REDDITCH BOROUGH COUNCIL

Executive **11th March 2025**

Quarter 3 Finance and Performance Report 2024/25

Relevant Portfolio Holder	Councillor Woodall – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
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Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive is asked to RESOLVE that:

1) **The current Revenue overspend position of £138k and actions the Council are taking to mitigate this position be noted.**

2) **The current Capital spending of £4.72m against a budget of £20.5m be noted.**

3) **The HRA Position is noted.**

4) **There is an updated procurements position set out in Appendix C, with any new items over £200k to be included on the Executive Committee's Work Programme.**

5) **The Quarter 3 Performance data for the Period October to December 2024 be noted and that this will change over the year to link into the new administration's priorities.**

6) **The Council submit a bid for £2.425m to Birmingham City Council for funding allocated to Redditch by the former Greater Birmingham and Solihull Local Enterprise Partnership to support the Digital Manufacturing Innovation Centre.**

The Executive is asked to RECOMMEND that:

7) **The Balance Sheet Monitoring Position for Quarter 3 is noted – which is the Treasury Monitoring Report and required to be reported to Council.**

2. BACKGROUND

2.1 The purpose of this report is to set out the Council's draft Revenue and Capital Outturn position for the third quarter of the financial year October 2024 – December 2024 and associated performance data. This report presents:

- The Council's forecast outturn revenue monitoring position for 2024/25 based on data to the end of Quarter 3.
- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.
- The updated procurement pipeline of Council projects to be delivered over the next 12 months in order to properly plan for the delivery of these projects.
- The organisation's performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE

Financial Performance

3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 3, the projected revenue outturn position for the 2024/25 financial year and explains key variances against budget.

3.2 The £10.8m full year revenue budget included in the table below is the budget that was approved by Council in April 2024. Formats are in the original format and so do not account for the setting up of the new Regeneration and Property department.

Service Description	2024-25 Approved Budget	2024-25 Approved Q3 Budget	Q3 Adjusted Spend	Q3 Budget Variance	Full Year Forecast	Full Year Budget Variance
Business Transformation and Organisational Development	1,781,837	1,336,378	1,441,760	105,382	1,856,453	74,616
Community and Housing GF Services	1,742,562	1,306,921	1,009,408	-297,513	1,858,454	115,892
Corporate Services	-1,996,267	-1,497,200	981,049	2,478,249	-2,295,037	-298,770
Environmental Services	2,701,088	2,025,817	2,813,034	787,217	3,844,342	1,143,254
Financial and Customer Services	2,067,408	1,550,556	-4,663,136	-6,213,692	2,914,686	847,278
Legal, Democratic and Property Services	2,098,369	1,573,776	1,679,193	105,417	2,233,969	135,600
Planning, Regeneration and Leisure Services	1,067,182	800,387	949,043	148,656	1,166,359	99,177
Regulatory Client	562,038	421,529	333,132	-88,397	605,598	43,560
Rubicon Client	777,747	583,310	1,145,995	562,685	777,747	0
Starting Well	0	0	73,377	73,377	0	0
Grand Total	**10,801,965**	**8,101,474**	**5,762,855**	**-2,338,619**	**12,962,571**	**2,160,606**

Service Description	2024-25 Approved Budget	2024-25 Approved Q3 Budget	Q3 Adjusted Spend	Q3 Budget Variance	Full Year Forecast	Full Year Budget Variance
Corporate Financing	-10,801,965	-8,101,474	-7,276,672	824,802	-12,824,004	-2,022,039
Grand Total	**-10,801,965**	**-8,101,474**	**-7,276,672**	**824,802**	**-12,824,004**	**-2,022,039**
TOTALS	**0**	**0**	**-1,513,817**	**-1,513,817**	**138,567**	**138,567**

Budget Variances

3.3 The draft position is set out in the above table. As this is expenditure at Q3 it is important to note that, at this stage in the financial year there are a number of instances where annual expenditure or accruals may distort the profiling as reflected in the Q3 actual. The above profiles have assumed support services and grant are adjusted to budgetary levels and accruals are netted out of the figures.

3.4 Overall, the Council is currently forecasting a full year revenue overspend of £138k at Quarter 3. This is mainly due to the additional fleet costs described below. This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation and further updates will be provided to Councillors throughout 2024/25. This compares to an overspend position of £299k at Q2 (a £161k decrease).

This includes service projections as follows:

Business Transformation £75k overspend

Within Business Transformation, HR is overspending by £191k due to salaries and professional fees, while there are underspends in Corporate Staff Costs of £84k due to vacancies and £32k within Commercialism due to savings on professional fees.

Community and Housing GF Services £116k overspend

Within Community and Housing GF Services there is a projected overspend due to expenditure on CCTV telephone lines £21k, loss on income on Community Transport of

£27k, additional expenditure in Domestic Abuse of £16k and temporary accommodation £295k offset by salary savings of £243k.

Corporate Services £298k underspend

Within Corporate Services, the main variance is due to savings on pensions £347k as there are a number of staff vacancies. Postage costs have increased by £31k while there is an expected overspend on external audit costs of £18k.

Environmental Services £1,143k overspend

Within Environmental Services there are a number of variances as detailed below:

- Redditch Waste Collection Team is forecast to overspend by £207k due to additional fuel costs of £24k, costs linked to delayed fleet replacement programme £87k, fleet maintenance of £84k and vehicle hire £12k.
- Redditch Place Teams is forecast to overspend by £226k due to an income shortfall of £18k on bulky waste, £51k on fleet maintenance, £21k on General Materials and increased shared service charges of £136k.
- There is a drop in expected income from Bereavement Services and Cremation Fees of £159k, increase in utility expenditure of £97k and professional fees of £50k.
- Shared Service arrangements across a number of departments are forecast to overspend by £404k. This is linked to the delayed fleet replacement programme which is being finalising for the wider ES fleet but has knock on implications in other areas.

Financial and Customer Services £847k overspend

Within Finance and Customer Services, there are overspends in Finance due to agency staff £853k which are offset by salary savings of (£153k) due to issues with recruitment in finance which is a national issue and therefore we have higher agency staff costs as a result of this. There are also overspends on ICT purchases £327k and costs relating to TechOne £76k offset by additional income due to £256k shared services.

Legal and Democratic Services £136k overspend

Legal, Democratic and Property Services are forecast to overspend £136k. While there are some underspends due to staff savings within Learning Online £43k and savings in Property Services of £14k on agency costs, these savings are offset by additional expenditure within Building Management due to agency and shared services £70k, expenditure within Elections of £67k, salary overspends within Building Services of £14k, salary overtime in Council Market £10k and £32k in various smaller overspends.

Planning, Regeneration & Leisure Services £99k overspend

Within Planning, Regeneration & Leisure Services there are a number of variances in the service due to variances on Planning Application income compared to budget along with various smaller overspends which are under review.

Regulatory Client £44k overspend

Within Regulatory Client, there are overspends in Pest Control £8k and Pollution £13k due to additional professional fees while there are additional costs for WRS amounting to £23k.

Rubicon Client £0k overspend

Within Rubicon Client, while there are overspends of £89k on the Management Fee and £40k on General Fees, these overspends are covered by the Rubicon Reserve of £580k.

Starting Well £0k overspend

Within Starting Well, there are overspends on salaries amounting to £86k which are offset by additional income for room hire at £12k. These additional costs are grant funded.

3.5 The above overspends of £2.161m are offset by additional income of £2.022m in Corporate Financing from additional grant income £1.69m together with increased investment interest receivable £248k and lower interest payable £82k.

3.6 **Cash Management**

Borrowing

- As of the 31st December 2024, there were nil short-term borrowings. The Council has long-term borrowing of £103.9m.

Investments

- On 31st December 2024, the Council has £13.5m short term investments held.

Capital Monitoring

3.7 A capital programme of £20.5m was approved in the Budget for 2024/25 in February 2024. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2023. The table below and detail in **Appendix A** set out the Capital Programme schemes that are approved for the MTFP time horizon.

3.8 Many of these schemes are already in partial delivery in the 2024/25 financial year. By approving this list, the Council also agreed sums not spent in 2023/24 (and 2022/23 by

default if schemes originated earlier than 2023/24 as sums have been carried forward through to the 2023/24 MTFS Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

Year	Total Programme	Council Funded	Grant Funded
2024/5	**20,507,674**	6,089,386	14,418,288
2025/6	**5,956,180**	2,302,316	3,653,864
2026/7	**4,938,263**	4,232,399	705,864
2027/8	**2,200,918**	1,495,054	705,864
2028/9	**3,680,154**	2,974,290	705,864

3.9 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25.

3.10 The three Towns Fund schemes – Digital Manufacturing and Innovation Centre (DMIC), Library Public Square, and Public Realm which are funded via £15.2m of Government Funding.

3.11 The Library will now not move to the Town Hall to become part of the Town Hall Hub. This was agreed by the Council at meetings on the 29th July following the change in administration. A meeting with DLUHC (now known as MHCLG) experts on the 23rd May 2024 identified that, were the Council minded not to proceed with the current proposals, the following options could be considered:

- Invest the £4.2m in the Digital Manufacturing and Innovation Centre (DMIC) with improved outputs and outcomes.
- Invest in additional public realm improvements.
- Assessments of delivery in an alternative building that will give similar outputs to the library site will not be deliverable within required grant funding timescales.

3.12 Either option (or mix of options) requires a MHCLG Project Adjustment Request (PAR) form to be completed and for any changes to be agreed. On 30th January 2025 the Towns Deal Board agreed that the funding should be allocated to additional investment in the DMIC and a PAR has now been submitted to MHCLG. MHCLG have agreed an extension to March 2027 to spend the funds.

3.13 DMIC – Designs for DMIC are continuing to progress in line with the available budget of £14,862,000. Funding consists of £11,937,000 Town Deal Capital; £400k Town Deal Revenue; £2,425,000 GBS LEP; £100,000 UKSPF. Note that £3,937,000 of Town Deal capital is still subject to approval of the PAR by MHCLG to utilise underspend from the cancelled library project (expected in March 2025). As part of this process, once costs for the DMIC are finalised, an application will be made to Birmingham City Council for funds

allocated to Redditch by Greater Birmingham & Solihull Local Enterprise Partnership (GBS LEP) for further funding of £2.425m. GBS LEP funds are ringfenced for Redditch but are subject to the development and approval of a full business case. Stage 2 designs are now nearing completion. The construction phase is scheduled to commence in January 2026 with an anticipated 52-week construction programme. The site has already been cleared and is ready for development. Additional enabling works are currently taking place, so that construction can commence promptly following main contractor appointment later in the year.

3.14 Public Realm – Redditch Public Realm works are under construction and remain on track to complete in line with original Town Deal timescales (end of March 2026). Total funding to complete these works is £3,363,000 which consists of £3,263,000 Town Deal Capital; £176,000 Section 106; and £224,000 Council Capital. Note that £263,000 Town Deal capital is still subject to approval of Project Adjustment Request (PAR) by MHCLG to utilise underspend from cancelled library project (expected by end of February 2025).

Community Hub

3.15 Reports were received by Executive in July and September setting out a new design for the Town Hall Hub which now does not include the Library. The strip out of the building has started in January and is expected to be completed in March. Seddons are expected to complete a design and cost plan by March. Conversations are taking place with prospective new tenants. There will be a write-off of design works that have been expended in relation to the library as this is not able to be capitalised.

3.16 The outturn spend at Quarter 3 is £4.715m against a capital budget totalling £20.507m and is detailed in Appendix A. It should be noted that as per the budget decision carry forwards of £8.051m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24. UK Shared Prosperity Funding for the year is £1,694,352 (capital and revenue). This must be spent by the 31st March 2025.

Earmarked Reserves

3.17 The updated position are set out in **Appendix B**. As part of the 2025/26 MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up for inflationary pressures such as utility increases. At the 31st December 2024, the Council holds £14.868m of Earmarked Reserves. In the Group Accounts it also holds £0.580m of Rubicon Reserves. The Council holds £7.475m in the General Fund.

Housing Revenue Account

3.18 The table below details the financial position for the Housing Revenue Account (HRA) for the period April - December 2024. The major variances are due to the following:

- Repairs & Maintenance - vacancies pending restructure of service areas.
- Supervision & Management - the variance is predominantly due to vacant posts.

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		2024/25 Full Year Budget £'000	2024/25 Budget Apr - Dec £'000	2024/25 Actual Apr - Dec £'000	2024/25 Variance Apr - Dec £'000	2024/25 Projected Outturn £'000	2024/25 Projected Variance £'000
INCOME							
Dwelling Rents	DR	-27,443	-21,726	-21,945	-220	-27,395	48
Non-Dwelling Rents	NDR	-613	-485	-475	10	-519	93
Tenants' Charges for Services & Facilities	CSF	-617	-488	-562	-73	-658	-41
Contributions towards Expenditure	CTE	-125	-99	-270	-171	-324	-199
Total Income		**-28,798**	**-22,798**	**-23,252**	**-453**	**-28,896**	**-98**
EXPENDITURE							
Repairs & Maintenance	R&M	6,992	5,244	5,629	385	7,315	324
Supervision & Management	S&M	8,877	6,658	2,744	-3,913	8,855	-22
Rent, Rates, Taxes & Other Charges	RRT	576	432	269	-164	513	-63
Provision for Bad Debts	BDP	576	432	0	-432	425	-151
Depreciation & Impairment of Fixed Assets	DEP	6,487	4,865	0	-4,865	6,487	0
Interest Payable & Debt Management Costs	INT	4,179	3,134	-17	-3,151	4,181	3
Total Expenditure		**27,687**	**20,765**	**8,626**	**-12,140**	**27,777**	**90**
Net cost of Services		**-1,111**	**-2,033**	**-14,626**	**-12,593**	**-1,119**	**-8**
Net Operating Expenditure		**-1,111**	**-2,033**	**-14,626**	**-12,593**	**-1,119**	**-8**
		0					
Interest Receivable	IR	-234	-175	0	175	-234	0
Revenue Contribution to Capital Outlay	RCCO	0	0	0	0	0	0
Planned use of Balances	UB	1,344	1,008	0	-1,008	1,352	8
Transfer to Earmarked Reserves	TER	0	0	0	0	0	0

In HRA Capital:

Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Dec £	2024/25 Actuals + Comm Apr - Dec £	2024/25 Variance Apr - Dec £	2024/25 Projected Outturn £	2024/25 Projected Variance £
100050	**Housing 1-4-1 Purchases/Build**	3,000,000	2,250,000	- 67,406	- 2,317,406	2,000,000	(1,000,000)
100053	**Asbestos General**	100,000	75,000	125,193	50,193	125,000	25,000
100054	**Structural Repairs**	75,000	56,250	496,028	439,778	500,000	425,000
100055	**Electrical Upgrade**	100,000	75,000	243,157	168,157	250,000	150,000
100056	**Boiler Replacement**	750,000	562,500	535,017	- 27,483	650,000	(100,000)
100059	**Disabled Adaptations**	500,000	375,000	613,914	238,914	650,000	150,000
100060	**Environmental Enhancement**	250,000	187,500	29,703	- 157,797	50,000	(200,000)
100061	**FRA Works**	-	-	26,909	26,909	30,000	30,000
100062	**Stock Condition Survey**	150,000	112,500	119,712	7,212	125,000	(25,000)
100063	**Housing Management System**	-	-	253,373	253,373	350,000	350,000
100066	**Capitalised Salaries**	500,000	375,000	-	- 375,000	640,000	140,000
100067	**Door Entry/CCTV**	100,000	75,000	130,346	55,346	150,000	50,000
100068	**HRA Hard Wire S**	300,000	225,000	111,018	- 113,982	110,000	(190,000)
100074	**Balcony Replacement**	300,000	225,000	395,548	170,548	400,000	100,000

Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Dec £	2024/25 Actuals + Comm Apr - Dec £	2024/25 Variance Apr - Dec £	2024/25 Projected Outturn £	2024/25 Projected Variance £
100083	HRA Compartmentation	500,000	375,000	1,088,963	713,963	1,000,000	500,000
100084	Major Voids Works	500,000	375,000	1,270,495	895,495	1,200,000	700,000
100098	HRA-Energy Efficiency	750,000	562,500	1,477,916	915,416	1,500,000	750,000
100115	HRA Stock Remodelling	100,000	75,000	145,474	70,474	150,000	50,000
100116	HRA Estates Garages	400,000	300,000	-	- 300,000	-	(400,000)
110001	Internal Refurbishment	2,500,000	1,875,000	2,868,057	993,057	2,700,000	200,000
110003	High Trees Project	400,000	300,000	1,084,405	784,405	700,000	300,000
110004	Disrepair Cases	50,000	37,500	204,270	166,770	200,000	150,000
110005	External Refurbishment	500,000	375,000	568,458	193,458	650,000	150,000
110042	Lift Replacement			90,614		150,000	150,000

Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Dec £	2024/25 Actuals + Comm Apr - Dec £	2024/25 Variance Apr - Dec £	2024/25 Projected Outturn £	2024/25 Projected Variance £
		11,825,000	**8,868,750**	**11,811,167**	**2,851,802**	**14,280,000**	**2,455,000**

3.19 Across the HRA Capital Investment Programme several issues have arisen that require variances to a number of the budget lines for the following reasons.

Structural Repairs – These occur on a reactive basis and as such budget estimating can be difficult, in the current year we have identified properties that require substantial works to remedy these.

Electrical Upgrades – As part of tackling Damp and Mould in our properties we are now installing humidistat fans in both the kitchen and bathroom in void properties to improve ventilation across our housing stock. Through 2024/25 the next cycle of communal electrical testing is to be undertaken and based on the age profile and condition of installations it is anticipated that there will need to be a replacement of systems.

Disabled Adaptations - The budget allows for the newly arising works which are primarily level access showers and ramps however on a rare occasion the only solution, to provide the facilities, identified by the Occupational Therapist, is to build an extension. In the current year two properties have been identified that need to provide families with the additional space to accommodate the adaptation measures required.

Capitalised Salaries – A review has been undertaken of staffing and the apportionment to capital and revenue costs which has led to this increase.

Door Entry/CCTV - Additional blocks of flats have been identified to undertaken upgrades to access systems to improve security for tenants and to protect our assets.

Major Voids – A Major Void is where two or more elements (e.g. a Kitchen and Bathroom) need replacing. Whilst the number of voids is unpredictable, as well as the

scope of works required, the last two financial years the demands on this budget have resulted in the need to increase this budget.

Energy Efficiency - Through 2023/24 the project, partially funded by Social Housing Decarbonisation Funding (SHDF), was mobilised however there were large underspends which have led to pressures in this financial year to deliver these works to improve the energy efficiency of some of our worst preforming properties.

Remodelling – Works have been identified to properties to provide larger family housing with elements of adaptations also included.

High Trees Project – The increase in budget is to accommodate a reprofiling of works to complete the next phase of the project.

Disrepair Cases – We have experienced increased levels of Disrepair Cases over the last two financial years which has now resulted on a pressure to carry out corrective works to affected properties.

External Refurbishment - Additional properties have been identified that require roofing works, replacement doors and windows.

Lift Replacement - Having in 23/24 taken responsibility for the lifts in the Housing Stock, the age profile, 30+ years old, of the lifts together with limited parts availability and reliability issues has led to the need to create a programme of replacement of lifts over this and forthcoming financial years.

Additional Requirements

3.20 None.

Balance Sheet Monitoring Position

3.21 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report.

This initial balance sheet reporting is set out as the Q3 Treasury Report which is attached as **Appendix C**. This report sets out the Councils debt and borrowing position for Q3 2024/25. Included in this is how the Council is using its working capital as well as measurement of the Councils Prudential Indicators.

Procurement Pipeline

3.22 The Procurement pipeline is shown in **Appendix D**. The Council's Procurement Pipeline includes details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. Those happening in the next 12 months will need to be within the next 12 Months and over £200k will need to be put on the forward Plan. The pipeline will be refreshed quarterly.

- There are 23 contracts between the old threshold of £50k and the new threshold of £200k.
- There are 10 contracts that are over the key decision threshold of £200k
- There are 10 contracts procured by Bromsgrove on behalf of Redditch. These all relate to ICT.

Performance

3.23 This is the first iteration of the new Corporate Performance Indicators. These are based on work undertaken when formulating the New Corporate Strategy with Executive and also the bottom up Business Planning processes that has been undertaken by budget managers. The new format sets out:

- The measure.
- Performance against that measure.
- A commentary.

The measures are set out in **Appendix E**.

3.24 We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

5.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications

Customer / Equalities and Diversity Implications

6.1 None as a direct result of this report.

Operational Implications

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

7. RISK MANAGEMENT

7.1 The financial monitoring is included in the corporate risk register for the authority.

8. APPENDENCES

Appendix A – Capital Outturn
Appendix B – Reserves Position
Appendix C – Treasury Management Q3 Report
Appendix D – Procurement Pipeline
Appendix E – Performance Indicators

AUTHOR OF REPORT

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Appendix A - Capital Outturn

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £
	Large Schemes						
	Towns Fund						
200053	- Innovation Centre	2,500,000	0	2,500,000	4,000,000	6,500,000	18,166
200054	- Library	2,000,000	611,449	1,388,551	1,700,000	3,088,551	1,788,755
200055	- Public Realm	1,500,000	18,574	1,481,426	1,439,000	2,920,426	0
100102,100108-12	- Town Hall Redevelopment	1,000,000	596,960	403,040	5,100,000	5,503,040	507,325
	UK Shared Prosperity Fund						
100100	- Remainder (to be allocated)	607,294	0	607,294	1,591,109	2,198,403	344,790
	Other Schemes						
100004	Car Park Maintenance	150,000	34,228	115,772	150,000	265,772	223,198
100007	Disabled Facilities Grant	839,000	796,216	42,784	839,000	881,784	928,245
100008	Energy & Efficiency Installs.	0	10,350	-10,350	55,000	44,650	0

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £
100009	GF Asbestos	0	0	0	38,000	38,000	0
100010	Grassland Mitigation measures-recreating and monitoring grassland habitats in MS and AVCP	0	0	0	5,864	5,864	0
100011	Hedgerow Mitigation measurres by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North	0	0	0	21,500	21,500	0
100012	HMO Grants	25,000	13,500	11,500	25,000	36,500	0
100013	Home Repairs Assistance	40,000	0	40,000	40,000	80,000	0
100018	Improvement to original Pump Track at AVCP	0	86,092	-86,092	60,606	-25,486	4,242
100020	Morgan Stanley Park Infrastructure - Pitch Improvement	0	0	0	25,000	25,000	0
100026	Morgan Stanley Park Infrastructure - General Improvements	0	0	0	8,000	8,000	6,500
100032	Public Building	250,000	224,097	25,903	250,000	275,903	124,205
100035	Fleet Replacement new line	843,000	16,750	826,250	2,663,000	3,489,250	193,652

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Executive **11th March 2025**

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £
100037	Removal of 5 weirs through Arrow Valley Park	414,000	0	414,000	0	414,000	0
110012	Play Area improvements at Birchfield Road,/Headless Cross Rec Ground. 17/00737/FUL	0	0	0	7,575	7,575	0
100040	Sports Contributions to support improvements to Outdoor facilities at Terry Field	0	0	0	3,000	3,000	0
100042	Lifeline Improvements	0	0	0	120,000	120,000	0
100043	Wheelie Bin purchase	100,000	42,079	57,921	100,000	157,921	54,460
100088	Holly Trees Children Centre Improvements	0	0	0	6,000	6,000	0
100097	Arrow Valley Country Park Access Road	0	0	0	26,634	26,634	35,708
100112	Fire compartmentation works in Corporate buildings	100,000	28,248	71,752	0	71,752	0
100119	Play Areas - Surface Replacement	0	0	0	10,000	10,000	99,994
100121	AVCP - Car Park Extension 25 Spaces	0	0	0	95,000	95,000	110,745
100135	Arrow Valley Visitor Centre Improvements	0	0	0	350,000	350,000	141,701

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £
100137	Final Play Area Changes	0	0	0	263,386	263,386	0
100139	Movement of ICT Cyber Capital Works Forward	-125,000	0	-125,000	-50,000	-175,000	0
100140	Cyber Security Udates	0	0	0	25,000	25,000	0
100141	Morgan Stanley Park - Footpaths	0	0	0	16,500	16,500	0
100142	Hedge and Shrub Removal	0	0	0	40,000	40,000	0
100143	Fleet Costs	0	0	0	585,000	585,000	0
100144	PRS Housing ICT System	0	0	0	30,000	30,000	0
100146	Play Area Changes - Pre Audit	227,000	0	227,000	155,000	382,000	0
100147	AVCP - Parking Bays near Visitor Centre	0	0	0	12,000	12,000	0
100148	Increased Building Maintenance Costs	0	0	0	150,000	150,000	0
110007	Forge Mill and Bordelsey Open Space Improvements	0	0	0	3,000	3,000	0
110009	Greenlands Sports Pitches MUGA	0	0	0	21,000	21,000	0

REDDITCH BOROUGH COUNCIL

Executive **11th March 2025**

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £
110019	Server Replacement Est(Exact known Q2 2022)	2,000	93,201	-91,201	177,500	86,299	0
110020	Laptop Refresh	25,000	11,542	13,458	150,000	163,458	20,263
110021	Ipsley Church Lane Cemetey	125,000	2,037	122,963	125,000	247,963	2,000
110036	Footpaths	75,000	66,444	8,556	75,000	83,556	111,292
	Total	**10,702,757**	**2,684,267**	**8,050,990**	**20,507,674**	**28,558,663**	**4,715,241**

REDDITCH BOROUGH COUNCIL

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Appendix B – Earmarked Reserves

	Balance	rior Yr Bu	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance
	31-Mar-24	Changes	2024/25	2024/25	31-Mar-25	2025/26	2025/26	31-Mar-26	2026/27	2026/27	31-Mar-27	2027/28	2027/28	31-Mar-28
	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund Balances	7,221	1,140		(136)	8,225	30		8,255		(435)	7,820		(345)	7,475
General Fund:														
Business Rates Retention Scheme	4,560	0	0	0	4,560	0	0	4,560	0	0	4,560	0	0	4,560
Community Development	74	0	0	0	74	0	0	74	0	0	74	0	0	74
Community Safety	211	0	0	0	211	0	0	211	0	0	211	0	0	211
Corporate Services	2,594	(550)	0	0	2,044	0	(880)	1,164	0	0	1,164	0	0	1,164
Customer Services	183	0	0	0	183	0	0	183	0	0	183	0	0	183
Economic Growth	718	0	0	0	718	0	0	718	0	0	718	0	0	718
Electoral Services	63	0	0	0	63	0	0	63	0	0	63	0	0	63
Environmental Vehicles	29	0	0	0	29	0	0	29	0	0	29	0	0	29
Equipment replacement	25	0	0	0	25	0	0	25	0	0	25	0	0	25
Financial Services	149	(149)	0	0	(1)	0	0	(1)	0	0	(1)	0	0	(1)
Human Resources Backlog		75	0	0	75	0	0	75	0	0	75	0	0	75
ICT Backlog		74	0	0	74	0	0	74	0	0	74	0	0	74
General Risk reserve	45	0	0	0	45	0	0	45	0	0	45	0	0	45
Housing Benefit Implementation	270	0	0	0	270	0	0	270	0	0	270	0	0	270
Housing Support	1,535	0	0	0	1,535	0	0	1,535	0	0	1,535	0	0	1,535
Land Drainage	129	0	0	0	129	0	0	129	0	0	129	0	0	129
Planning Services	692	0	0	0	692	0	0	692	0	0	692	0	0	692
Sports Development	(18)	0	0	0	(18)	0	0	(18)	0	0	(18)	0	0	(18)
Town Centre	7	0	0	0	7	0	0	7	0	0	7	0	0	7
Warmer Homes	16	0	0	0	16	0	0	16	0	0	16	0	0	16
Transformational Growth	123	0	0	0	123	0	0	123	0	0	123	0	0	123
Pensions	201	0	0	0	201	0	0	201	0	0	201	0	0	201
Regeneration Income	602	0	0	0	602	0	(300)	302	0	0	302	0	0	302
Restart Grants	2,900	0	0	0	2,900	0	0	2,900	0	0	2,900	0	0	2,900
Utiliuties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DMIC Start Up					0	600	0	600	0	(300)	300	0	(300)	0
Ward Budgets	0	0	0	0	0	180	(60)	120	0	(60)	60	0	(60)	0
Property Services Review					0	100	(100)	0			0			0
EPR Funding Allocationb					0	814	(100)	714		(356)	358		(356)	2
Covid-19 (General)	2,006	(590)	0	0	1,416	0	0	1,416	0	0	1,416	0	0	1,416
Covid-19 (Collection Fund)	55		0	0	55	0	0	55	0	0	55	0	0	55
TOTALS	17,186	(1,140)	0	0	16,046	1,694	(1,440)	16,300	0	(716)	15,584	0	(716)	14,868

REDDITCH BOROUGH COUNCIL

Executive **11th March 2025**

Appendix C – Treasury Management

Q3 Treasury Management Strategy Report 2024/25

1. SUMMARY

The purpose of this report is to set out a third quarterly update on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

2. RECOMMENDATIONS

Executive is asked to:

- **Note the Council's Treasury performance for Q3 of the financial year 24/25.**
- **Note the position in relation to the Council's Prudential indicators.**

3. BACKGROUND

Introduction

3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

3.2 This half yearly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

External Context

3.3 **Economic background:** The Chancellor of the Exchequer delivered her Autumn Budget at the end of October. Based on the plans announced, the Office for Budget Responsibility reported they would provide a short-term boost to GDP growth before weakening it further out and push inflation higher over the medium-term. This change to the economic and inflation outlook caused financial markets to readjust expectations of Bank of England (BoE) Bank Rate and gilt yields higher. The council's treasury management advisor, Arlingclose, also revised its interest rate forecast upwards in November, with Bank Rate expected to eventually fall to 3.75%.

3.4 UK annual Consumer Price Index (CPI) inflation remained above the Bank of England (BoE) 2% target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices rose 2.6% in November 2024, up from 2.3% in the previous month and in line with expectations. Core CPI also rose, but by more than

expected, and remained elevated at 3.6% in November against a forecast of 3.5% and compared to 3.3% in the previous month.

3.5 UK economy GDP registered no growth (0.0%) between July and September 2024 and 0.4% between April and June 2024, a further downward revision from the 0.5% rate previously reported by the ONS. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in October, following the same size decline in September.

3.6 The labour market continued to loosen, but the ONS data still require treating with some caution. Recent figures reported the unemployment rate rose to 4.3% (3mth/year) in the three months to October 2024 and economic inactivity fell to 21.7%. The ONS reported pay growth over the same three-month period at 5.2% for both regular earnings (excluding bonuses) and for total earnings.

3.7 The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.75% at its December 2024 meeting, having reduced it to that level in November and following a previous 25bp cut from the 5.25% peak at the August MPC meeting (5-4 vote to cut). At the December meeting, six Committee members voted to maintain Bank Rate at 4.75% while three members preferred to reduce it to 4.50%. The meeting minutes suggested a reasonably dovish tilt to rates with the outlook for economic growth a concern among policymakers as the Bank downgraded its Q4 GDP forecast from 0.3% to 0.0%.

3.8 The November Monetary Policy Report (MPR) showed the BoE expected GDP growth to pick up to around 1.75% (four-quarter GDP) in the early period of the forecast horizon before falling back. The impact from the government's Autumn Budget pushed GDP higher in 2025 than was expected in the August MPR, before becoming weaker. The outlook for CPI inflation showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. Over the medium-term, once the near-term pressures eased, inflation was expected to stabilise around the 2% target. The unemployment rate was expected to increase modestly, rising to around 4.5%, the assumed medium-term equilibrium unemployment rate, by the end of the forecast horizon.

3.9 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall from the 5.25% peak. From the first cut in August 2024, followed by the next in November which took Bank Rate to 4.75%, February 2025 is deemed the likely month for the next reduction, with other cuts following steadily in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

3.10 The US Federal Reserve continued cutting interest rates during the period, reducing the Fed Funds Rate by 0.25% at its December 2024 monetary policy meeting to a range of 4.25%-4.50%, marking the third consecutive reduction. Further interest rate cuts are expected into 2025, but uncertainties around the potential inflationary impact of President-

elect Trump's policies may muddy the waters in terms of the pace and magnitude of further rate reductions. Moreover, the US economy continues to expand at a decent pace, suggesting that monetary policy may need to remain more restrictive in the coming months than had previously been anticipated.

3.11 The European Central Bank (ECB) also continued its rate cutting cycle, reducing its three key policy rates by 0.25% in December. Euro zone inflation rose above the ECB 2% target in November 2024, hitting 2.2% as was widely expected and a further increase from 2% in the previous month. Inflation is expected to rise further in the short term, but then fall back towards the 2% target during 2025, with the ECB remaining committed to maintaining rates at levels consistent with bringing inflation to target, but without suggesting a specific path.

3.12 **Financial markets:** Financial market sentiment was generally positive over the period, but economic, financial and geopolitical issues meant the ongoing trend of bond yield volatility very much remained. In the last few months of the period, there was a general rising trend in yields due to upwardly revised interest rate and inflation expectations, causing gilt yields to end the period at substantially higher levels to where they began.

3.13 Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at a high of 4.57%, having reached a low of 3.76% in mid-September. While the 20-year gilt started at 4.40%, ended at a high of at 5.08% and hit a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.01% over the period to 31st December.

3.14 **Credit review:** In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days.

3.15 Fitch revised the outlooks on Royal Bank of Scotland, NatWest Markets PLC, and National Westminster Bank to positive from stable, while affirming their long-term ratings at A+.

3.16 Moody's upgraded the ratings on National Bank of Canada to Aa2 from Aa3, having previously had the entity on Rating Watch for a possible upgrade. Moody's also upgraded the ratings on The Co-operative Bank to A3 (from Baa3) and downgraded the ratings on Coventry Building Society to A3 (from A2) and Canada's Toronto-Dominion Bank to Aa2 (from Aa1).

3.17 S&P also downgraded Toronto-Dominion Bank, to A+ from AA-, but kept the outlook at stable

3.18 Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period also remained generally more muted compared to previous periods.

3.19 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

Local Context

3.20 On 31st March 2024, the Authority had net borrowing of £10.4m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	31.3.25 Forecast £m
General Fund CFR	6.7	10.9
Council Housing (HRA) CFR	103.9	103.9
Total CFR	110.6	114.8
External borrowing**	103.9	103.9
Internal borrowing	32.3	19.8
Less: Balance sheet resources	-21.9	-21.9
Net borrowing	10.4	-2.1

* Finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt
** shows only loans to which the Authority is committed and excludes optional refinancing

3.21 The treasury management position at 31st of December and the change over the first nine months of 24/25 is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	31.12.24 Balance £m	31.12.24 Rate %
Long-term borrowing	103.93	0	103.93	3.59
Short-term borrowing	0	0	0	
Total borrowing	**103.93**	**0**	**103.93**	
Short-term investments	9.0	4.5	13.5	4.94
Cash and cash equivalents				
Total investments	9.0		13.5	
Net borrowing	**94.93**	**4.5**	**90.43**	

Borrowing Strategy and Activity

3.22 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. At the present time short term interest rates are higher than long term interest rates.

3.23 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

3.24 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.40% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.44%. Rates for 20-year maturity loans ranged from 5.01% to 5.87% during the period, and 50-year maturity loans from 4.88% to 5.69%.

3.25 Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during that month, as expected shorter-term rates reverted to a more market-consistent range and were generally around 5.00% - 5.5%. Rising rates were seen towards the end of the period in the LA-LA market.

3.26 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.

3.27 **Loans Portfolio:** At 31st December the Authority held no loans.

Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m
Public Works Loan Board	98.929	0	98.929
Banks (LOBO)			
Banks (fixed term)	5	0	5
Local authorities (long-term)			
Local authorities (short-term)	0	0	0
Total borrowing	**103.929**	**0**	**103.929**

Treasury Investment Activity

3.28 CIPFA revised TM Code defines treasury management investments as those which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

3.29 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £1.0 and £16.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m	31.12.24 Income Return %	31.12.24 Weighted Average Maturity days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	0	10.0	10.0	4.94%	
Local authorities and other govt entities	7.5	-7.5	0		
Corporate bonds and loans					
Money Market Funds	1.5	2.0	3.5		
Total investments	**9.0**	**4.5**	**13.5**		

3.30 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.31 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

3.32 Bank Rate reduced from 5.25% to 5.00% in August 2024 and again to 4.75% in November 2024 with short term interest rates largely being around these levels. The rates on DMADF

deposits and money market rates ranged between 4.94% and 4.70%

Non-Treasury Investments

3.33 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

3.34 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Treasury Performance

3.35 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 5 below.

Table 5: Performance

	Actual	Budget	Over/	Actual	Benchmark	Over/
	£m	£m	under	%	%	under
Total borrowing	**103.929**	**175**	**71.07**			
PFI and Finance leases	0	1.5	1.5			
Total debt	103.929	176.5	72.57			
Total treasury investments	**13.5**	**20**	**6.5**			

MRP Regulations

3.36 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

3.37 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

3.38 The Director of Resources and Section 151 officer reports that all treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	**30.9.24 Actual**	**2024/25 Limit**	**Complied?** Yes/No
Any single organisation, except the UK Government	£4m each			
UK Central Government	Unlimited	£10.0m	**Unlimited**	Yes
Unsecured investments with banks and building societies	**£2.5m in total**			
Loans to unrated corporates	**£1m in total**			
Money Market Funds	**£20m in total**	**£3.5m**	**£20m**	**Yes**
Foreign countries	**£5m per country**			
Real Estate Investment Trusts	**£2.5m in total**			

3.39 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	2024/25 Maximum	**31.12.2024 Actual**	**2024/25 Operational Boundary**	**2024/25 Authorised Limit**	**Complied?** Yes/No
Borrowing	175	103.93	175.0	185.0	Yes
PFI and Finance Leases	1.5	-	1.5	1.5	Yes
Total debt	**176.5**	**103.93**	**176.5**	**186.5**	

3.40 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure

Treasury Management Prudential Indicators

3.41 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Liability Benchmark

3.42 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow.

	31.3.24 Actual	**31.3.25 Forecast**	**31.3.26 Forecast**	**31.3.27 Forecast**
Loans CFR	144.67	151.6	153.79	157.7
Less: Balance sheet resources	-23.9	-23.9	-22.9	-22.9
Net loans requirement	120.77	127.7	130.89	134.8
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
Liability benchmark	**120.97**	**127.90**	**131.09**	**135.00**
Existing borrowing	**103.93**	**113.22**	**116.87**	**117.58**

3.43 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £0m, minimum revenue provision on new capital expenditure based on a 40-year asset life and income, expenditure and reserves all increasing by inflation of 2% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

Maturity Structure of Borrowing

3.44 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	31.12.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

3.45 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments

3.46 The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	£0.5m
Actual principal invested beyond year end	Nil	Nil	Nil	Nil
Complied?	Yes	Yes	Yes	Yes

3.47 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicators

Security**:**

3.48 The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2024/25 Target	31.12.24 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

Liquidity**:**

3.49 The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	31.12.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	£10.0m	Nil	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

Interest Rate Exposures:

3.50 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2024/25 Target	31.12.31 Actual	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	500,000	0	Yes

3.51 For context, the changes in interest rates during the quarter were:

	31/3/24	31/12/24
Bank Rate	5.25%	4.75%
1-year PWLB certainty rate, maturity loans	5.36%	5.19%
5-year PWLB certainty rate, maturity loans	4.68%	5.10%
10-year PWLB certainty rate, maturity loans	4.74%	5.40%
20-year PWLB certainty rate, maturity loans	5.18%	5.84%
50-year PWLB certainty rate, maturity loans	5.01%	5.66%

3.52 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

4. IMPLICATIONS

Legal Implications

4.1 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Councils statutory function.

Service / Operational Implications

4.2 Monitoring is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

Customer / Equalities and Diversity Implications

4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

5. RISK MANAGEMENT

5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury advisors, which in the case of Redditch is Arlingclose. In addition, there is the requirement in this area to provide an Annual Strategy report containing indicators/limits that must be met, a quarterly update and closure report all of which must be reported to full Council.

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2024/25 – February 2024 which contains this years Capital Strategy, Treasury Management Strategy and MRP Policy.

AUTHOR OF REPORT

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Appendix D - Procurement Pipeline

REDDITCH BOROUGH COUNCIL

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Council	Contract Title	Department	
	Redditch Contracts over £200k		
Redditch	Audio visual system	Environmental Services	
Redditch	DMIC Build	Regeneration	
Redditch	Retrofit WAVE 3 Contractor	Housing Property Services	Awaiting legislation updates
Redditch	Fleet Replacement	Environmental Services	
Redditch	Fleet replacement	Housing Property Services	
Redditch	Civil Engineering Works	Housing Property Services	
Redditch	Remodel - Auxerre House	Housing Property Services	
Redditch	Void Contract	Housing Property Services	
Redditch	Asbestos Management, re-inspections and removals	Housing Property Services	
Redditch	Retrofit WAVE 3 Co-ordinator	Housing Property Services	
Redditch	Retrofit WAVE 3 Retrofit Assessor and Designer	Housing Property Services	Awaiting legislation updates
Redditch	Consultancy Support	Housing Property Services	
Redditch	Communal Boiler Replacement	Housing Property Services	
Redditch	Refurbishment of The Anchorage	Housing Property services	
Redditch	Roofing Repairs and Replacement	Housing Property Services	
Redditch	Microsoft Licenses	ICT	
Redditch	Fire Alarm and Emergency Lighting Servicing, Installation, Repairs and Maintenance	Housing Property Services	
Redditch	Lift Installation and Refurbishment	Housing Property Services	
Redditch	Water Pipe Replacement	Housing Property Services	
Redditch	Underpinning	Housing Capital	
Redditch	Vehicle Hire	Environmental - Fleet	
Redditch	Damp Investigation and Treatment	Housing Property Services	
Redditch	Energy Consultancy Support	Housing Property Services	Awaiting legislation updates
	Redditch Contracts between £50,000 and £200,000		
Redditch	Banners Ln & Lodge Pool Dr play area refurbishments	Parks / Leisure	
Redditch	Throckmorton Rd & Greenlands PL Field play upgrades	Parks / Leisure	
Redditch	Remodel of Caretakers Lodge	Housing Property Services	
Redditch	New Cemetary	Environmental Services	
Redditch	Extension Rebuild - 11 Prospect Road	Housing Property Services	
Redditch	Gutter and window cleaning	Housing Property Services	
Redditch	Multi Use Games Area for MS Park	Parks / leisure	
Redditch	A&A Extension - 13 Drayton Close	Housing Property Services	
Redditch	A&A Extension - 31 Eckington Close	Housing Property Services	
Redditch	Payment Processing	Finance	
	Contracts Purchased on Behalf of Redditch		
Joint	Civil Engineering works	Engineering and Design	
Joint	Corporate Building Electrical contract	Property Services	
Joint	Enforcement Services	inance and Customer Services	
Bromsgrove	Mobile Veterinary Services	WRS	
Bromsgrove	Parking Maintenance and Improvementschines	Engineering & Design	
Bromsgrove	Microsoft Licenses	ICT	
Bromsgrove	PROVIDE Kennelling of Dogs	WRS	
Bromsgrove	Pest Control	WRS	
Bromsgrove	Air Quality Analysers	WRS	
Bromsgrove	Data Access Services	ICT	

REDDITCH BOROUGH COUNCIL

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Appendix E

REDDITCH Strategic & Operational Performance Measures

Quarter 3, 2024/25

1. **Introduction**

We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

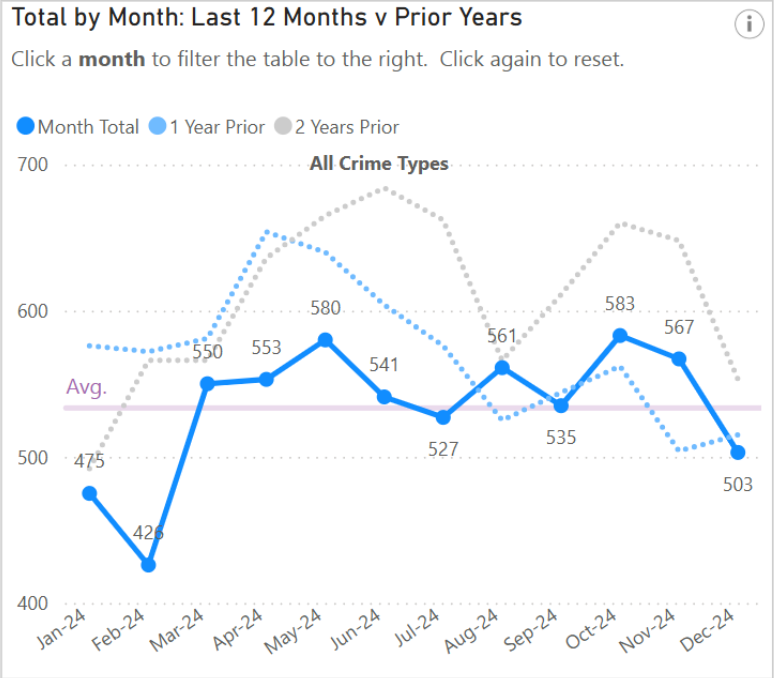
By assessing performance and utilising benchmarking where appropriate, we can identify areas of improvement, make informed decisions, allocate resources efficiently, and ultimately enhance service delivery to meet the evolving needs of our constituents, therefore how we measure performance is essential.

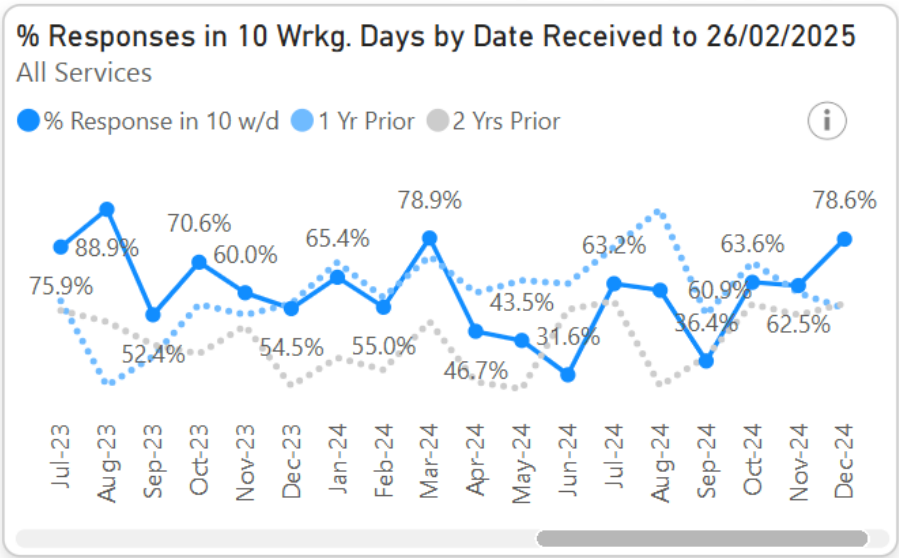
The Council Plan currently under development will identify priorities and key measures, and these will be the foundation for the performance reporting going forward.

2. Strategic Priorities and Performance Measures

The performance measures shown in the next section were refined as part of the Service Business Planning Framework; the report will be restructured around the new Council Plan when adopted.

Measure:	**% of building control applications determined within 5 weeks**
Performance	**Q3- 100%**
Comment:	100% performance for Q3 against a target of 85%.
Measure:	**% of media enquiries responded to within agreed timescales**
Performance:	**100%**
Comment:	The team has a media mailbox feature on Outlook which means that all enquiries from the media come to all officers. The query is then allocated by the manager if not picked up by member of the team who would alert colleagues in the Teams chat that it is in hand. Once completed, if

	necessary the comment is shared with the team, again in the Teams chat in case a similar query is made. This ensures all media queries are dealt with. We further bolster with by regularly reminding media contacts to use the media mailbox address, so queries are not sent to individuals increasing the potential to be missed due to leave, meetings or a busy work schedule.
Measure:	**No. of crimes recorded (excl. ASB)**
Performance:	
Comment:	Across North Worcestershire (NW) there has been a 5% (n=218) decrease in offences during Q3 2024/25 compared to the previous quarter. There was also a 9% decrease (n=440) compared to the same quarter in the previous year. The offence categories that showed an increase when compared to the same quarter of the previous year were Vehicle offences (16%, n=53), Theft from the person (18%, n=4), Robbery – business (200%, n=4). The NW district with the largest decrease in offences compared to the previous quarter is Redditch (9%, n=134). The Ward area with the largest volume of offences is Abbey (n=274) and this is a 1% increase in offences when compared to the same quarter of the previous year. The highest volume offences in the Abbey area were Violence without injury (n=83), Shoplifting (n=39), and Violence with injury (n=33). The streets with the largest volume offences

	are all located in the Town Centre - Unicorn Hill (n=35), Market Place (n=23), and Kingfisher Walk (n=23).
Measure:	**% of voluntary community grants funding available being awarded**
Performance:	**100% (new measure)**
Comment:	A total of £106,068 was awarded last year in grants: £94,392 in the 13 larger grants £9676 in the 5 smaller grants
Measure:	**% complaints answered within agreed timescales**
Performance:	

REDDITCH BOROUGH COUNCIL

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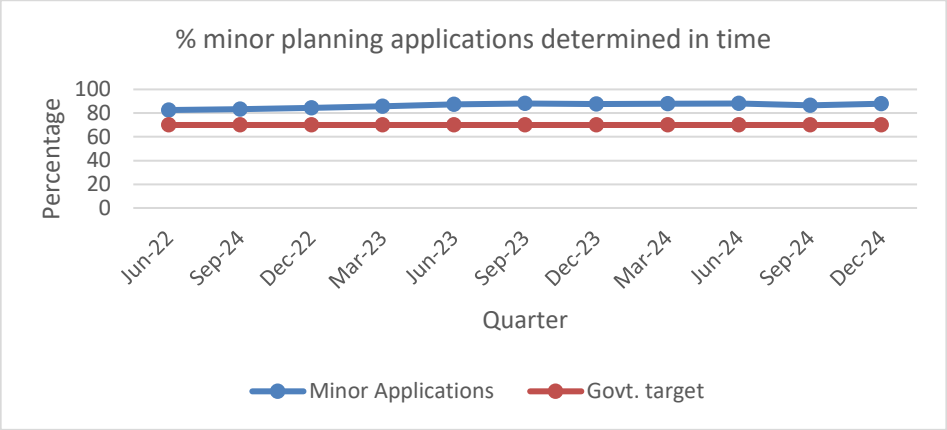
Analysis:

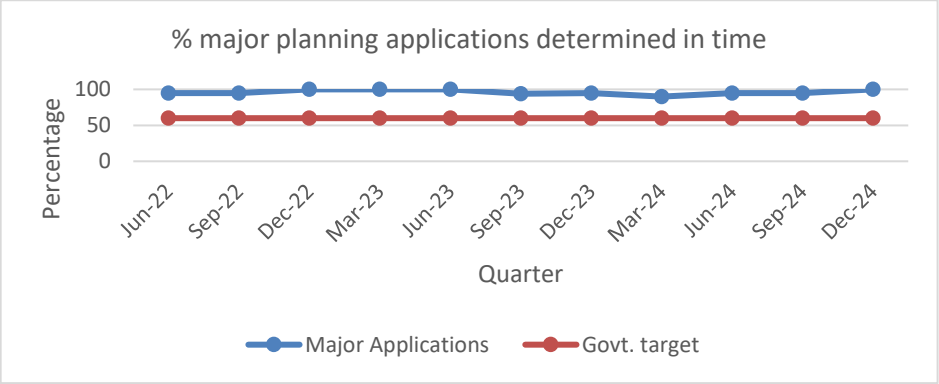
Team	Last (Q3)	Prior (Q2)	Var.	% Var.
Housing Property Services	18	22	-4	-18%
Council Tax	3	6	-3	-50%
Domestic Waste	3	1	2	200%
Neighbourhood & Tenancy	3	7	-4	-57%
Place RBC	2	2	0	0%
CEO	1	0	1	--
Development Management	1	0	1	--
Right to Buy	1	0	1	--
Strategic Housing	1	0	1	--
Trees	1	0	1	--
Benefits	0	1	-1	-10...
Customer Services	0	2	-2	-10...
Development incl Sports	0	1	-1	-10...
Engineering/Design/Road Si...	0	1	-1	-10...
Homelessness and Housing ...	0	7	-7	-10...
Housing Revenue	0	2	-2	-10...
Voids & Allocations	0	1	-1	-10...
Total	**34**	**53**	**-19**	**-36%**

Measure: **% of minor planning applications determined within 8 weeks or agreed extension**

Performance:



Comment: There has been a change in how the rolling period is calculated. This was previously assessed over the preceding 2 years, however in December 2024 this changed to being assessed over the preceding 12-month

	period. This means that the numbers of applications involved is reduced and thus when an application goes out of time it has more statistical impact. The Government target remains the same at 70%. Performance for the rolling 1 year period has marginally improved, as more applications determined in the last 12 months have been determined in time or with an extension of time, as a result performance is now 87.85%.
Measure:	**% of major planning applications determined within 13 weeks or agreed extension**
Performance:	
	There has been a change as above in how the rolling period is calculated. The Government target remains the same at 60%. Performance for the rolling 1 year period has improved, as all applications determined in the last 12 months have been determined in time or with an Extension of Time (EoT), as a result performance is now 100%.
Measure:	**No. of planning enforcement actions taken**
Performance:	This is a new measure for inclusion in quarterly reporting and data will be available from Q4 2024/25.

REDDITCH BOROUGH COUNCIL

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Measure: **Business grant funding being taken up**

Performance:

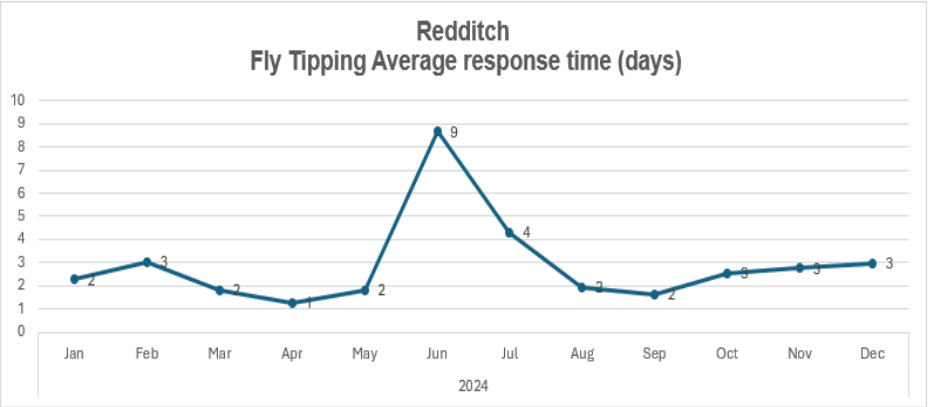
	START UP	GROWTH	TOTAL OF GRANTS FOR QUARTER
23/24 Q4	0	£2,571.50	£2,571.50
24/25 Q1	£13,412.00	£16,646.70	£30,058.70
24/25 Q2	£6,806.67	£21,690.00	£28,496.67
24/25 Q3	£8,723.72	£17,962.76	£26,686.48

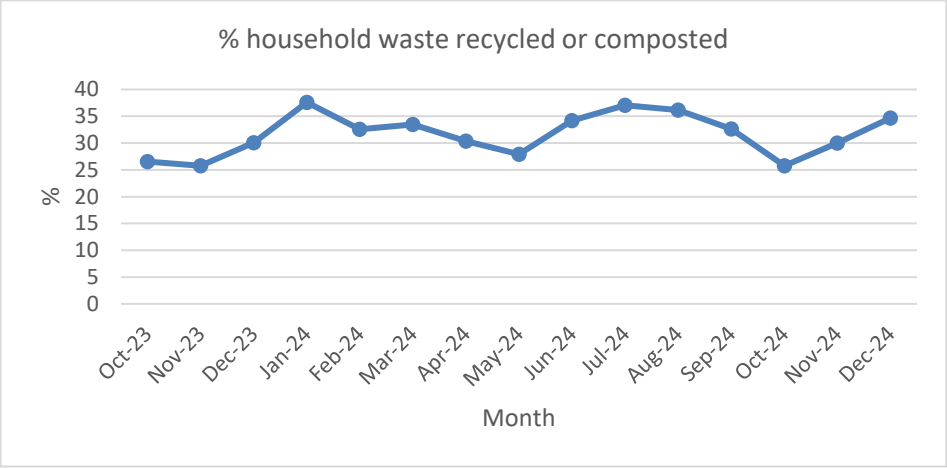
Measure: **No. of environmental enforcement actions taken**

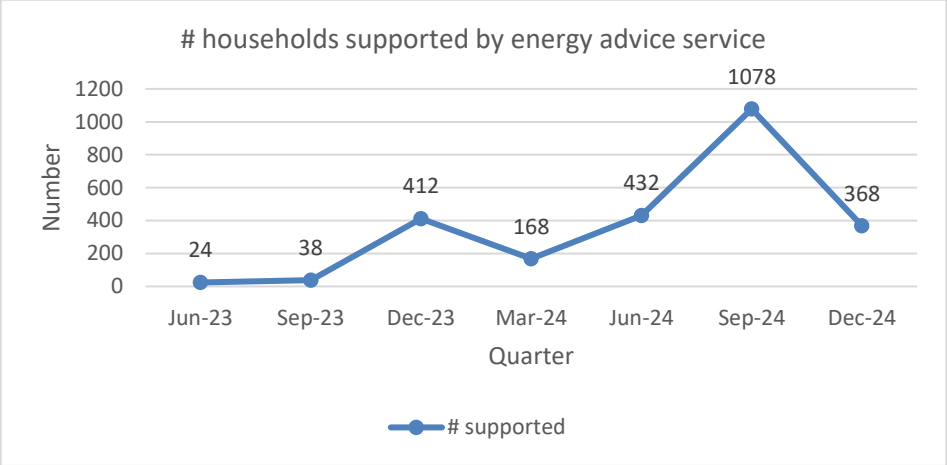
Performance: This is a new measure for inclusion in quarterly reporting and data will be available from Q4 2024/25 (with a one-quarter lag)

Measure: **Average time taken to remove fly-tipping reported**

Performance:



Comment:	Since June 2024 WRS have taken over the enforcement side of Fly-tipping. The process of dove-tailing the clean-up works carried out by RBC Place teams with the investigation side led by WRS has taken a few months to bed in but is now working effectively with fly-tips being left for no longer than 48 hours in most cases. WRS are moving forward with several cases that should eventually lead to prosecution that will then be utilised in communications to try and vastly reduce the incidents across the Borough.
Measure:	**% household waste recycled or composted**
Performance:	
Comment:	Performance to the end of Q3 is improved on the same period last year, with a 3.17% increase in the percentage of recycling.

Measure:	**No. of households supported by energy advice service (AoE)**
Performance:	
Comment:	In Q3, AOE received a significant number of calls for help, (although a slight decrease compared to the same period in the 2023) highlighting the continued impact of the service on residents in Redditch. These calls resulted in numerous residents accessing support and funding help with their energy bills, including those funded by the HSF, ECO4, and Shared Prosperity Funding. Notably, the Household Support Fund remains the primary source of project funding in Redditch with over 50% of call outcomes seeing residents referred onto the HSF.
Measure:	**% energy improvements grant funding of private housing available being taken up**
Performance:	This measure is currently under development due to ongoing changes to the grant funding options available.

REDDITCH BOROUGH COUNCIL

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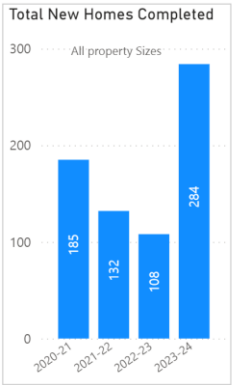
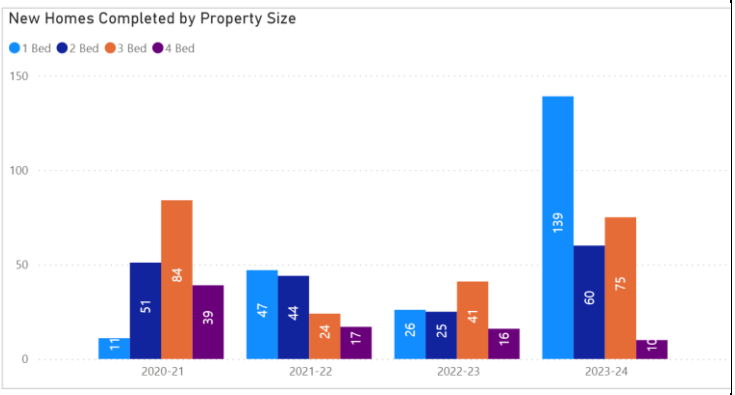
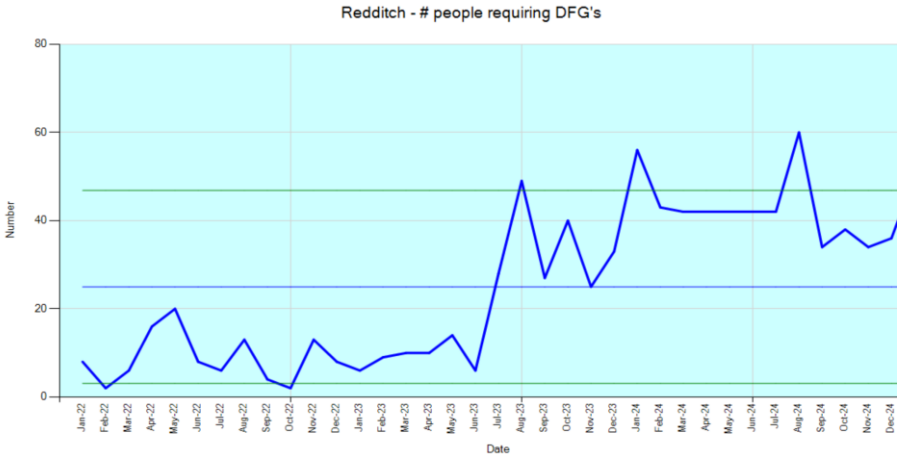
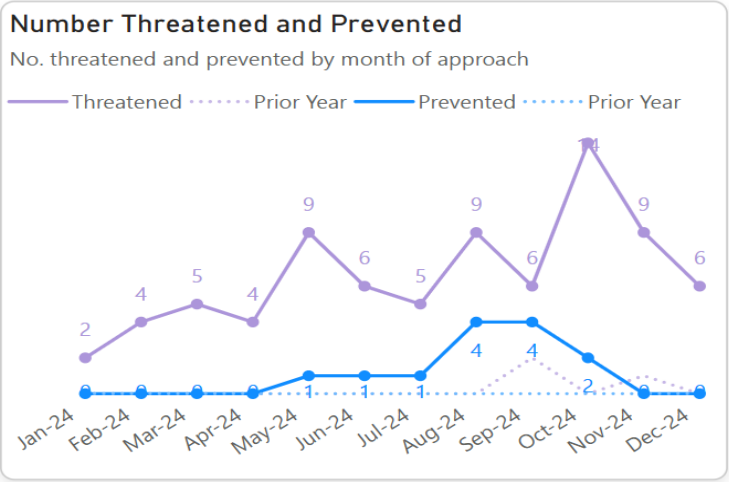
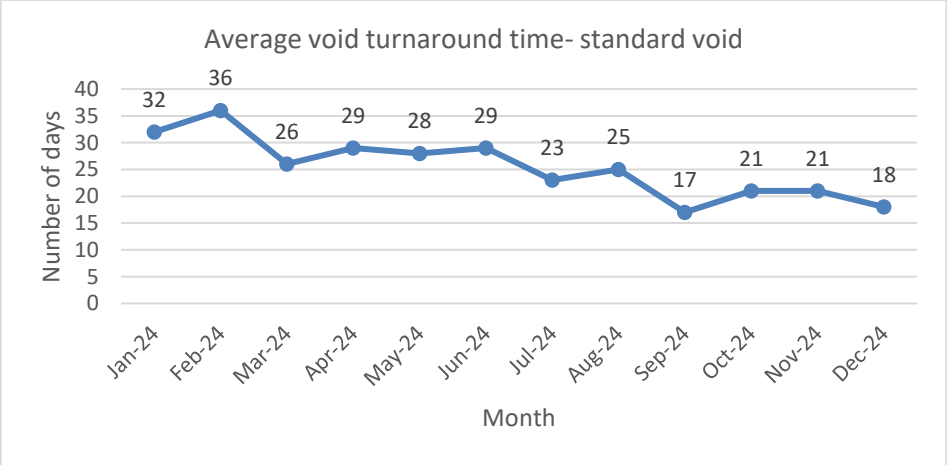
Measure:	**Number of new homes - total and affordable (annual)**
Performance:	 
Comment:	Total number of homes built in 2023/24: • Total Homes Built (including affordable) - 284 (net) • Total affordable homes built - 110 (net)
Measure:	**No. of people requiring DFGs**
Performance:	
Comment:	Demand for DFG's is subject to the number of qualifying clients identified by external organisations and therefore beyond control of the Authority. The figures do not include those assisted with other related forms of assistance also funded through the council's Better Care Fund allocation.

	Adaptions within RBC stock do not access DFG/BCF and therefore are not included in this data.
Measure:	**Homelessness: prevention**
Performance:	
Comment:	This measure will change in future reports, as part of a wider housing data project.
Measure:	**No. of households in temporary accommodation- snapshot**
Performance:	This measure is currently under development as part of a wider housing data project.
Measure:	**% of households in temporary accommodation which have exceeded 6 weeks**
Performance:	This measure is currently under development as part of a wider housing data project.

Measure:	**Cost of B & B placements**
Performance:	This measure is currently under development as part of a wider housing data project.
Measure:	**Void turnaround time**
Performance:	
Comment:	There were 26 overall properties completed in October with an average void turnaround time of 21 days, (measured by tenancy end date to new tenancy start date). There were overall 28 properties completed in November and 34 properties completed in December

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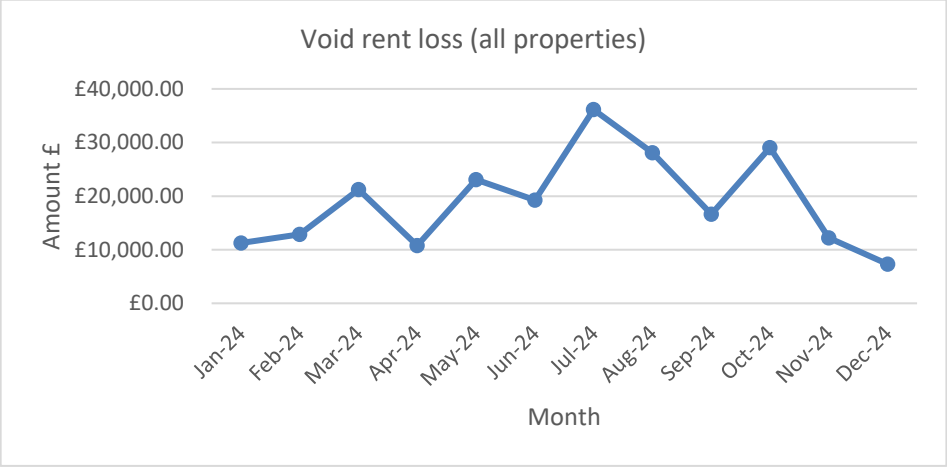
Measure:	**Void rent loss**
Performance:	
Comment:	The projected void rent loss for Q3 is £48,569.10. The measure is potential loss of rental income for all the void properties that were completed in Q3, from tenancy end date to new tenancy start date.
Measure:	**Housing- Antisocial Behaviour incidents- cases recorded**
Performance:	All Incidents, Last 12 Months to end of January 2025 PER 1K PROPERTIES: 24.6 TOTAL RECORDED: 136 PROPERTIES: 5,535 PROPERTY SNAPSHOT: 31/01/25 All Incidents, Last Financial Year to end of March 2024 PER 1K PROPERTIES: 7.0 TOTAL RECORDED: 39 PROPERTIES: 5,554 PROPERTY SNAPSHOT: 31/03/24

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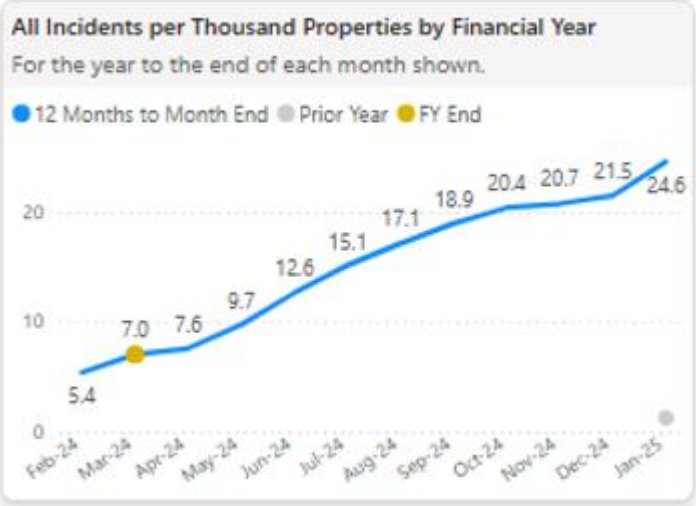

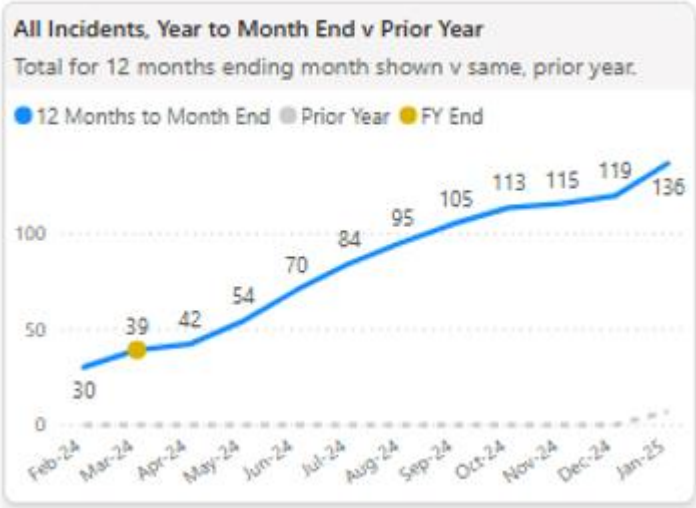

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<td>Comment:</td>
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Between 01/04/24-31/12/24 that there were 119 reported incidents of ASB in the team. This equates to 21.5 incidents per 1,000 homes within our management. During Q3 24/25 there were 14 incidents recorded.

The previous year we recorded only 39 incidents, but this is because the CX system we use to capture information went live part way through the year and colleagues were still learning how to use the systems. We believe that over the coming months this figure will continue to rise, not because there is more ASB, but because we are all improving our data capture and now have BI tools to allow us to speak to colleagues who
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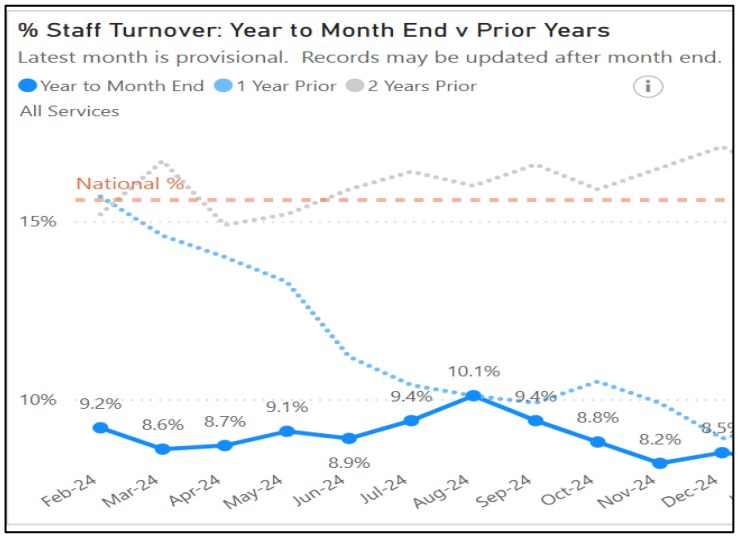
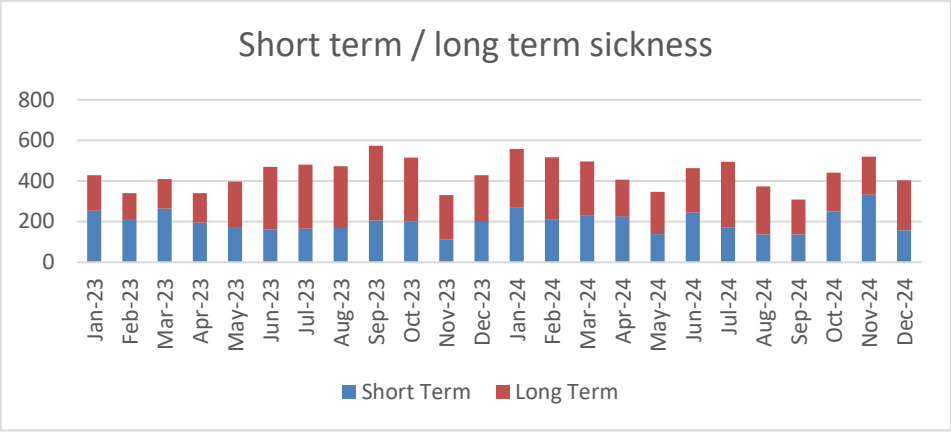
	maybe underreporting and address this through their 1:1's and appraisals.
Measure:	**% of properties with a valid EICR**
Performance:	Electrical safety - Q3 - 89%
Comment:	Electrical safety is not governed in the same way as gas safety, as such we are having trouble in accessing our properties even after sending out a series of letters. We are currently in talks with our legal team on a more robust approach as this is an important piece of work which in turn keeps our tenants safe in their homes.
Measure:	**% of properties with a valid gas certificate**
Performance:	Gas safety – Q3 - 100%
Comment:	This is governed through law so our system of inspection has to be robust in order to comply with our regulatory responsibility.
Measure:	**% of properties with valid fire risk assessment**
Performance:	Fire safety – Q3 - 100%
Comment:	We have a rolling programme of FRAs to ensure we have compliance. The FRAs have resulted in Remedial Actions ranging from signage to new fire doors and fire stopping as well as ensuring we have person centred risk assessments for highly vulnerable people within our homes.
Measure:	**% of properties with valid legionella inspection**
Performance:	Legionella and Water safety - Q3 - 100%

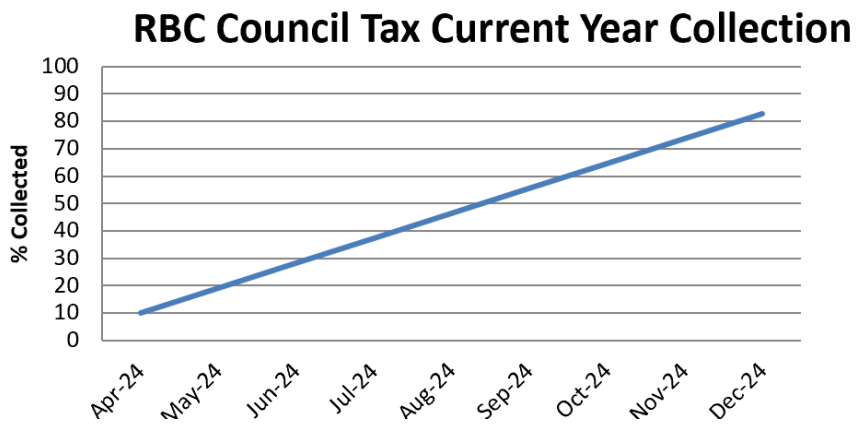
Comment:	All legionella risk assessments are in place
Measure:	**% of properties with valid asbestos certificate**
Performance:	Asbestos safety - Q3 – 97.65%
Comment:	This is a rolling programme of re-inspections from Apr through to March; by the end of March we will be at 100%.
Measure:	**% of properties with valid lift safety checks**
Performance:	Passenger Lifts - Q3 - 75%
Comment:	HPS have recently removed a non-operational lift at Auxerre House. A new lift is being installed and will be operational by Q2 25/26.
Measure:	**% staff turnover**
Performance:	
Comment:	Over the last quarter staff turnover has dropped slightly from 8.8% to 8.3% which is substantially below the National rate which currently stands at 15%. The Service areas with the highest levels of staff turnover over

	the year to the end of December 2024 are Planning and Regeneration (14.5%) and Community and Housing Services (13.6%). The Service area with the lowest level of staff turnover is Legal, Democratic and Property Services with 3.1%.
Measure:	**No. of sickness days lost per FTE**
Performance:	
Comment:	There was a slight increase in absences due to sickness for the first part of Q3, followed by a decline for the final part of the Q3; the authority is currently in line with public sector absence days lost per FTE (10.07 days per FTE as at end December 2024). The Wellbeing event held in November 2024, was led from data showing that stress/depression/anxiety continues to be in the top 5% of absence reasons. Work is being undertaking to review absence reasons and data.
Measure:	**% of FOIs & SARs responded to within timescale**
Performance:	This measure is currently under development as part of a information management dashboard. The new system will go live in Q2 25/26- data will be available from the Q3 25/26 quarterly report.

Measure: Participation- Rubicon

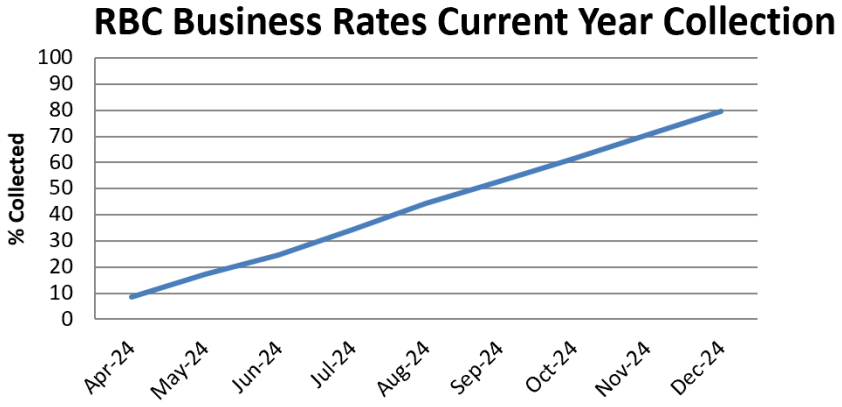
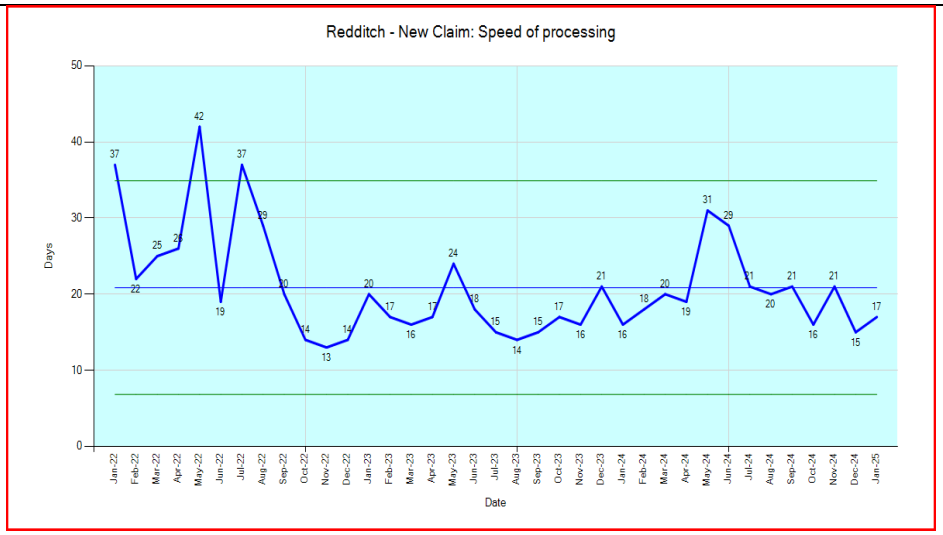
Performance:

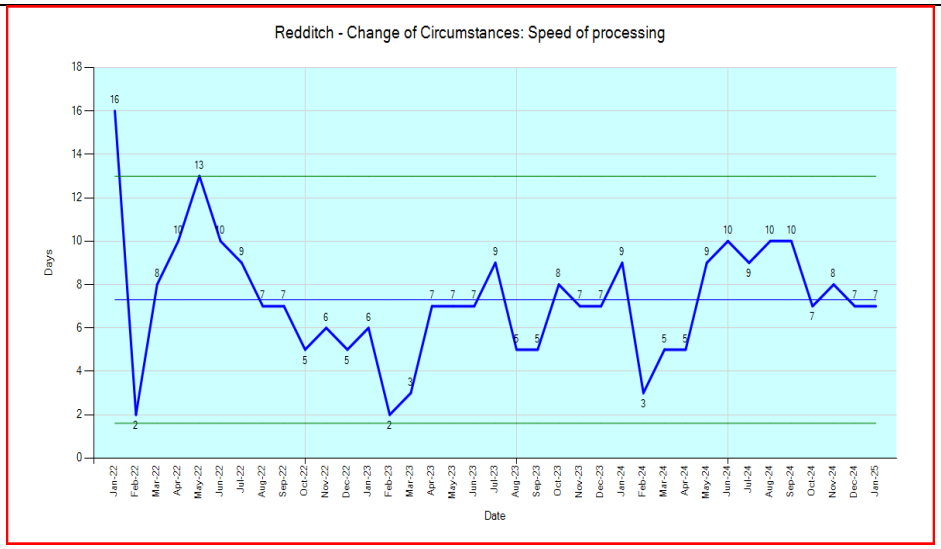
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Abbey Stadium	Total Health and Fitness Memberships	**24/25**	3743	3631	3699	3709	3704	3870	3858	3813	3782			
		23/24	3416	3369	3384	3452	3499	3504	3473	3335	3244	3291	3362	3315
		Var.	10%	8%	9%	7%	6%	10%	11%	14%	17%			
	Total Swimming Lesson Enrollment	**24/25**	1311	1319	1344	1347	1352	1392	1367	1361	1336			
		23/24					1223	1282	1252	1250	1238	1274	1277	1284
		Var.					11%	9%	9%	9%	8%			
Palace Theatre	No. of performances	**24/25**	16	21	23	20	2	21	26	21	41			
		23/24	18	19	23	16	2	13	19	24	46	15	16	20
		Var.	-11%	11%	0%	25%	0%	62%	37%	-13%	-11%			
	Seats sold	**24/25**	3845	4702	5621	3886	576	5749	7252	6440	16360			
		23/24	5521	4735	5592	3925	326	3277	5217	7385	16469	4429	5647	6331
		Vari.	-30%	-1%	1%	-1%	77%	75%	39%	-13%	-1%			
Forge Mill	No. of Museum visits	**24/25**	447	481	382	564	831	534	566	349	0			
		23/24	536	380	331	431	608	476	397	301	0	0	266	383
		Vari.	-17%	27%	15%	31%	37%	12%	43%	16%				
Pitcheroak Golf Course	Total Membership	**24/25**	103	115	114	118	128	136	116	113	97			
Arrow Valley Visitor Centre	Average Transaction Value	**24/25**	£6.81	£7.02	£6.95	£7.06	£7.19	£6.77	6.75	6.34	6.32			
		23/24	£6.42	£6.67	£6.37	£6.32	£6.58	£ 6.17	£ 5.59	£ 5.51	£ 5.71	£ 6.39	£ 6.73	£ 6.59
		Vari.	6%	5%	9%	12%	9%	10%	21%	15%	11%			

Measure:	**% of green flags awarded**
Performance:	Q3- 25% (new measure for quarterly report)
Comment:	There are 4 sites that are part of the schedule for the Green Flag Awards: - Morton Stanley- awarded green flag - Overdale- due to be judged in 2025 - Batchley Pool- due to be judged in 2025 - Arrow Valley- due to be judged in 2027
Measure:	**% of property portfolio which is compliant**
Performance:	This is a new measure for the quarterly report and is being developed for reporting in the Q4 report.
Measure:	**% of Council Tax collection rates**
Performance:	

REDDITCH BOROUGH COUNCIL

Executive **11th March 2025**

Measure:	**% of Business Rates collection rates**
Performance:	
Measure:	**Days taken to process Housing Benefit new claims & change of circumstance**
Performance:	



Comment:

Our speed of processing figures for new claims and change of circumstances stay at a consistent level, on average 17 days for new claims and 8 days for change of circumstances. DWP averages across the country for Q2 were New Claims 21 and Change of Circumstances 8 (there is always a delay in published figures) we are therefore performing at a high level. The quarterly calls that we undertake with DWP are always of a complimentary nature and they express no concerns in any areas of our work.

REDDITCH BOROUGH COUNCIL

Executive **11th March 2025**

Measure: **Housing Benefit local authority error rate**

Performance:

2022/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Expenditure	14,881,488	16,568,430	15,965,604	15,183,260	14,318,116	14,343,303	14,087,844	13,956,867	13,813,372	13,669,531	13,583,601	13,229,060
LA Lower	71,436	79,530	76,636	72,783	68,726	68,848	67,622	66,993	66,304	65,614	65,201	63,499
LA Upper	80,364	89,472	86,216	81,882	77,318	77,454	76,075	75,368	74,592	73,816	73,352	71,437
LA Actual	26,712	32,460	34,200	29,529	26,930	22,486	26,712	23,552	22,559	21,583	21,376	20,002

2023/24	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Expenditure	16,020,953	16,463,478	15,909,091	15,104,694	14,688,758	14,395,701	£14,170,840	£14,256,188	£13,926,002	£13,823,731	£13,732,725	£13,386,968
LA Lower	76,895	79,026	76,364	72,501	70,507	69,100	£68,019	£68,430	£66,845	£66,354	£65,917	£64,257
LA Upper	86,515	88,902	85,908	81,564	79,320	77,736	£76,522	£76,983	£75,200	£74,648	£74,157	£72,290
LA Actual	15,808	14,832	34,632	102,540*	84,451	72,316	£66,967	£60,500	£54,260	£50,045	£46,353	£43,968

2024/25	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Feb	Mar
Total Expenditure	20,594,736	18,102,648	16,616,996	15,873,918	15,403,498	14,998,592	14,922,754	14,636,306	14,221,963			
LA Lower	£98,856	£86,892	£79,760	£76,194	£73,937	£71,994	£71,630	£70,254	£68,265			
LA Upper	£111,216	£97,752	£89,732	£85,719	£83,179	£80,992	£80,583	£79,037	£76,799			
LA Actual	£18,144	£19,464	£15,172	£18,165	£17,431	£15,718	£14,726	£14,402	£13,133			

Comment:

The LA error levels are projected up to the end of the year, the levels for 24/25 are expected to be the lowest they have been over recent years. This is due to two main factors, increased quality checking on Housing Benefit claims, thus ensuring the correct benefit gets to the resident the first time. And the continuation of the DWP Housing Benefit Accurracy

	Award scheme (HBAA) where LA's are required to review percentages of their caseload each year, therefore cleansing the data and the caseload.