.

<u>Children's and Education Services £3.6m overspend</u>
Within Children & Education Services £5.9m of the total overspend relates to the cost of placements for children in care. The relates to the use of external residential children's homes and high-cost spot placements due to a lack of sufficiency in the market and

some voids across block and internal homes. There is an annual trend of increased numbers of children moving to residential care in the summer and alongside this, we have also seen an increase in the number of children entering care, with total numbers having risen by over 40 children between April and the end of September. This means children in care numbers are currently higher than our financial planning assumptions.

There is a further overspend of £0.6m in the Children's Disability Team due to an increase in both demand and prices for short breaks and direct payments. As well as a £0.7m overspend for SEND Home to School Transport due to increased demand alongside a mid-year review of the internal passenger service central costs which resulted in a budgetary pressure.

These overspends are offset in part by underspends across the service including: £1.0m against Special Guardianship allowances, £0.6m in Early Help, £0.3m against recruitment and retention initiatives and £0.5m across SEND and Education Entitlement. The division is also utilising £0.7m of uncommitted earmarked reserves to support the bottom line.

<u>City Services £2.5m overspend</u>
The most significant pressure relates to Highways of £1.1m. The DLO have been deployed onto reactive maintenance work whilst capital grant funded business case approvals are awaited, resulting in a £0.5m short-term pressure which is delivering a greater number of pothole repairs in year. This is in addition to programmed highway's defects and potholes repairs which is under a £0.4m pressure due to the volume of defects reported. During 2024/25, there is no ability to manage reactive overspends through the approved capital programme.

Environmental Services represents £1.0m of the Directorates pressure, with income deficits in Coventry Funeral Service £0.3m and parks activities £0.5m. A further £0.2m pressure is forecast relating to Traveller incursion costs due to eviction prevention and clean-ups. Waste & Fleet are holding c£0.6m pressures relating to additional waste disposal fees & cost of passenger transport.

There is also a £0.5m deficit in Planning and Development, primarily due to reduced income generation caused by the decline in planning applications and the cost of the Local Plan Review.

Traffic Policy and Innovation are reporting c£200k underspend at Quarter 3 in the main generated by additional income and vacancies this contributes to the overall divisions improved c£0.6m reduced cost this quarter

<u>Property Services and Development £1.9m overspend</u>
There is a small improvement in the forecast from quarter 2 c£100k but still experiencing two main elements that form this quarter forecast overspend. The first being £0.6m short-term costs of holding vacant properties within the City Centre South (CCS) project prior to demolition (which if CCS site is handed over to the contractor, will not be incurred next year). The second relates to a net £0.7m cost of holding voids (e.g. rates, building servicing costs) within the commercial portfolio. In addition, plans in place to bring in new rentals, are taking longer to deliver, however this is being offset in the short-term using earmarked reserves. Work is underway to significantly reduce these in-year deficit, however this cannot be confirmed until the end of this calendar year.

Regeneration and Economy £1.3m
This relates to a pressure in Culture of £1m, comprising primarily a Godiva Festival deficit and Cultural Gateway holding costs. Commercial sponsorship income is forecasting c£0.2m achieved to date, leaving a c£0.2m pressure remaining.

Corporate

Contingency and Central (£7.0m Underspend)
Favourable variances within corporate contingency budgets include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies as well as £1m additional Business Rates Pool income and some smaller Central Government Grants.

This is being offset by an adverse variance (£1.2m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.

In addition to this there is also a £1.3m surplus forecast on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income, an increase in temporary investment interest, and reduced service loan interest.

2.3 **Capital**

The quarter 3 2024/25 capital outturn forecast is £111.3m compared with the second quarterly outturn of £143.0m. Table 3 below updates the budget at quarter 3 to take account of £3.3m of new approved/technical changes and £35m of programme rescheduling into future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2024/25. It shows 80.5% of the programme is funded by external grant monies, whilst 15.9% is funded from borrowing. The programme also includes funding from capital receipts of £3.8m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2024/25 MOVEMENT	**Qtr 3 Reporting £m**
Revised Programme (Reported at Q2)	143.0
Approved / Technical Changes (see Appendix 2)	3.3
“Net” (Rescheduling) (See Appendix 3)	(35.0)
Revised Estimated Outturn 2024-25	**111.3**

RESOURCES AVAILABLE:	**Qtr 3 Reporting £m**
Prudential Borrowing (Specific & Gap Funding)	17.7

Grants and Contributions	89.6
Capital Receipts	3.8
Revenue Contributions and Capital Reserve	0.2
Total Resources Available	**111.3**

The inflationary pressures affecting the Council's revenue budget are also present within capital schemes although the pattern with which this takes affect 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 been 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

CPI inflation figure announced on 18th December 2024 increased by 0.3% to 2.6% for the month of November compared to the October (2.3%) which was in line with the Council's treasury advisors (Arlingclose) expectations. The outlook for CPI inflation in the November Monetary Policy Report (MPR) showed it rising above the Money Policy Committee (MPC's) 2% target from 2024 into 2025, reaching around 2.75% by the middle of 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget, and a projected margin of economic slack. Over the medium-term, once these pressures ease, inflation is expected to stabilise around the 2% target.

A consequence of this economic volatility is that the Bank of England interest rate remained at 4.75% following the December meeting. The Committee voted 6-3 to keep the base rate at 4.75%. The fears of higher inflation and a UK Government-induced rise in economic growth have led investors to price in fewer rate cuts by the Bank of England.

It was thought that the base rate would start to fall in 0.25% increments throughout the majority of 2024. However, the Bank of England Monetary Policy Committee (MPC) maintained interest rates at 5.25% until August 2024 where there was a reduction of 0.25% followed by a subsequent reduction of 0.25% in November 2024 following favourable inflation data. In the longer term Arlingclose are forecasting a continued reduction in the base rate to 3.75% by the end of 2025/26.

Long Term (Capital) Borrowing

The net long-term borrowing requirement for the 2024/25 Capital Programme is £1.6m, considering borrowing set out in Section 2.3 above (total £17.7m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£16.1m). 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 on 22 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) at the end of each quarter are detailed in the table below:

PWLB Loan Duration (maturity loan)	**Rates at 31/03/2024**	**Rates at 30/06/2024**	**Rates at 30/09/2024**	**Rates at 31/12/2024**
BoE Base Rate	**5.25%**	**5.25%**	**5.00%**	**4.75%**
5-year	4.68%	4.89%	4.55%	5.10%
50-year	5.01%	5.18%	5.13%	5.66%

The rates in the table have been updated to reflect the PWLB New Loan Maturity rates, as opposed to the repayment maturity rates which were previously used to populate the above table. The new maturity rates highlight the amounts the Council is likely to pay if they were to secure new borrowings. The PWLB allows qualifying authorities, including the City Council, to borrow at 0.2% less than the published rates which is reflected in the rates above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing. The table demonstrates the increase in borrowing rates during the year.

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 yielded an average interest rate of 4.88% a reduction of 0.14% on returns compared to last quarter (5.02%). The drop, in comparison to the previous quarter, is mainly because of a drop in Bank of England interest rates. The rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers, and companies in the form of corporate bonds.

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 2024 £m	As at 31st December 2024 £m
Banks and Building Societies	0.0	0.0
Local Authorities	26.0	48.0
Money Market Funds	31.0	15.6
Corporate Bonds	0.0	0.0
HM Treasury	0.0	0.0
Total	**57.0**	**63.6**

External Investments

In addition to the above in-house investments, there is a core mix of £30m in Collective Investment Schemes or “pooled funds”, 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; 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. To manage risk these investments are spread across several funds Schroders, Ninety-One Investec, Columbia Threadneedle and M&G Investments). In addition, there is an investment in the CCLA property fund. This fund is not as liquid and access to redemption of units in this fund is subject to 6 months’ notice.

Returns provided by the Council’s pooled funds yielded an average interest rate of 5.44% over the last 12 months. On 30th November 2024 the pooled funds were valued at £27.4m (£27.5m at 30 Sept 2024), against an original investment of £30m (a deficit of £2.6m). All seven pooled funds show a deficit value but returns on these investments remain strong. As world economies improve, and interest rates become lower, then values should improve. The property market is predicted to have bottomed out, and the fund is being actively managed to provide good returns. 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. The override to the accounting rules is due to expire on 31st March 2025 however a government consultation is currently taking place regarding a further extension. 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 at 31 December 2024 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 2024/25. 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 31 December 2024, the value is -£60.8m (minus) compared to £99.1m 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 31 December 2024, the value is £238.0m compared to £495.9m 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, are 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 2024/25 is £125m, against which there are £105m of existing commitments:

	Limit	Actual 31st December 2024	Committed and Planned 2024/25	Total	Headroom
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	2.9
Loans	70.0	50.8	1.9	52.7	17.3
	125.0	**102.9**	**1.9**	**104.8**	**20.2**

The committed or planned total of £1.9m includes 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 (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

Revenue
The net quarter 3 forecast reflects a continuing serious position for the Council. The net forecast, after significant management action is a **£7.0m revenue overspend** and incorporates a range of intractable ongoing service demand related issues, the persistence of inflationary pressures continuing to impact cost, and the under achievement of a number of income and savings targets. Actions taken so far (set out below), are of a largely one-off nature, meaning the **underlying position remains significantly higher.**

At this stage of the monitoring cycle there is a real and significant threat that the Council will not be able to balance its revenue position by year-end without the use of reserve contributions, and without further urgent and ongoing action, **will also increase the initial 2025/26 MTFS gap approved by Council in February 2024**.

These circumstances continue to be common to councils across the country with instances of financial stress again being widely reported. The failure of the local government finance system to tackle issues around social care funding plus the continued legacy impact of inflation, have placed many councils in a perilous financial position. Recent government funding announcements will help this position in 2025/26 but will not solve fully.

The trend for cost-of-service delivery has generally over time reflected an upwards trajectory, reflecting prevailing inflation and market conditions. However, the unprecedented levels of inflation in the last couple of years has affected all service delivery costs such that 2022/23, through to 2024/25 and beyond, reflect a very steep relative upward trend for the Council's key service costs.

The 2024/25 pay offer was accepted in October 2024 by the trade unions in line with budget provisions assumed during the 2024/25 Budget Setting process.

Continuing 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 persisted to apply pressure to the budgetary provision included within the Council's budget.

It is necessary therefore to continue to identify and carry out management actions to help reduce the deficit, as discussed below.

Management Action
This difficult position carries on from that faced in 2023/24 when the Council needed to balance its financial outturn position using £1.8m of reserves. Such a solution would be the Council's backstop position for 2024/25 but is one that the Council **should be anxious to avoid**. The Council holds limited unearmarked reserve balances and recognises that such an approach is not sustainable in the medium term. It is therefore imperative to identify and adopt approaches that help the Council to manage its short-

term pressures, whilst at the same time supporting the outlook for 2025/26 and medium-term financial problems.

The Council's Leadership Team has already instigated a range of immediate responses and is in the process of taking forward other actions in support of 2025/26. The following actions used to mitigate the underlying pressures in year have been taken so far:

- Continued robust challenge and review of forecasts
- Continuation of tight recruitment controls
- Alternative funding opportunities from grant/reserves
- Undertake a comprehensive review of service reserves.
- Continued communication and challenge to all staff to embed a strong financial culture.
- Identification of service management actions to reduce cost

In readiness for the Budget Setting Consultation published in December 2024, the Leadership Board have identified options and service impact of reducing ongoing spend levels to within budget for political decision.

Continued efforts from both officers and portfolio holders are needed in order to minimise the 2024/25 forecast overspend. This, together with the above would give sufficient assurance that the Director of Finance and Resources 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) either in respect of 2024/25, or future years. However, **Cabinet should be in no doubt that the underlying position for 2024/25 is again incredibly challenging and will have an impact on Budget Setting for 2025/26.**

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, disabled facilities grant (DfG), construction of Woodlands School, City Centre South and delivery of the City Centre Cultural Gateway development.

5.2 Legal implications

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Cabinet to remain aware of issues and understand the actions being taken to maintain a balanced budget.

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 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 with fewer resources.

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 activity across the second quarter of the year including the measures outlined will provide some indication of the direction of travel for the remainder of the year. 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 over the coming months 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 through the year. 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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Appendix 1
Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Table 1 below shows budget variations analysed between those that are subject to a centralised forecast variance and those that are managed at service level (termed "Budget Holder Variance" 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 must work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend of £5.5m shown below is principally the effect of unfilled vacancies and are offsetting service (Budget Holder) pressures.

Table 1

Service Area	Revised Net Budget	Forecast Spend	Centralised Variance	Budget Holder Variance	Total Variance
	£m	£m	£m	£m	£m
Adult Services and Housing	131.0	135.7	(1.4)	6.1	4.8
Childrens and Education	113.9	117.5	(1.9)	5.5	3.6
City Services	41.7	44.2	(1.2)	3.7	2.5
Finance and Resources	13.1	12.6	(0.3)	(0.3)	(0.5)
Legal and Governance Services	8.7	9.2	(0.3)	0.7	0.4
People and Organisation Development	1.0	1.5	0.2	0.3	0.5
Planning and Performance	6.3	6.2	0.1	(0.3)	(0.2)
Policy and Communication	0.0	0.1	0.1	0.0	0.1
Property Services and Development	(9.1)	(7.3)	(0.4)	2.3	1.9
Public Health	(1.3)	(1.7)	(0.2)	(0.2)	(0.4)
Regeneration and Economy Dev	8.1	9.4	(0.2)	1.5	1.3
Contingency & Central Budgets	(35.9)	(42.9)	0.0	(7.0)	(7.0)
Total	**277.5**	**284.5**	**(5.5)**	**12.3**	**7.0**

Table 2 below provides service explanations for any variances at a reporting area level over £100k.

Table 2

Service Area	Reporting Area	Explanation for variance from budget	Total Forecast variance £m
Adult Services	Strategic Commissioning (Adults)	The underspend relates to New Homes for Old Private Finance Initiative additional client fee income above budget.	(0.6)
Adult Services	Adult Social Care Director	Identified underspend on appointee ships provision and other adult social care projects and a contribution of £45k to an integrated ICT solution to support the operationalisation of Local Integrated Teams with University Hospital Coventry & Warwickshire.	(0.3)
Adult Services	Enablement & Therapy Services	The underspend relates to vacancies within the Therapy team.	(0.1)

Adult Services	Internally Provided Services	Staffing over-spends relating to overtime, casual pay, and agency which are partly offset by under-spends arising from related vacancies and additional income.	0.1
Adult Services	Adult Social Care Business & Financial Management	The underspend relates to the decommissioning of the electronic call monitoring system and staff vacancies which are in the process of being recruited to.	(0.1)
Adult Services	Localities and Social Care Operational	The overspend relates to additional agency staff costs due to a large number of vacancies. This overspend is only partly offset by underspends due to those staff vacancies which are in the process of being recruited to.	0.2
Adult Services	Community Purchasing Mental Health	The budget for purchasing packages of care for adults and older people in adults social care continues to see significant pressures. We continue to see growth in most areas, but in particular areas of high cost and demand associated with Learning Disability home care, transitions from children to adults, and Mental Health and in general complexity associated with reviewing activity. Increased activity reflects the complexity of the casework with increased demand projected during the year. Scrutiny continues across all areas where budgets are authorised to ensure cost effectiveness and escalation where appropriate including people with Continuing Health Care (CHC) or joint funding criteria.	4.7
Adult Services	Community Purchasing Other	The community purchasing budget is managed as a whole - please refer to the explanation against 'Community Purchasing Mental Health'.	0.2
Adult Services	Other Variances Less that 100K		0.2
Housing & Homelessness	Housing and Homelessness	The number of families and single people seeking assistance with housing issues and subsequently the number being placed in Temporary Accommodation increased at a higher level than expected at the start of the year. A range of different additional temporary accommodation provision was sought as part of the Medium-Term Financial Strategy, however delays to the proposed schemes have created a pressure against the delivery target. Lower than projected temporary accommodation placement increases through the last quarter, alongside management actions taken, have mitigated these pressures (£0.4m) resulting in a slightly stronger position than at Q2.	0.5
TOTAL Adult Services & Housing			**4.8**

Children’s Services	Corporate Parenting and Sufficiency	There is a £5.9m forecast overspend on placements for children in care. This figure takes into account income from central government for unaccompanied asylum-seeking children which ensures these children do not contribute to the budgetary pressure. The pressure relates to the use of external residential children’s homes and high-cost spot placements due to a lack of sufficiency in the market and some voids across block and internal homes. There is an annual trend of increased numbers of children moving to residential care in the summer and alongside this, we have also seen an increase in the number of children entering care, with total numbers having risen by over 40 children between April and the end of September. This means children in care numbers are currently higher than our financial planning assumptions. In addition to the Residential Strategy & Fostering Excellence program, a number of actions are being taken to address this pressure; increase occupancy in internal and block residential children’s homes, recommission Regional frameworks to increase the number of children cared for by framework providers, review all care experienced leavers post 18 years and 3 months in supported accommodation and move children, when appropriate, to alternative internal / framework provision or to a foster home following review of all children living within a children’s home. In addition, children continue to be supported to return home through our reunification project. The overall position is mitigated in part by use of reserves and underspends across other areas of the service including a £1m forecast underspend for Special Guardianship allowances, where the activity is below the level anticipated when the budget was set.	4.5
Children’s Services	Children's Services Management Team	This underspend is due to the cost of social worker recruitment and retention initiatives being lower than anticipated when the budget was set.	(0.3)
Children’s Services	Help & Protection	The variance is predominantly due to a £0.6m forecast underspend across Family Hubs and Early Help, where due to staffing vacancies staff costs are expected to be below budget. The remainder of the underspend is a combination of smaller variances across other parts of the service.	(0.9)
Education Services	SEND & Specialist Services	SEND Transport is forecasting an overspend of £0.7m. The forecast demand and cost of home to school travel assistance for the September 2024 academic year, was based on the following assumptions: The increase in EHCPs will mirror demand for the 2023/24 year; the proportionality of placements between mainstream and specialist will not change and the mode of travel will continue to require taxi provision as Coventry’s fleet capacity will be exhausted. Service demand forecasts have been revised to reflect the actual activity and costs of the new academic year. This includes a mid-year revision of the internal passenger service costs. Whilst the re-	0.5

		procurement of taxi routes has provided a strengthening of quality standards and safeguarding, we are not yet able to quantify any efficiencies. Volume demand has continued to increase reflecting the ongoing pressure for EHC Plans and specialist placements, immediate mitigation activity has been identified, which identifies capacity to reduce reliance on taxis. This overspend is offset in part by underspends across other areas of the service.	
Education Services	Education Entitlement	£0.1m of this underspend relates to the Virtual School and is linked to staffing vacancies and utilisation of additional grant funding where appropriate. £0.1m is due to reduced expenditure on 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. The remaining underspend has resulted from an update to the education PFI affordability model.	(0.3)
Education Services	Other Variances Less that 100K		0.1
Ringfenced Funding - Dedicated Schools Grant (DSG)	SEND & Specialist Services	The overall forecast for SEND provision is a net overspend of £1.2m. The increase in demand for EHCPs is mirroring 23/24 activity levels creating further growth overall. We are seeing an increase in top-up funding into mainstream schools due to increase in activity (new plans) and unit cost (higher levels of banded funding) - £1.2m overspend. This is also impacting expenditure spent on alternative provision, where increase in activity is leading to a forecast overspend of £0.7m, and expenditure spent on personal budgets forecast overspend of £0.1m. Post 16 provision is also forecast to overspend by £0.2m due to increase in activity and unit cost. The significant increase in demand means that the availability of specialist school placements, both within Coventry and out of city, is limited, and these overspends are offset by an underspend of £1m across special schools, enhanced resource provision, other local authority special schools and independent specialist provision (ISP). The SEND Transformation Strategy is in place and is focusing on supporting inclusivity in mainstream schools through workforce strategy and sharing best practice, developing appropriate support for children with additional needs through alternative provision, and creating additional special school and enhanced resource provision places. The £1.2m overspend against provision is offset in part by a £0.2m underspend across central services primarily due to vacancies.	1.0
Ringfenced Funding - Dedicated Schools Grant (DSG)	Schools	£0.9m of this underspend 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. There is also a £0.3m underspend against the Growth Fund, alongside receipt of a £0.2m Core Schools Budget Grant allocation for centrally employed teachers which was unbudgeted.	(1.4)

Ringfenced Funding - Dedicated Schools Grant (DSG)	Financial Strategy	Technical adjustment to remove total Dedicated Schools Grant Variance from the General Fund position.	0.4
TOTAL Childrens and Education			**3.6**
Finance and Resources	Revenues and Benefits	This is made up of £0.3m housing benefits subsidy overspend, £0.2m Council tax collection team bank and HBOP direct debit charges and £0.2m staffing and Capita costs of banded CTS scheme. These are being offset by £0.4m support from HSF grant.	0.3
Finance and Resources	Customer & Business Services	Underspend is due to staff vacancies across the service, a reduction in the organisational use of postal service, reduced client support costs and the generation of additional income.	(0.5)
Finance and Resources	Other Variances Less that 100K		(0.3)
TOTAL Finance and Resources			**(0.5)**
Legal and Governance Services	Legal Services	Agency in Legal Services continues to be reviewed and challenged, but is required to cover caseload capacity in Children's, Adults and Education. Work to reduce the pressure has improved the forecast by c.£200k since Q2, and further improvements will be sought.	0.5
Legal and Governance Services	Procurement	Benefits from the prompt payment scheme	(0.2)
Legal and Governance Services	Regulatory Services	Successful recruitment and team stability has impacted the delivery of turnover targets across this area.	0.1
TOTAL Legal and Governance Services			**0.4**
People and Organisation Development	Employment Services	The delivery of the Payroll MTFS restructure is ongoing and is likely to be fully implemented in the new year. At Q3 c.£50k is remaining to be implemented. The MFTS target means that further turnover targets are not being met. Income is slightly below target for the year.	0.1
People and Organisation Development	HR - People & Culture	This is due to an Historic Resourcing Team restructure MTFS target of £70k not being delivered, some income under recovery and one-off apprentice salary budget cost pressures.	0.2
People and Organisation Development	Employment Policy & Practice	The overspend mainly relates to £130k Job Evaluation team unfunded salary costs and £80k Employee Relations team turnover target but no vacancies.	0.2
TOTAL People and Organisation Development			**0.5**

Property Services and Development	Commercial Property and Development	Commercial property portfolio income has a pressure of £0.7m due to voids and the associated void costs. There is also a pressure of £0.8m reflecting annual net holding costs for the City Centre South property (incl. NNDR), which will fall away once the project goes 'unconditional'. The retail market sees a pressure of c.£0.2m as the costs for supplies and services are exceeding budget provision. The variances are largely constituted by pressures associated with void properties in the commercial property portfolio, holding costs associated with the City Centre South scheme and expenditure pressures relating to Coventry Retail Market.	1.9
Property Services and Development	Facilities & Property Services	The surplus mainly relates to R&M trading service overachieving income target having won a few large contracts.	(0.2)
Property Services and Development	Management & Support	The pressure mainly relates to remaining income target delivery delay and minor turnover target.	0.2
TOTAL Property Services and Development			**1.9**
Highways	Parking	Car Park income is forecast to be significantly improved following the 10% price increase earlier in the year. However, this is being offset by underachievement of Parking Enforcement income against challenging income targets.	(0.1)
Highways	Highways	The key cause of the overspend is the removal of corporate capital that has been used historically to prop up defect repairs (neither CRSTS Grant funding nor re-baseline can be used for this work) coupled with a significant reduction in chargeable (capital) work that the team rely on to cover costs. MTFS targets in Flood risk management have seen a notable improvement this year.	1.2
Highways	Other Variances Less that 100K		0.1
Transport Policy and Innovation	Transport Policy	Additional income is being forecast in respect of a number of sites/activities including Cycleways (University of Warwick), Utility & Services work and S278/S38 contributions. There are also underspends regarding vacancies which is partly being offset by some additional spend within Air Quality.	(0.2)
Environmental Services and Development	Planning Services	As per previous quarters, Q3 Planning Application fee income is broadly in line with projections and ahead of the last two years at the same periods. However, the number of major applications is still relatively low in line with the national trend and therefore total income is below the budgeted target. Total forecast deficit £0.4m, as well as the current year pressure in relation to costs associated with undertaking the Local Plan review of £0.1m	0.5

Environmental Services and Development	Streetpride & Parks	Decrease in overall income in bereavement across memorialisation and crematorium due to a small decrease in death rates and cost of living. Coventry Funeral Services are forecasting £0.1m loss in year one alongside £0.2m MTFS target which will not be achieved. These pressures are being offset by £0.2m of actions being taken to reduce spend to essential only for the foreseeable future. A net pressure of £0.3m relates to income across parks is down due to a reduction in visitor numbers and associated parking and activity income. An underspend of £0.2m relates to vacancies in Streetpride that are unlikely to be recruited until towards the end of the year. There is also a £0.25m net pressure relating to Trees & Woodlands (essential tree works and H&S inspections) and costs associated with traveller incursions. These are being partly offset by holding vacancies.	0.4
Environmental Services and Development	Waste & Fleet Services	The main pressure in this area is c£0.5m in Waste Disposal which is as a result of a) increased tonnages/gate fees, b) increased costs at the CA site and c) lack of rebate income re recyclates. *(This pressure has been reduced by planned use of earmarked reserves.)* Other variations relate to subsidy re: Bulky Waste c£0.2m as a result of continuing to offer half price collections, Christmas overtime costs c£0.1m, Transport Costs at the Waste Transfer Station c£0.1m, offset by reduced spend on new bins £0.1m, reductions in sickness and lower fuel consumptions within Passenger Transport Service of £0.1m, and underspends for vacancies in Fleet & Workshops, and other miscellaneous variations totalling c£0.1m.	0.6
TOTAL City Services			**2.5**
Public Health	Public Health - Migration	Underspend represents a release of funding previously held in reserve	(0.4)
TOTAL Public Health			**(0.4)**
Planning and Performance	Transformation Programme Office	Underspend represents a release of funding previously held in reserve	(0.2)
TOTAL Planning and Performance			**(0.2)**
Policy and Communication	Other Variances Less that 100K		0.1
TOTAL Policy and Communication			**0.1**
Regeneration and Economy Development	Culture, Sports, Events & Destination	Total overall service pressure mainly comprises of Cultural Gateway pre-construction, mobilisation and holding costs (including rates) and Godiva Festival deficit primarily due to lower ticket sales, associated lower commercial income, bad weather and Euro 2024 fixture clashes. Wider service pressures are partially mitigated by vacancies in staffing, income generation from wider events and sports activities;	1.0

		and management actions implemented to reduce costs across quarter 3 and quarter 4.	
Regeneration and Economy Development	Regeneration & Economy Management Support	To date over £0.1m of sponsorship and commercial income has been generated and is forecasted to achieve over £0.2m this year. However, the overall quarter 3 variance is in the main due to a shortfall of £0.2m against a challenging income target for sponsorship and advertising, progress is being made but more slowly due to external industry business planning cycles, and internal processes to fulfil procurement, planning and highways obligations.	0.2
Regeneration and Economy Dev	Other Variances Less that 100K		0.1
TOTAL Regeneration and Economy Development			**1.3**
Contingency & Central Budgets	Revenue AFC	Favourable variances within corporate contingency budgets include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies, as well as £1m additional Business Rates Pool income and some smaller Central Government grants. This is being offset by an adverse variance (£1.2m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.	(5.7)
Contingency & Central Budgets	Treasury Management	£1.3m surplus forecast on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income, an increase in temporary investment interest, and reduced service loan interest	(1.3)
TOTAL Contingency & Central Budgets			**(7.0)**
Total Budget Holder Outturn Variances			**0.7**

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
National Cycle Network Activation Programme (NCN) - Canley Ford Extension	Briefing Note to Cabinet Member on 13th June - Canley Ford area - enhanced maintenance of footway / cycleway. Grant agreement for £521k now sealed with Sustrans to allow delivery of scheme.	0.5
Business Energy Advice Service	Programme was late starting this year so there is no opportunity to claim the full grant and the there are no opportunities to carry forward, therefore requiring a reduction to the previously assumed capital programme.	(0.3)
Stoney Road Allotments - Summerhouse Restoration Project	Grant awarded from Historic England and S106 identified to fund this project.	0.3
Schools Condition - Salix Heat Pumps	This is the funding grant amount from Salix that can be claimed for the heat pumps project. A revised grant award letter was shared to this effect. This funding has a grant end date of 31 March 2025.	0.8
Public Sector Decarbonisation Scheme 3	Report 'Public Sector Decarbonisation Scheme - CCC Public Buildings' taken to cabinet on 12th March 2024 approved a programme upto £1.85m funded by Salix grant (£0.8m) and prudential borrowing upto £1m.	1.8
Miscellaneous	Schemes below £250k threshold	0.2
TOTAL APPROVED / TECHNICAL CHANGES		**3.3**

Appendix 3

Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

SCHEME	EXPLANATION	£m
Highways Maintenance & Investment	The acceleration is due to delivering extra footway reconstruction work, using the £10m re-base monies. The decision was made earlier in the year to maintain workflow for the DLO and to also help with the capital maintenance backlog of defective flagged footways.	0.8
Local Network Improvement Plan - Safety Schemes	Prioritisation of School Streets programme and delays in obtaining Police and supplier support for average speed enforcement (ASE) programmes have delayed programme development in 2024. Works are planned and scheduled, however due to the nature of works and supply chain requirements the delivery of schemes within the LNIP safety schemes and vulnerable users programme will typically take in excess of 12 months to deliver with available resources mindful of existing commitments.	(0.6)
Local Network Improvement Plan - Green Light Fund	External funding from DFT. Funding must be spent by 31st March 2026. Mindful of this and the need to bring forward and deliver UTMC LNIP schemes in year which were of higher priority, the focus for the Green Light Fund scheme revolved around scheme development. This work is largely complete and will result in substantial element of delivery now taking place in Q2 and Q3 2025 when it can be appropriately programmed with an external contractor to not effect the core LNIP works programme.	(0.5)
Active Travel 4 - Coundon Cycleway	Delays to finalising designs with external funding bodies and commencement of consultation have led to programme delay. Construction works due to commence in Q4 2024/25.	(1.9)
Vehicle & Plant Replacement	£1.3m will not be spent in this financial year (FY), this is due to some refuse vehicles not being delivered in this FY and moving into next year. Those vehicles are unavailable at the manufacturer and have a 14-month lead time.	(1.3)
Simpler Recycling	Food waste service is not going to be rolled out until August 2025 (Q2 2025). There is a co-mingled recycling service being run in the meantime.	(0.3)
Education - Woodlands School	Time was lost in the process of verifying the main contract with work undertaken to consider value engineering, discharge planning conditions, structural surveys including laboratory assessments to ensure structural stability of the building frame and foundations. The latter was as a requirement to ensure risk is properly managed.	(4.7)
Education - Condition	Some spend against projects will be completed by end of next financial year. Projects have been challenging and taken longer to progress than in previous years due to site constraints mainly. Some contracts have only just been signed before Christmas.	(2.8)
National Battery Manufacturing Development Facility	Remaining capital funding project funding rescheduled into new financial year to allow recovery of any further CCC costs related to the project.	(0.4)

Loans	That is the remaining amount that Coombe can draw down from the loan facility. The option to make a draw down remains available to them until 29th August 2028. However, they don’t currently have plans to make any further drawdowns.	(0.4)
City Centre Cultural Gateway	The rescheduling of the capital forecast is due to the main contractor entering into Administration at the end of September and the construction project being on hold till a new contractor can be procured.	(6.1)
Housing Venture	This project is now under review as the Capital receipt has not been spent and there doesn't seem to be any agreements in place with Citizen as to where the funds will be spent, a JV Board has been set up and a decision should be made by yearend to the way forward	(0.9)
City Centre South	Spend has been pushed back because of delays with the project due to ongoing legal agreements with the developer.	(15.1)
Miscellaneous	Schemes below £250k threshold	(0.8)
TOTAL RESCHEDULING		**(35.0)**

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2024/25	As at 31 December 2024
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.	14.94%	14.44%
Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2024 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 £525.9m	£308.0m 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.	£545.9m	£308.0m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6), This indicator refers to how 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.	£525.9m	£308.0m 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.	£495.9m	£238.0m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9), as above highlighting interest rate exposure risk.	£99.1m	-£60.8m
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%	5% 17% 5% 16% 57%
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