



monmouthshire
sir fynywy

MONMOUTHSHIRE COUNTY COUNCIL

BUDGET BOOK 2018/19

BUDGET 2018/19

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BUDGET 2018/19

SECTION 1

EXPLANATORY
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EXPLANATORY NOTES

Introduction

The budget is presented in accordance with the internal structure that mirrors the directorate structure set by Cabinet.

Within each portfolio within the budget book, the directorate budgets are split by division, the budgetary control for which rests initially with the respective Head of Service but ultimately with the respective Chief Officer.

The directorate budgets and their respective statements of service have been structured around the Service Code of Practice (SERCOP).

Further corporate portfolios are required by statute. These reside under the control of the Section 151 Officer of the Authority (Head of Finance - Strategic Leadership Team).

Standard Subjective Headings

The main items included in each standard subjective heading within revenue cost sections of the statements of service are as follows:

Employee Related

This group includes the cost of employee expenses, both direct and indirect, to the authority.

- Direct employee expenses - salaries, wages, national insurance and superannuation for all employees whether permanent or temporary
- Indirect employee expenses
- Contributions to employee-related provisions

Premises Related

This group includes expenses directly related to the running of premises and land:

- Repairs, alterations and maintenance of buildings
- Energy costs
- Rents
- Rates
- Water services
- Fixtures and fittings
- Apportionment of expenses of operational buildings
- Cleaning and domestic supplies
- Grounds maintenance costs
- Premises insurance
- Contributions to premises-related provisions

Standard Subjective Headings (continued)

Transport Related

This group includes all costs associated with the provision, hire or use of transport, including travelling allowances and home to school transport.

- Direct transport costs
- Recharges
- Contract hire and operating leases
- Public transport
- Transport insurance
- Contributions to transport-related provisions

Supplies and Services

This group includes all direct supplies and service expenses to the authority:

- Equipment, furniture and materials
- Catering
- Clothes, uniform and laundry
- Printing, stationery and general office expenses
- Services
- Communications and computing
- Expenses
- Grant Payments and subscriptions
- Private Finance Initiative and Public Private Partnership schemes
- Contributions to provisions

Agency & Contracted

Agency or contracted payments are payments to an external provider or an internal service delivery unit defined as a trading operation which is operating independently, in return for the provision of a service or a subdivision of service.

Where a service being paid relates to the type of expenditure, for example building repairs, cleaning or catering for clients, then the payment is recorded under the appropriate standard grouping for that type of expenditure. For example, Premises-Related Expenditure (repairs or cleaning) or Supplies and Services (catering).

This group includes all agency and contracted payments to:

- Independent units within the Council
- Joint authorities
- Other local authorities
- Health authorities
- Government departments
- Voluntary associations
- Other establishments
- Private contractors
- Other agencies

Standard Subjective Headings (continued)

Transfer Payments and the Individual Schools Budget

Transfer payments include the cost of payments to individuals for which no goods or services are received in return by the local authority. The individual schools budget relates to delegated budgets passed to schools.

This group includes transfer payments to individuals such as:

- School children and students
- Social services clients
- Housing benefits

Capital Financing

This provides the subjective analysis that will record the revenue impact of capital items in the service revenue accounts of the authority:

- Depreciation
- Loss on impairment of assets
- Amortisation of deferred charges
- Operating Lease Rentals

Income

This group includes all income received by the service from external users or by way of charges or recharges to internal users:

- Government grants
- Other grants reimbursements and contributions
- Customer and client receipts
- Interest
- Direct Recharges

Support Services

These are charges for services that support the provision of services to the public. The charges are apportioned or allocated to the service divisions which they support. Such charges are traditionally defined on the basis of service.

The following table provides some of the functions to demonstrate what could be defined as support services. This list is not meant to be exhaustive. Support services are distinguished from internal trading operations such as Property and Contract Services.

Functions:

- | | |
|------------------|-------------------|
| • Finance | • Payroll |
| • Creditors | • Accommodation |
| • Debtors | • Legal Services |
| • Audit Services | • Office Services |
| • Personnel | • Insurance |

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SECTION 2

**RESERVES AND
BALANCES**

Introduction

There are two types of reserves which might be described as either available to meet revenue, or, in some cases capital expenditure. These are the Council Fund Reserve or Earmarked Reserves.

Council Fund

The Council Fund is the accumulated revenue reserve of the Authority that has arisen from historic day to day receipts and payments. The balance on the Council Fund may be positive or negative. However, LAAP Bulletin 77 issued by CIPFA, that provides local authority finance directors with guidance on the establishment of local authority reserves and balances, indicates that it is the responsibility of the finance director to advise the Authority about the level of reserves that they should hold.

Earmarked Reserves

Earmarked reserves result from events that have allowed monies to be set aside, or surpluses or decisions that have caused anticipated expenditure to be postponed or cancelled. Reserves of this nature are available and can be spent or earmarked at the discretion of the Authority.

Earmarking of revenue reserves can be used to set aside available monies for major anticipated capital schemes for projects or service arrangements the authority may wish to carry out.

Other examples of earmarked reserves include business unit surpluses, service efficiency savings and contingent liabilities (where a provision is not required).

Provided below is a description of the principal earmarked reserves held by the Authority:

Invest to Redesign Reserve

To fund service redesign to either improve the service, generate income or reduce costs

I.T. Transformation Reserve

To invest in information technology in support of the organisations outcomes and generation of improved service efficiency, income generation or cost savings

Capital Investment Reserve

Created to accumulate contributions from revenue to finance future capital expenditure.

Priority Investment Reserve

To fund one off investment in the agreed priorities

Redundancy & Pension Reserve

To provide for the need to make commuted payments for early retirements and redundancies over a maximum period of five years but a recommended period of three years due to the low funding level of the Greater Gwent Fund.

Insurance & Risk Management Reserve

To assist in the management of the Council's insurance risks. To meet excesses and administration costs on claims against the Council, to provide cover on self-insured risks and contribute to risk management initiatives.

Treasury Equalisation Reserve

Originally created from rescheduling discounts and premia, intended for use under the concept of prudence to permit a long term view to be taken of treasury decisions.

Capital Receipt Generation Reserve

Securing capital receipts is a vital element of the Council's capital investment strategy. Improving the final disposal value by investment, either in the fabric of the asset or by proper disposal expertise ensures the Council obtains the best possible value for surplus assets. The reserve is used to finance the attributable costs of disposal of authority fixed assets that have struck against revenue, with reduced revenue contributions to capital being made from revenue in the years in which the respective capital receipts are realised and can be applied.

Single Status & Equal Pay Reserve

The implementation of single status job evaluation in 2007 was a mandatory requirement arising from the 2005 National pay settlement. The reserve is to cover any potential future costs as a result of the implementation of the Single Status Collective Agreement in Sept 2010 or any equal pay claims for which provision is not in place.

Other Reserves

These include a number of other reserves where separate classification is not deemed necessary due to the level of the reserve balance or its nature.

Restricted Use & Trading Reserves

Created from surpluses and deficits on the Authority's external and internal trading account activities and maintained to support and develop these services.

LMS School Balances

The amount of unspent budgets by authority maintained schools are also usable revenue reserves but have different characteristics to the other usable revenue reserves stated above.

The funds remain under the control of governors at the end of the financial year and are not available to the authority to apply to other purposes. They represent an earmarked reserve which is not available for the Authority to use generally.

Council Fund	At 1 April 2016			In Year	At 31 March		In Year	At 31 March
	£000			Movement	2017		Movement	2018
				£000	£000		£000	£000
General Revenue Account	8,267			0	8,267		0	8,267
of which:								
School Balances	1,156			0	1,156		0	1,156
Council Fund (Authority)	7,111			0	7,111		0	7,111
Earmarked Reserves	At 1 April 2016	Budgeted	Budgeted	Budgeted	Estimated	Estimated	Estimated	Estimated
		Contribution	Contribution	Contribution	Closing	Contribution	Contribution	Closing
		to Reserves	from	to/from	Balance 31	to Reserves	from	Balance
			Reserves	Reserves	March 2017		Reserves	31 March 2018
	£000	£000	£000	£000	£000	£000	£000	£000
Invest to Redesign Reserve	1,298	75	(683)	(608)	690	135	(166)	658
I.T. Transformation Reserve	827	0	(309)	(309)	517	0	0	517
Insurance and Risk Management Reserve	1,236	0	0	0	1,236	0	0	1,236
Capital Receipt Generation Reserve	322	0	(95)	(95)	227	0	(122)	105
Treasury Equalisation Reserve	990	0	0	0	990	0	0	990
Redundancy & Pension Reserve	1,274	0	(593)	(593)	682	0	(298)	383
Capital Investment Reserve	1,265	0	(619)	(619)	646	0	(12)	634
Priority Investment Reserve	1,120	0	(809)	(809)	311	0	(966)	(655)
Museums Acquisitions Reserve	57	0	0	0	57	0	0	57
Elections Reserve	108	25	0	25	133	25	(100)	58
Grass Routes Buses Reserve	140	5	0	5	145	5	0	150
	8,638	105	(3,108)	(3,004)	5,634	165	(1,665)	4,134
Restricted Use Reserves								
Building Control Trading Reserve	12	0	0	0	12	0	0	12
Youth Offending Team	325	0	0	0	325	0	0	325
CYP Maternity	104	0	0	0	104	0	0	104
Outdoor Education Centres Trading Reserve	190	0	0	0	190	0	0	190
iLearn Wales	0	0	0	0	0	0	0	0
	631	0	0	0	631	0	0	631
Total Useable Revenue Reserves	17,536	105	(3,108)	(3,004)	14,533	165	(1,665)	13,033

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SECTION 3

CONSOLIDATED REVENUE ACCOUNT
(GENERAL FUND)

SUMMARY

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Consolidated Revenue Account (General Fund) Summary

Statement of Service

Reference No.

Appropriation Section

CRA 1

Revenue Budgets for Interest and Investment Income, Interest Payable and Similar Charges, Contributions to/from Earmarked Reserves, Capital Expenditure financed from Revenue and the Charges required under Regulation.

Financing Section

CRA 2

Revenue budget income from General Government Grants, the Non-Domestic Rate Redistribution, Contributions to/from the General Fund and Council Tax

Budget Summary 2017/22

Subjective Classification	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Original Budget 2018/19 £000's	Indicative Budget 2019/20 £000's	Indicative Budget 2020/21 £000's	Indicative Budget 2021/22 £000's
Directly Managed Costs						
Children & Young People	49,571	49,676	50,164	50,355	50,505	50,657
Social Care & Health	43,398	43,363	45,344	46,012	47,033	47,230
Enterprise	10,015	9,873	11,013	10,527	10,585	10,661
Resources	7,706	7,729	7,205	7,214	7,283	7,353
Chief Executive Management	14,968	14,957	15,415	15,309	15,712	15,853
Corporate Costs & Levies	20,536	20,273	22,028	24,235	26,901	29,332
Net Direct Total	146,194	145,872	151,169	153,654	158,018	161,088
Indirectly Managed Costs						
Children & Young People	8,257	8,257	7,519	7,519	7,519	7,519
Social Care & Health	3,373	3,373	3,374	3,374	3,374	3,374
Enterprise	2,373	2,373	2,579	2,579	2,579	2,579
Resources	(6,103)	(6,102)	(6,249)	(6,249)	(6,249)	(6,249)
Chief Executive Management	5,245	5,287	5,198	5,198	5,198	5,198
Corporate Costs & Levies	(1,258)	(1,258)	(1,354)	(1,359)	(1,359)	(1,359)
Net Indirect Total	11,886	11,929	11,067	11,061	11,061	11,061
Net Cost of Services	158,080	157,800	162,236	164,715	169,080	172,149
Appropriation Section						
Interest and Investment Income	(138)	(21)	(60)	(272)	(272)	(272)
Interest Payable & Similar Charges	3,670	3,687	3,385	3,868	3,868	3,868
Contributions to/from Earmarked Reserves	(1,500)	(1,338)	(1,140)	307	(43)	(135)
Capital Expenditure Financed from Revenue	12	0	0	0	0	0
Charges required under Regulation	(8,134)	(7,827)	(6,691)	(6,755)	(6,755)	(6,755)
Attributable Costs - Fixed Asset Disposal	122	142	81	0	0	0
Amount to be met from government grants and local taxation	152,113	152,444	157,812	161,864	165,879	168,855
Financing Section						
General Government Grants	(61,380)	(61,380)	(63,091)	(61,956)	(60,840)	(59,745)
Non-Domestic Rate Redistribution	(30,419)	(30,419)	(30,177)	(29,634)	(29,100)	(28,577)
Contributions to/(from) General Fund	0	0	0	0	0	0
Council Tax	(60,314)	(60,645)	(64,544)	(66,721)	(68,979)	(71,322)
Shortfall / (Headroom) Budget	(0)	(0)	(0)	3,554	6,959	9,212

Budget Summary 2018/19

Sheet No:	Appropriation & Financing Service Area	Original Budget 2017/18 £000's	Revised Budget 2018/19 £000's	Original Budget 2018/19 £000's
	Appropriation Section			
CRA1 (a)	Interest and Investment Income	(138)	(21)	(60)
CRA1 (b)	Interest Payable and Similar Charges	3,670	3,687	3,385
CRA1 (c)	Contributions to/from earmarked reserves	(1,500)	(1,338)	(1,140)
CRA1 (d)	Capital Expenditure Financed from Revenue	12	0	0
CRA1 (e)	Charges required under Regulation	(8,134)	(7,827)	(6,691)
CRA1 (f)	Attributable Costs - Fixed Asset Disposal	122	142	81
	Appropriation Section Total	(5,968)	(5,357)	(4,424)
	Financing Section			
CRA2	General Government Grants	(61,380)	(61,380)	(63,091)
CRA2	Non-Domestic Rate Redistribution	(30,419)	(30,419)	(30,177)
CRA2	Council Tax - Monmouthshire County Council	(53,879)	(53,879)	(56,982)
CRA2	Council Tax - Gwent Police & Crime Commissioner Precept	(10,421)	(10,421)	(10,960)
CRA2	Council Tax - Community Councils Precept	(2,150)	(2,480)	(2,676)
CRA2	Council Tax - Reduction Scheme	6,135	6,135	6,074
CRA2	Contributions to/(from) General Fund	0	0	0
	Financing Total	(152,113)	(152,444)	(157,812)
	Total Appropriation and Financing Service Areas	(158,081)	(157,801)	(162,236)

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (a)

Appropriations Section

Interest and Investment Income

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Expenditure	0	0	0	0	0	0
Total Expenditure	0	0	0	0	0	0
Income						
Investment Portfolio Interest	0	0	0	0	0	0
Car Loan Interest	(2)	0	(2)	0	0	0
Cashflow Management Interest	(136)	(9)	(58)	(272)	(272)	(272)
Other Investment Income	0	(13)	0	0	0	
Total Income	(138)	(21)	(60)	(272)	(272)	(272)
Net Total	(138)	(21)	(60)	(272)	(272)	(272)

Budget Changes 2017/18 to 2018/19	(138)	
Virements	116	
Revised Budget 2017/18	(21)	(21)
Variance		(39)
Approved Budget 2018/19		(60)

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (b)

Appropriations Section

Interest Payable & Similar Charges

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Expenditure</i>						
Interest on External Debt held by MCC	3,645	3,678	3,271	3,755	3,755	3,755
Interest on External Debt held by other LAs	0	0	0	0	0	0
Interest on LMS School Balances	8	8	8	8	8	8
Interest on Cardiff City Deal	0	0	90	90	90	90
Interest on Vehicle Acquisition Recharge	21	12	20	19	19	19
Interest on Charitable Trust Fund Balances	10	3	10	10	10	10
Amortised Premium on Redeemed Debt	0	0	0	0	0	0
<i>Total Expenditure</i>	3,684	3,700	3,399	3,882	3,882	3,882
<i>Income</i>						
Asset Rental : Capital Financing Charge	0	0	0	0	0	0
HRA Capital Fin Charge - Permitted Debt	0	0	0	0	0	0
3rd Party Debt Reimbursement	(14)	(12)	(14)	(14)	(14)	(14)
Amortised Discount on Redeemed Debt	0	0	0	0	0	0
<i>Total Income</i>	(14)	(12)	(14)	(14)	(14)	(14)
Net Total	3,670	3,687	3,385	3,868	3,868	3,868

Budget Changes 2017/18 to 2018/19	3,670	
Virements	17	
Revised Budget 2017/18	3,687	3,687
Variance		(303)
Approved Budget 2018/19		3,385

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (c)

Appropriations Section

Contributions to/from Earmarked Reserves

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Expenditure						
Contributions to Earmarked Reserves						
Elections Reserve	25	0	25	25	25	25
Grass Routes Buses Reserve	5	5	5	5	5	5
Solar Farm Maintenance & Comm Fund	0	0	23	23	23	23
Invest to Redesign Reserve	135	0	171	381	0	0
Total Expenditure	165	5	224	434	53	53
Income						
Contributions from Earmarked Reserves						
To Finance Revenue						
Redundancy & Pensions Reserve	(298)	(298)	(164)	(88)	(88)	(88)
Elections Reserve	(100)	(75)	0	0	0	(100)
Invest to Redesign Reserve	(166)	(117)	(373)	(39)	(7)	0
Priority Investment Reserve	(966)	(556)	(599)	0	0	0
Capital Receipt Generation Reserve	(122)	(142)	(81)	0	0	0
Rural Development Plan Reserve	0	0	(86)	0	0	0
Invest to Save	0	0	0	0	0	0
IT Transformation Reserve	0	(154)	(60)	0	0	0
To Finance Capital						
Capital Receipt Generation Reserve	0	0	0	0	0	0
IT Transformation Reserve	0	0	0	0	0	0
Capital Support Reserve	(12)	0	0	0	0	0
Invest to Redesign Reserve	0	0	0	0	0	0
Total Income	(1,665)	(1,343)	(1,363)	(127)	(96)	(188)
Net Total	(1,500)	(1,338)	(1,140)	307	(43)	(135)
Budget Changes 2017/18 to 2018/19						
		(1,500)				
Virements						
		162				
Revised Budget 2017/18						
		(1,338)	(1,338)			
Variance						
			198			
Approved Budget 2018/19						
			(1,140)			

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (d)

Appropriations Section

Capital Expenditure Financed from Revenue

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Expenditure						
Use of Earmarked Reserves Contributions						
To Finance Revenue						
Capital Receipt Generation Reserve	0	0	0	0	0	0
IT Transformation Reserve	0	0	0	0	0	0
Capital Support Reserve	12	0	0	0	0	0
Invest to Redesign Reserve	0	0	0	0	0	0
To Finance Capital	0	0	0	0	0	0
Total Income	12	0	0	0	0	0
Net Total	12	0	0	0	0	0
Budget Changes 2017/18 to 2018/19		12				
Virements		(12)				
Revised Budget 2017/18		0	0			
Variance			0			
Approved Budget 2018/19			0			

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (e)

Appropriations Section

Charges required under Regulation

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Expenditure</i>						
Amortised Premium on Redeemed Debt	112	112	112	112	112	112
Minimum Revenue Provision (General Fund)	3,658	4,007	4,281	4,212	4,212	4,212
Amortisation of Government Grants Deferred	0	0	0	0	0	0
<i>Total Expenditure</i>	3,770	4,119	4,393	4,324	4,324	4,324
<i>Income</i>						
Renovation Grant Financing	0	0	0	0	0	0
Depreciation Charge Reversal	(11,887)	(11,929)	(11,066)	(11,061)	(11,061)	(11,061)
Amortised Discount on Redeemed Debt	(17)	(17)	(17)	(17)	(17)	(17)
<i>Total Expenditure</i>	(11,904)	(11,946)	(11,083)	(11,078)	(11,078)	(11,078)
Net Total	(8,134)	(7,827)	(6,691)	(6,755)	(6,755)	(6,755)
Budget Changes 2017/18 to 2018/19		(8,134)	(8,134)			
Virements		307				
Revised Budget 2017/18		(7,827)	(7,827)			
Variance			1,137			
Approved Budget 2018/19			(6,691)			

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 1 (f)

Appropriations Section

Attributable Costs - Capital Receipts Generation - Fixed Asset Disposal Costs

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Expenditure</i>						
Attributable Costs Fixed Asset Disposal - direct	122	142	81	0	0	0
<i>Total Expenditure</i>	122	142	81	0	0	0
Net Total	122	142	81	0	0	0

Budget Changes 2017/18 to 2018/19	122	122
Virements	20	
Revised Budget 2017/18	142	142
Variance		(61)
Approved Budget 2018/19		81

STATEMENT OF SERVICE 2017-22

Sheet No: CRA 2

Financing Section

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Income						
General Government Grants						
Revenue Support Grant	(61,380)	(61,380)	(63,091)	(61,956)	(60,840)	(59,745)
	(61,380)	(61,380)	(63,091)	(61,956)	(60,840)	(59,745)
Non-Domestic Rates Redistribution	(30,419)	(30,419)	(30,177)	(29,634)	(29,100)	(28,577)
Council Tax Incl. Precepts						
Monmouthshire County Council	(53,879)	(53,879)	(56,982)	(59,580)	(61,902)	(64,316)
Gwent Police & Crime Commissioner	(10,421)	(10,421)	(10,960)	(11,157)	(11,358)	(11,562)
Community Councils Precepts	(2,150)	(2,480)	(2,676)	(2,676)	(2,676)	(2,676)
Council Tax Reduction Scheme	6,135	6,135	6,074	6,693	6,958	7,233
Contribution (to) /from the General Fund	0	0	0	0	0	0
Total Income	(152,113)	(152,444)	(157,812)	(158,310)	(158,920)	(159,644)
Net Total	(152,113)	(152,444)	(157,812)	(158,310)	(158,920)	(159,644)
Budget Changes 2017/18 to 2018/19		(152,113)				
Virements		(330)				
Revised Budget 2017/18		(152,444)	(152,444)			
Variance			(5,368)			
Approved Budget 2018/19			(157,812)			

BUDGET 2018/19

SECTION 4

**CHILDREN & YOUNG PEOPLE
SERVICE**

PORTFOLIO

BUDGET 2018/19

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Children & Young People Service Portfolio

Standards

CYP 1

Special Support Services, Pupil Support Services, School Improvement Service and Additional Learning Needs.

Resources

CYP 2

Management of the Children & Young People Directorate, School Admissions, finance function for Schools and Adult Education and Health and Safety.

Individual Schools Budgets

CYP 3

The total of the funding delegated to School budgets for Teachers, Teaching Support Assistants, Administrative staff, Supplies and Services and other ancillary running costs.

Budget Summary 2018/19

Sheet No:	Children & Young People Service	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
CYP 1	Standards	4,982	4,983	5,112
CYP 2	Resources	1,422	1,373	1,470
CYP 3	Individual Schools Budgets	43,166	43,319	43,581
	Net Direct Total	49,571	49,676	50,164
	Indirectly Managed Costs			
CYP 1	Standards	205	205	208
CYP 2	Resources	523	523	552
CYP 3	Individual Schools Budgets	7,529	7,529	6,759
	Net Indirect Total	8,257	8,257	7,519
	Total Children & Young People Service Areas	57,828	57,933	57,683

STATEMENT OF SERVICE 2017-22

Service:

CHILDREN & YOUNG PEOPLE SERVICE BUDGET SUMMARY

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	2,313	2,410	2,105	2,147	2,190	2,212
Employee Related Other	837	837	817	817	817	817
Employee Related Savings	(36)	(36)	(26)	(26)	(27)	(27)
Premises Related	4	4	4	4	4	4
Transport Related	55	55	55	55	55	55
Supplies & Services	3,306	3,306	3,316	3,382	3,316	3,316
Agency & Contracted	50,315	50,322	51,202	51,286	51,459	51,590
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	56,793	56,898	57,473	57,664	57,814	57,966
Grant Income	(6,218)	(6,218)	(6,460)	(6,460)	(6,460)	(6,460)
Discretionary Fees & Charges	(3)	(3)	(3)	(3)	(3)	(3)
Other Income	(1,001)	(1,001)	(845)	(845)	(845)	(845)
<i>Total Direct Income</i>	(7,222)	(7,222)	(7,309)	(7,309)	(7,309)	(7,309)
<i>Net Direct Total</i>	49,571	49,676	50,164	50,355	50,505	50,657
<i>Indirectly Managed Costs</i>						
Accommodation Charges	44	44	48	48	48	48
Asset Rentals	6,817	6,817	6,037	6,037	6,037	6,037
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	261	261	262	262	262	262
Internal Insurance Premiums	146	146	140	140	140	140
Support Services Recharges	989	989	1,033	1,033	1,033	1,033
<i>Total Indirect Expenditure</i>	8,257	8,257	7,519	7,519	7,519	7,519
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	8,257	8,257	7,519	7,519	7,519	7,519
Net Service Total	57,828	57,933	57,683	57,875	58,024	58,176

STATEMENT OF SERVICE 2017-22

CYP 1

Service:

Standards

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	1,254	1,260	1,289	1,315	1,341	1,354
Employee Related Other	16	16	22	22	22	22
Employee Related Savings	(10)	(10)	0	0	0	0
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	2,996	2,996	2,997	3,063	2,997	2,997
Agency & Contracted	4,027	4,021	4,253	4,253	4,253	4,253
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	8,282	8,283	8,561	8,653	8,613	8,627
Grant Income	(3,180)	(3,180)	(3,341)	(3,341)	(3,341)	(3,341)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(120)	(120)	(108)	(108)	(108)	(108)
<i>Total Direct Income</i>	(3,300)	(3,300)	(3,449)	(3,449)	(3,449)	(3,449)
<i>Net Direct Total</i>	4,982	4,983	5,112	5,204	5,165	5,178
<i>Indirectly Managed Costs</i>						
Accommodation Charges	24	24	26	26	26	26
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	181	181	182	182	182	182
<i>Total Indirect Expenditure</i>	205	205	208	208	208	208
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	205	205	208	208	208	208
Net Service Total	5,188	5,189	5,320	5,412	5,372	5,386
Original Budget 2017/18						
		5,188				
Virements						
		1				
Revised Budget 2017/18						
		5,189	5,189			
Variance						
				132		
Approved Budget 2018/19						
				5,320		

STATEMENT OF SERVICE 2017-22

CYP 2

Service:

RESOURCES

CYP Management, School Admissions, Finance
and Health & safety

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
Employee Related Pay	1,052	1,003	809	826	842	850
Employee Related Other	821	821	795	795	795	795
Employee Related Savings	(26)	(26)	(26)	(26)	(27)	(27)
Premises Related	0	0	0	0	0	0
Transport Related	55	55	55	55	55	55
Supplies & Services	306	306	315	315	315	315
Agency & Contracted	130	130	269	269	269	269
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Total Direct Expenditure	2,339	2,290	2,218	2,233	2,249	2,257
Grant Income	(36)	(36)	(10)	(10)	(10)	(10)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(881)	(881)	(738)	(738)	(738)	(738)
Total Direct Income	(916)	(916)	(748)	(748)	(748)	(748)
Net Direct Total	1,422	1,373	1,470	1,486	1,501	1,509
Indirectly Managed Costs						
Accommodation Charges	20	20	22	22	22	22
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	146	146	140	140	140	140
Support Services Recharges	357	357	390	390	390	390
Total Indirect Expenditure	523	523	552	552	552	552
Indirect Income Recharges	0	0	0	0	0	0
Net Indirect Total	523	523	552	552	552	552
Net Service Total	1,945	1,896	2,022	2,038	2,054	2,061

Original Budget 2017/18	1,945	
Virements	(49)	
Revised Budget 2017/18	1,896	1,896
Variance		126
Approved Budget 2018/19		2,022

STATEMENT OF SERVICE 2017-22

CYP 3

Service:

Individual Schools Budgets

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	7	147	7	7	7	7
Employee Related Other	0	0	0	0	0	0
Employee Related Savings	0	0	0	0	0	0
Premises Related	4	4	4	4	4	4
Transport Related	0	0	0	0	0	0
Supplies & Services	3	3	3	3	3	3
Agency & Contracted	46,158	46,170	46,680	46,764	46,937	47,068
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	46,172	46,325	46,694	46,778	46,951	47,082
Grant Income	(3,002)	(3,002)	(3,109)	(3,109)	(3,109)	(3,109)
Discretionary Fees & Charges	(3)	(3)	(3)	(3)	(3)	(3)
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	(3,006)	(3,006)	(3,112)	(3,112)	(3,112)	(3,112)
<i>Net Direct Total</i>	43,166	43,319	43,581	43,666	43,839	43,970
<i>Indirectly Managed Costs</i>						
Accommodation Charges	0	0	0	0	0	0
Asset Rentals	6,817	6,817	6,037	6,037	6,037	6,037
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	261	261	261	261	261	261
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	451	451	461	461	461	461
<i>Total Indirect Expenditure</i>	7,529	7,529	6,759	6,759	6,759	6,759
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	7,529	7,529	6,759	6,759	6,759	6,759
Net Service Total	50,695	50,848	50,341	50,425	50,598	50,729

Original Budget 2017/18	50,695	
Virements	153	
Revised Budget 2017/18	50,848	50,848
Variance		(507)
Approved Budget 2018/19		50,341

BUDGET 2018/19

SECTION 5

**SOCIAL CARE & HEALTH
SERVICE**

PORTFOLIO

BUDGET 2018/19

INDEX OF SERVICES

Social Care & Health Services Portfolio

Adult Services

SCH 1

Includes services to adults across the County, which seek to enable them to live as independently as possible. Services include Domiciliary care, Resource Centres, Community Meals, a range of Day Services, Corporate Costs, South East Wales Care Partnership, Individual Support Services and links with the Voluntary Sector. The service is focussing increasingly on re-ablement, specialist services (e.g. EMI) and forging new partnerships with the voluntary sector.

Community Care

SCH 2

Includes a range of services to help adults live as independently as possible. Assessment and Care Management teams work closely with individuals and their families to assess needs and where necessary provide a package of care to meet those needs. This may include a range of domiciliary home care services and residential/nursing care and Aids & Adaptions . Also offer re-ablement services and support to people with physical, learning, sensory and mental disabilities. A further aspect of the role is ensuring that vulnerable adults are safeguarded via the multi-agency Protection of Vulnerable Adults procedures.

Partner

SCH 3

Partnership arrangements with other organisations such as Youth Offending

Children's Services

SCH 4

Services to help the most vulnerable children and families, including Child Protection, Children in Public Care, Home Finding, Youth Justice, Family Centres and Aids & Adaptations for disabled children.

Resources & Performance Management

SCH 5

Costs associated with supporting the Directorate. Services include IT, Finance, SWIFT and Performance Management.

Commissioning

SCH 6

The planning and commissioning do adult and children's health and social services for Aneurin Bevan Health Board (ABHB) Monmouthshire locality and Monmouthshire County Council

Public Protection

SCH 7

To deliver corporate services including, Trading Standards, Licensing, Public and Occupational Health Services as well as Community Safety and Policy. Provides the statutory duty to provide a Civil Registration Service for Monmouthshire to include Births, Deaths, Stillbirths, Marriages, Civil Partnerships and Citizenship Ceremonies.

Budget Summary 2018/19

Sheet No:	Social Care & Health Services	Original Budget 2017/18 £000's	Revised Budget 2018/19 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
SCH 1	Adult Services	6,945	6,983	7,212
SCH 2	Community Care	22,150	22,139	23,039
SCH 3	Partner	347	355	366
SCH 4	Children's Services	10,004	10,138	11,231
SCH 5	Resources and Performance Management	904	692	408
SCH 6	Commissioning	1,599	1,600	1,611
SCH 7	Public Protection	1,450	1,456	1,476
	Net Direct Total	43,398	43,363	45,344
	Indirectly Managed Costs			
SCH 1	Adult Services	1,415	1,415	1,217
SCH 2	Community Care	1,325	1,325	1,204
SCH 3	Partner	86	86	90
SCH 4	Children's Services	993	993	1,009
SCH 5	Resources and Performance Management	(904)	(904)	(558)
SCH 6	Commissioning	212	212	167
SCH 7	Public Protection	246	246	246
	Net Indirect Total	3,373	3,373	3,374
	Total Social Care & Health Service Areas	46,772	46,736	48,717

STATEMENT OF SERVICE 2017-22

Service:

SOCIAL CARE & HEALTH SERVICES

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	18,701	18,884	19,772	20,167	20,571	20,777
Employee Related Other	433	430	412	412	412	412
Employee Related Savings	(371)	(370)	(394)	(402)	(410)	(418)
Premises Related	298	298	328	328	328	328
Transport Related	323	279	299	299	299	299
Supplies & Services	1,636	1,640	1,771	1,771	1,771	1,771
Agency & Contracted	31,043	31,000	32,114	32,395	33,020	33,020
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	52,062	52,161	54,304	54,972	55,992	56,190
Grant Income	(4,542)	(4,556)	(4,509)	(4,509)	(4,509)	(4,509)
Discretionary Fees & Charges	(820)	(833)	(881)	(881)	(881)	(881)
Other Income	(3,302)	(3,410)	(3,570)	(3,570)	(3,570)	(3,570)
<i>Total Direct Income</i>	(8,664)	(8,798)	(8,960)	(8,960)	(8,960)	(8,960)
<i>Net Direct Total</i>	43,398	43,363	45,344	46,012	47,033	47,230
<i>Indirectly Managed Costs</i>						
Accommodation Charges	258	258	272	272	272	272
Asset Rentals	263	263	274	274	274	274
Grounds Maintenance	19	19	19	19	19	19
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	69	69	69	69	69	69
Internal Insurance Premiums	9	13	9	9	9	9
Support Services Recharges	4,112	4,108	3,776	3,776	3,776	3,776
<i>Total Indirect Expenditure</i>	4,730	4,729	4,420	4,420	4,420	4,420
Indirect Income Recharges	(1,356)	(1,356)	(1,046)	(1,046)	(1,046)	(1,046)
<i>Net Indirect Total</i>	3,373	3,373	3,374	3,374	3,374	3,374
<i>Net Service Total</i>	46,772	46,736	48,717	49,386	50,406	50,604

STATEMENT OF SERVICE 2017-22

SCH 1

Service: **Adult Services**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	7,092	7,122	7,273	7,418	7,567	7,642
Employee Related Other	117	110	98	98	98	98
Employee Related Savings	(139)	(139)	(140)	(143)	(145)	(148)
Premises Related	174	176	206	206	206	206
Transport Related	80	80	82	82	82	82
Supplies & Services	430	428	462	462	462	462
Agency & Contracted	146	161	144	144	144	144
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	7,899	7,938	8,125	8,267	8,413	8,486
Grant Income	(585)	(599)	(540)	(540)	(540)	(540)
Discretionary Fees & Charges	(303)	(323)	(346)	(346)	(346)	(346)
Other Income	(67)	(33)	(26)	(26)	(26)	(26)
<i>Total Direct Income</i>	(955)	(955)	(912)	(912)	(912)	(912)
<i>Net Direct Total</i>	6,945	6,983	7,212	7,355	7,501	7,573
<i>Indirectly Managed Costs</i>						
Accommodation Charges	11	11	11	11	11	11
Asset Rentals	219	219	166	166	166	166
Grounds Maintenance	15	15	15	15	15	15
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	68	68	68	68	68	68
Internal Insurance Premiums	8	13	5	5	5	5
Support Services Recharges	1,095	1,091	953	953	953	953
<i>Total Indirect Expenditure</i>	1,415	1,415	1,217	1,217	1,217	1,217
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	1,415	1,415	1,217	1,217	1,217	1,217
Net Service Total	8,360	8,398	8,430	8,573	8,718	8,791

Original Budget 2017/18	8,360	
Virements	38	
Revised Budget 2017/18	8,398	8,398
Variance		31
Approved Budget 2018/19		8,430

STATEMENT OF SERVICE 2017-22

SCH 2

Service: **Community Care**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	3,951	4,015	4,148	4,231	4,316	4,359
Employee Related Other	112	112	112	112	112	112
Employee Related Savings	(79)	(79)	(83)	(84)	(86)	(88)
Premises Related	0	0	0	0	0	0
Transport Related	28	28	28	28	28	28
Supplies & Services	28	28	28	28	28	28
Agency & Contracted	22,251	22,175	23,026	23,118	23,743	23,862
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	26,291	26,279	27,260	27,433	28,141	28,302
Grant Income	(910)	(910)	(910)	(910)	(910)	(910)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(3,230)	(3,230)	(3,311)	(3,311)	(3,311)	(3,311)
<i>Total Direct Income</i>	(4,140)	(4,140)	(4,221)	(4,221)	(4,221)	(4,221)
<i>Net Direct Total</i>	22,150	22,139	23,039	23,213	23,921	24,081
<i>Indirectly Managed Costs</i>						
Accommodation Charges	29	29	30	30	30	30
Asset Rentals	43	43	45	45	45	45
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	1,253	1,253	1,128	1,128	1,128	1,128
<i>Total Indirect Expenditure</i>	1,325	1,325	1,204	1,204	1,204	1,204
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	1,325	1,325	1,204	1,204	1,204	1,204
Net Service Total	23,476	23,464	24,243	24,417	25,125	25,285

Original Budget 2017/18	23,476	
Virements	(11)	
Revised Budget 2017/18	23,464	23,464
Variance		779
Approved Budget 2018/19		24,243

STATEMENT OF SERVICE 2017-22

SCH 3

Service: **Partner**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	1,179	1,188	1,224	1,249	1,274	1,286
Employee Related Other	47	47	47	47	47	47
Employee Related Savings	(24)	(24)	(24)	(25)	(25)	(26)
Premises Related	54	54	54	54	54	54
Transport Related	1	1	1	1	1	1
Supplies & Services	101	101	107	107	107	107
Agency & Contracted	(24)	(24)	40	40	40	40
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	1,335	1,343	1,448	1,472	1,497	1,509
Grant Income	(988)	(988)	(1,000)	(1,000)	(1,000)	(1,000)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	0	0	(82)	(82)	(82)	(82)
<i>Total Direct Income</i>	(988)	(988)	(1,082)	(1,082)	(1,082)	(1,082)
<i>Net Direct Total</i>	347	355	366	390	415	427
<i>Indirectly Managed Costs</i>						
Accommodation Charges	0	0	0	0	0	0
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	86	86	90	90	90	90
<i>Total Indirect Expenditure</i>	86	86	90	90	90	90
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	86	86	90	90	90	90
Net Service Total	433	441	456	480	504	517

Original Budget 2017/18	433	
Virements	9	
Revised Budget 2017/18	441	441
Variance		15
Approved Budget 2018/19		456

STATEMENT OF SERVICE 2017-22

SCH 4

Service: **Children's Services**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	3,552	3,793	4,541	4,632	4,725	4,772
Employee Related Other	109	115	105	105	105	105
Employee Related Savings	(71)	(73)	(91)	(92)	(94)	(96)
Premises Related	64	63	63	63	63	63
Transport Related	3	3	3	3	3	3
Supplies & Services	792	798	918	918	918	918
Agency & Contracted	5,578	5,596	5,853	6,042	6,042	5,923
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	10,028	10,295	11,393	11,671	11,762	11,688
Grant Income	(20)	(20)	(20)	(20)	(20)	(20)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(4)	(138)	(143)	(143)	(143)	(143)
<i>Total Direct Income</i>	(24)	(158)	(163)	(163)	(163)	(163)
<i>Net Direct Total</i>	10,004	10,138	11,231	11,509	11,599	11,526
<i>Indirectly Managed Costs</i>						
Accommodation Charges	136	136	144	144	144	144
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	3	3	3	3
Support Services Recharges	857	857	861	861	861	861
<i>Total Indirect Expenditure</i>	993	993	1,009	1,009	1,009	1,009
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	993	993	1,009	1,009	1,009	1,009
Net Service Total	10,997	11,131	12,239	12,517	12,608	12,534

Original Budget 2017/18	10,997	
Virements	134	
Revised Budget 2017/18	11,131	11,131
Variance		1,109
Approved Budget 2018/19		12,239

STATEMENT OF SERVICE 2017-22

SCH 5

Service: **Resources & Performance Management**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	653	485	238	243	247	250
Employee Related Other	10	7	5	5	5	5
Employee Related Savings	(13)	(11)	(10)	(10)	(10)	(11)
Premises Related	0	0	0	0	0	0
Transport Related	156	112	130	130	130	130
Supplies & Services	32	32	13	13	13	13
Agency & Contracted	66	66	32	32	32	32
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	904	692	408	412	417	419
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	0	0	0	0	0	0
<i>Net Direct Total</i>	904	692	408	412	417	419
<i>Indirectly Managed Costs</i>						
Accommodation Charges	15	15	16	16	16	16
Asset Rentals	0	0	62	62	62	62
Grounds Maintenance	4	4	4	4	4	4
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	1	1	1	1	1	1
Internal Insurance Premiums	0	1	1	1	1	1
Support Services Recharges	268	267	233	233	233	233
<i>Total Indirect Expenditure</i>	287	287	318	318	318	318
Indirect Income Recharges	(1,191)	(1,191)	(876)	(876)	(876)	(876)
<i>Net Indirect Total</i>	(904)	(904)	(558)	(558)	(558)	(558)
Net Service Total	(0)	(212)	(151)	(146)	(141)	(139)

Original Budget 2017/18	(0)
Virements	(212)
Revised Budget 2017/18	(212)
Variance	61
Approved Budget 2018/19	(151)

STATEMENT OF SERVICE 2017-22

SCH 6

Service:

Commissioning

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	485	486	508	518	528	533
Employee Related Other	12	12	12	12	12	12
Employee Related Savings	(10)	(10)	(10)	(10)	(11)	(11)
Premises Related	5	5	5	5	5	5
Transport Related	19	19	19	19	19	19
Supplies & Services	109	109	99	99	99	99
Agency & Contracted	3,018	3,018	3,018	3,018	3,018	3,018
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	3,638	3,640	3,650	3,660	3,670	3,675
Grant Income	(2,039)	(2,039)	(2,039)	(2,039)	(2,039)	(2,039)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	(2,039)	(2,039)	(2,039)	(2,039)	(2,039)	(2,039)
<i>Net Direct Total</i>	1,599	1,600	1,611	1,621	1,631	1,636
<i>Indirectly Managed Costs</i>						
Accommodation Charges	15	15	16	16	16	16
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	197	197	151	151	151	151
<i>Total Indirect Expenditure</i>	212	212	167	167	167	167
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	212	212	167	167	167	167
Net Service Total	1,811	1,812	1,778	1,788	1,798	1,803

Original Budget 2017/18	1,811	
Virements	1	
Revised Budget 2017/18	1,812	1,812
Variance		(35)
Approved Budget 2018/19		1,778

STATEMENT OF SERVICE 2017-22

SCH 7

Service: **Public Protection**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
Employee Related Pay	1,789	1,795	1,840	1,877	1,915	1,934
Employee Related Other	26	26	34	34	34	34
Employee Related Savings	(35)	(35)	(36)	(37)	(38)	(38)
Premises Related	2	2	2	2	2	2
Transport Related	36	36	36	36	36	36
Supplies & Services	143	143	144	144	144	144
Agency & Contracted	8	8	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Total Direct Expenditure	1,968	1,974	2,019	2,055	2,092	2,111
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(517)	(510)	(535)	(535)	(535)	(535)
Other Income	(1)	(8)	(8)	(8)	(8)	(8)
Total Direct Income	(518)	(518)	(543)	(543)	(543)	(543)
Net Direct Total	1,450	1,456	1,476	1,512	1,549	1,567
Indirectly Managed Costs						
Accommodation Charges	53	53	55	55	55	55
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	357	357	361	361	361	361
Total Indirect Expenditure	410	410	416	416	416	416
Indirect Income Recharges	(165)	(165)	(170)	(170)	(170)	(170)
Net Indirect Total	246	246	246	246	246	246
Net Service Total	1,695	1,701	1,722	1,758	1,795	1,813

Original Budget 2017/18	1,695	
Virements	6	
Revised Budget 2017/18	1,701	1,701
Variance		21
Approved Budget 2018/19		1,722

BUDGET 2018/19

SECTION 6

ENTERPRISE

PORTFOLIO

BUDGET 2018/19

INDEX OF SERVICES

ENTERPRISE PORTFOLIO

Business Growth & Enterprise

ENT 1

Provision of Administration and Managerial support to the Enterprise Directorate. Service aims - to 'serve' internal and external customers through the provision of an enterprise mind-set and skill-set. This enables investment in building the capacity needed for future public service delivery both in terms of creating a prosperous and growing economy and in relation to public servants with the behaviours and skills to deliver 21st century public services. The service contributes to the core purpose of 'sustainable and resilient communities' through a focus on a vibrant economy through the Business Growth and Enterprise Strategy and the Rural Development Plan; connecting people to performance through the People and Organisational Development Strategy and connecting the county and council through an ambitious digital strategy - County.

Tourism Life & Culture

ENT 2

Service aims – to promote healthier lives and inspirational experiences and promote the vibrancy of Monmouthshire as a great place to be. We achieve this with the provision of a number of services – providing high quality leisure centres, sports development, outdoor education centres, museums, attractions, youth, countryside and tourism services. We work with a range of partners to support local businesses (e.g. Tourism partnerships), community groups (sports clubs, village halls) countryside (National Resources Wales & AONB) and encourage inward investment through grants and other external funding. We support other providers to improve the outcomes for residents, visitors and workers in Monmouthshire.

Planning & Housing

ENT 3

Service aims - to provide and fulfil the Council's statutory land-use planning and development management functions. To produce the Local Development Plan in a sustainable way that passes the 'test of soundness' linked to the Single Integrated Plan and ensure a five year housing land supply.

Governance, Democracy & Support

ENT 4

To administer the democratic process and to be accountable for local government in Monmouthshire. To deliver corporate services including, Communications and Web Content, Improvement, Health Alliance, Welsh Language and Equalities, Community Safety and Policy, Community Education, Library Services, Democratic Services & Member Support, Elections, Registrars, Training, Innovation, Emergency Planning and Customer Relations.

Budget Summary 2018/19

Sheet No:	Enterprise	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
ENT 1	Business Growth and Enterprise	1,350	1,244	1,410
ENT 2	Tourism Life & Culture	2,894	3,178	3,521
ENT 3	Planning & Housing	1,845	1,478	2,090
ENT 4	Governance, Democracy & Support	3,927	3,973	3,993
	Net Direct Total	10,015	9,873	11,013
	Indirectly Managed Costs			
ENT 1	Business Growth and Enterprise	137	(11)	(340)
ENT 2	Tourism Life & Culture	2,579	2,727	2,834
ENT 3	Planning & Housing	623	623	655
ENT 4	Governance, Democracy & Support	(967)	(967)	(570)
	Net Indirect Total	2,373	2,373	2,579
	Total Enterprise Service Areas	12,388	12,246	13,592

STATEMENT OF SERVICE 2017-22

Service:

ENTERPRISE SERVICE AREA BUDGET SUMMARY

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	13,475	13,839	13,862	13,862	13,862	13,862
Employee Related Other	221	222	149	149	149	149
Employee Related Savings	(249)	(257)	(275)	(281)	(286)	(292)
Premises Related	1,341	1,352	1,293	1,293	1,293	1,293
Transport Related	136	135	131	131	131	131
Supplies & Services	3,917	3,741	3,860	3,379	3,443	3,525
Agency & Contracted	311	311	290	290	290	290
Transfer Payments	(38)	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	19,113	19,342	19,309	18,822	18,881	18,957
Grant Income	(2,494)	(2,638)	(2,323)	(2,323)	(2,323)	(2,323)
Discretionary Fees & Charges	(5,864)	(5,919)	(5,045)	(5,045)	(5,045)	(5,045)
Other Income	(739)	(911)	(927)	(927)	(927)	(927)
<i>Total Direct Income</i>	(9,097)	(9,468)	(8,295)	(8,295)	(8,295)	(8,295)
<i>Net Direct Total</i>	10,015	9,873	11,013	10,527	10,585	10,661
<i>Indirectly Managed Costs</i>						
Accommodation Charges	259	259	278	278	278	278
Asset Rentals	1,541	1,541	1,332	1,332	1,332	1,332
Grounds Maintenance	17	17	18	18	18	18
Contract Cleaning	28	28	29	29	29	29
Building Maintenance	290	290	290	290	290	290
Internal Insurance Premiums	23	23	31	31	31	31
Support Services Recharges	3,299	3,299	3,552	3,552	3,552	3,552
<i>Total Indirect Expenditure</i>	5,459	5,459	5,531	5,531	5,531	5,531
Indirect Income Recharges	(3,086)	(3,086)	(2,952)	(2,952)	(2,952)	(2,952)
<i>Net Indirect Total</i>	2,373	2,373	2,579	2,579	2,579	2,579
<i>Net Service Total</i>	12,388	12,246	13,592	13,105	13,164	13,240

STATEMENT OF SERVICE 2017-22

ENT 1

Service: **Business Growth & Enterprise**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
Employee Related Pay	2,045	2,133	2,184	2,184	2,184	2,184
Employee Related Other	105	101	22	22	22	22
Employee Related Savings	(26)	(33)	(40)	(41)	(42)	(43)
Premises Related	89	19	1	1	1	1
Transport Related	8	8	0	0	0	0
Supplies & Services	1,393	1,332	702	583	683	683
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Total Direct Expenditure	3,614	3,561	2,869	2,749	2,848	2,847
Grant Income	(1,129)	(1,381)	(1,317)	(1,317)	(1,317)	(1,317)
Discretionary Fees & Charges	(953)	(812)	0	0	0	0
Other Income	(182)	(123)	(141)	(141)	(141)	(141)
Total Direct Income	(2,264)	(2,316)	(1,458)	(1,458)	(1,458)	(1,458)
Net Direct Total	1,350	1,244	1,410	1,290	1,390	1,389
Indirectly Managed Costs						
Accommodation Charges	42	42	46	46	46	46
Asset Rentals	19	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	18	0	0	0	0	0
Building Maintenance	9	0	0	0	0	0
Internal Insurance Premiums	8	2	2	2	2	2
Support Services Recharges	664	567	601	601	601	601
Total Indirect Expenditure	760	612	649	649	649	649
Indirect Income Recharges	(623)	(623)	(989)	(989)	(989)	(989)
Net Indirect Total	137	(11)	(340)	(340)	(340)	(340)
Net Service Total	1,488	1,234	1,070	950	1,049	1,048

Original Budget 2017/18	1,488	
Virements	(254)	
Revised Budget 2017/18	1,234	1,234
Variance		-164
Approved Budget 2018/19		1,070

STATEMENT OF SERVICE 2017-22

ENT 2

Service: **Tourism Life & Culture**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	5,364	5,654	5,791	5,791	5,791	5,791
Employee Related Other	41	44	50	50	50	50
Employee Related Savings	(107)	(107)	(116)	(119)	(121)	(123)
Premises Related	826	900	882	882	882	882
Transport Related	90	90	96	96	96	96
Supplies & Services	1,019	1,078	1,297	1,197	1,197	1,279
Agency & Contracted	231	231	216	216	216	216
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	7,465	7,890	8,216	8,114	8,111	8,191
Grant Income	(615)	(619)	(581)	(581)	(581)	(581)
Discretionary Fees & Charges	(3,479)	(3,584)	(3,632)	(3,632)	(3,632)	(3,632)
Other Income	(477)	(509)	(482)	(482)	(482)	(482)
<i>Total Direct Income</i>	(4,571)	(4,712)	(4,695)	(4,695)	(4,695)	(4,695)
<i>Net Direct Total</i>	2,894	3,178	3,521	3,418	3,416	3,496
<i>Indirectly Managed Costs</i>						
Accommodation Charges	32	32	35	35	35	35
Asset Rentals	1,198	1,217	1,150	1,150	1,150	1,150
Grounds Maintenance	14	14	14	14	14	14
Contract Cleaning	11	28	29	29	29	29
Building Maintenance	204	213	213	213	213	213
Internal Insurance Premiums	13	18	24	24	24	24
Support Services Recharges	1,108	1,205	1,368	1,368	1,368	1,368
<i>Total Indirect Expenditure</i>	2,579	2,727	2,834	2,834	2,834	2,834
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	2,579	2,727	2,834	2,834	2,834	2,834
Net Service Total	5,473	5,905	6,355	6,253	6,250	6,330

Original Budget 2017/18	5,473	
Virements	432	
Revised Budget 2017/18	5,905	5,905
Variance		450
Approved Budget 2018/19		6,355

STATEMENT OF SERVICE 2017-22

ENT 3

Service:

PLANNING & HOUSING

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	2,411	2,447	2,441	2,441	2,441	2,441
Employee Related Other	31	35	34	34	34	34
Employee Related Savings	(48)	(49)	(49)	(50)	(51)	(52)
Premises Related	310	310	303	303	303	303
Transport Related	22	22	20	20	20	20
Supplies & Services	944	704	1,268	1,206	1,070	1,070
Agency & Contracted	79	79	74	74	74	74
Transfer Payments	(38)	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	3,711	3,548	4,091	4,028	3,891	3,890
Grant Income	(600)	(488)	(425)	(425)	(425)	(425)
Discretionary Fees & Charges	(1,261)	(1,377)	(1,347)	(1,347)	(1,347)	(1,347)
Other Income	(6)	(204)	(229)	(229)	(229)	(229)
<i>Total Direct Income</i>	(1,866)	(2,070)	(2,001)	(2,001)	(2,001)	(2,001)
<i>Net Direct Total</i>	1,845	1,478	2,090	2,027	1,890	1,889
<i>Indirectly Managed Costs</i>						
Accommodation Charges	78	78	85	85	85	85
Asset Rentals	11	11	11	11	11	11
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	3	3	3	3
Support Services Recharges*	533	533	556	556	556	556
<i>Total Indirect Expenditure</i>	623	623	655	655	655	655
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	623	623	655	655	655	655
Net Service Total	2,468	2,101	2,745	2,682	2,545	2,543

Original Budget 2017/18	2,468	
Virements	(367)	
Revised Budget 2017/18	2,101	2,101
Variance		643
Approved Budget 2018/19		2,745

STATEMENT OF SERVICE 2017-22

ENT 4

Service:

Governance, Democracy & Support

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	3,654	3,606	3,446	3,446	3,446	3,446
Employee Related Other	42	43	42	42	42	42
Employee Related Savings	(68)	(69)	(69)	(71)	(72)	(73)
Premises Related	116	122	107	107	107	107
Transport Related	16	15	15	15	15	15
Supplies & Services	562	627	593	393	493	493
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	4,323	4,343	4,133	3,932	4,030	4,029
Grant Income	(150)	(150)	0	0	0	0
Discretionary Fees & Charges	(172)	(146)	(66)	(66)	(66)	(66)
Other Income	(74)	(74)	(75)	(75)	(75)	(75)
<i>Total Direct Income</i>	(396)	(370)	(141)	(141)	(141)	(141)
<i>Net Direct Total</i>	3,927	3,973	3,993	3,791	3,890	3,888
<i>Indirectly Managed Costs</i>						
Accommodation Charges	107	107	112	112	112	112
Asset Rentals	313	313	171	171	171	171
Grounds Maintenance	3	3	3	3	3	3
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	76	76	77	77	77	77
Internal Insurance Premiums	3	3	3	3	3	3
Support Services Recharges	994	994	1,027	1,027	1,027	1,027
<i>Total Indirect Expenditure</i>	1,497	1,497	1,393	1,393	1,393	1,393
Indirect Income Recharges	(2,464)	(2,464)	(1,963)	(1,963)	(1,963)	(1,963)
<i>Net Indirect Total</i>	(967)	(967)	(570)	(570)	(570)	(570)
Net Service Total	2,960	3,006	3,423	3,221	3,320	3,319

Original Budget 2017/18	2,960	
Virements	46	
Revised Budget 2017/18	3,006	3,006
Variance		416
Approved Budget 2018/19		3,423

BUDGET 2018/19

SECTION 7

RESOURCES

PORTFOLIO

BUDGET 2018/19

INDEX OF SERVICES

RESOURCES PORTFOLIO

Finance

RES 1

To provide accounts and systems which enable the Council to properly manage its financial affairs within the legislation set by Government by; Supporting the services of the Council with robust and effective financial systems and timely and appropriate financial information and advice, and support services in relation to VAT and creditor payment services. To provide an internal audit service to the Authority. To provide a council tax, business rate and debtors collection service. To pay benefits and provide a cashiering and banking service.

Information Communication & Technology

RES 2

Provides Information Management and Information Communication Services to the authority and supports the joint collaboration Shared Resources Service (SRS) in conjunction with Gwent Police, Torfaen and Blaenau Gwent Councils.

People

RES 3

Provides a range of services including Communications & Public Information, Payroll Services, Senior Leadership Support, Training, Innovation, Emergency Planning and Customer Relations.

Commercial, Corporate & Landlord Services

RES 4

Service aims - to enable communities to build their own resilience and viability in order to avoid demand for council services. We achieve this principally through Whole Place planning and delivery (Whole Place Strategy) and providing opportunities for community ownership and empowerment. This is supported by a strategic approach to asset management (Strategic Asset Management Plan); integrated community service provision (Community Hubs) and enabling the appropriate quality, variety and affordability of housing (Housing Strategy).

Budget Summary 2018/19

Sheet No:	RESOURCES	Original Budget 2017/18 £000's	Revised Budget 2018/19 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
RES1	Finance	2,246	2,434	2,211
RES 2	Information Communication Technology	2,420	2,582	2,549
RES 3	People	1,578	1,577	1,602
RES 4	Commercial, Corporate & Landlord Services	1,461	1,135	844
	Net Direct Total	7,706	7,729	7,205
	Indirectly Managed Costs			
RES1	Finance	(1,093)	(1,092)	(1,236)
RES 2	Information Communication Technology	(2,420)	(2,420)	(2,566)
RES 3	People	(1,254)	(1,254)	(1,374)
RES 4	Commercial, Corporate & Landlord Services	(1,335)	(1,335)	(1,074)
	Net Indirect Total	(6,103)	(6,102)	(6,249)
	Total Resources Service Areas	1,602	1,627	956

STATEMENT OF SERVICE 2017-22

Service:

**RESOURCES
BUDGET SUMMARY**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	5,880	5,927	5,922	6,041	6,161	6,223
Employee Related Other	139	149	124	124	124	124
Employee Related Savings	(118)	(118)	(118)	(121)	(123)	(126)
Premises Related	1,819	1,885	1,802	1,802	1,802	1,802
Transport Related	46	46	37	37	37	37
Supplies & Services	2,069	2,256	1,896	1,896	1,896	1,896
Agency & Contracted	23,928	23,866	23,892	23,785	23,735	23,746
Transfer Payments	(30)	47	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	33,734	34,058	33,555	33,565	33,633	33,703
Grant Income	(22,218)	(22,218)	(22,213)	(22,213)	(22,213)	(22,213)
Discretionary Fees & Charges	(1,858)	(1,761)	(1,754)	(1,754)	(1,754)	(1,754)
Other Income	(1,952)	(2,350)	(2,383)	(2,383)	(2,383)	(2,383)
<i>Total Direct Income</i>	(26,028)	(26,330)	(26,350)	(26,350)	(26,350)	(26,350)
<i>Net Direct Total</i>	7,706	7,729	7,205	7,214	7,283	7,353
<i>Indirectly Managed Costs</i>						
Accommodation Charges	212	212	235	235	235	235
Asset Rentals	679	679	824	824	824	824
Grounds Maintenance	315	315	323	323	323	323
Contract Cleaning	2	2	2	2	2	2
Building Maintenance	46	46	46	46	46	46
Internal Insurance Premiums	338	338	396	396	396	396
Support Services Recharges	2,576	2,577	2,628	2,628	2,628	2,628
<i>Total Indirect Expenditure</i>	4,169	4,170	4,454	4,454	4,454	4,454
Indirect Income Recharges	(10,272)	(10,272)	(10,703)	(10,703)	(10,703)	(10,703)
<i>Net Indirect Total</i>	(6,103)	(6,102)	(6,249)	(6,249)	(6,249)	(6,249)
<i>Net Service Total</i>	1,602	1,627	956	966	1,034	1,104

STATEMENT OF SERVICE 2017-22

RES 1

Service:

Finance

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	1,953	1,994	2,036	2,077	2,118	2,140
Employee Related Other	77	77	76	76	76	76
Employee Related Savings	(40)	(40)	(41)	(41)	(42)	(43)
Premises Related	6	6	6	6	6	6
Transport Related	10	10	10	10	10	10
Supplies & Services	989	1,067	882	882	882	882
Agency & Contracted	21,676	21,676	21,663	21,556	21,506	21,517
Transfer Payments	(30)	47	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	24,641	24,837	24,632	24,565	24,556	24,587
Grant Income	(22,218)	(22,218)	(22,213)	(22,213)	(22,213)	(22,213)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(177)	(185)	(207)	(207)	(207)	(207)
<i>Total Direct Income</i>	(22,396)	(22,403)	(22,421)	(22,421)	(22,421)	(22,421)
<i>Net Direct Total</i>	2,246	2,434	2,211	2,144	2,135	2,166
<i>Indirectly Managed Costs</i>						
Accommodation Charges	77	77	83	83	83	83
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	11	11	9	9	9	9
Support Services Recharges*	1,275	1,276	1,205	1,205	1,205	1,205
<i>Total Indirect Expenditure</i>	1,363	1,364	1,298	1,298	1,298	1,298
Indirect Income Recharges	(2,456)	(2,456)	(2,533)	(2,533)	(2,533)	(2,533)
<i>Net Indirect Total</i>	(1,093)	(1,092)	(1,236)	(1,236)	(1,236)	(1,236)
Net Service Total	1,153	1,342	976	908	899	931

Original Budget 2017/18	1,153	
Virements	190	
Revised Budget 2017/18	1,342	1,342
Variance		(367)
Approved Budget 2018/19		976

STATEMENT OF SERVICE 2017-22

RES 2

Service: **Information Communication Technology**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	262	335	283	288	294	297
Employee Related Other	2	2	1	1	1	1
Employee Related Savings	(5)	(5)	(5)	(5)	(6)	(6)
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	28	77	56	56	56	56
Agency & Contracted	2,236	2,174	2,214	2,214	2,214	2,214
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	2,523	2,582	2,549	2,554	2,560	2,563
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(103)	0	0	0	0	0
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	(103)	0	0	0	0	0
<i>Net Direct Total</i>	2,420	2,582	2,549	2,554	2,560	2,563
<i>Indirectly Managed Costs</i>						
Accommodation Charges	5	5	5	5	5	5
Asset Rentals	296	296	378	378	378	378
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges*	117	117	144	144	144	144
<i>Total Indirect Expenditure</i>	418	418	528	528	528	528
Indirect Income Recharges	(2,838)	(2,838)	(3,094)	(3,094)	(3,094)	(3,094)
<i>Net Indirect Total</i>	(2,420)	(2,420)	(2,566)	(2,566)	(2,566)	(2,566)
Net Service Total	(0)	162	(17)	(12)	(6)	(3)

Original Budget 2017/18	(0)	
Virements	162	
Revised Budget 2017/18	162	162
Variance		(179)
Approved Budget 2018/19		(17)

STATEMENT OF SERVICE 2017-22

RES 3

Service:

PEOPLE

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	1,517	1,506	1,607	1,639	1,671	1,688
Employee Related Other	17	26	20	20	20	20
Employee Related Savings	(30)	(30)	(32)	(32)	(33)	(34)
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	221	221	163	163	163	163
Agency & Contracted	5	5	5	5	5	5
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	1,729	1,728	1,763	1,794	1,826	1,842
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(10)	(16)	(10)	(10)	(10)	(10)
Other Income	(141)	(135)	(151)	(151)	(151)	(151)
<i>Total Direct Income</i>	(151)	(151)	(161)	(161)	(161)	(161)
<i>Net Direct Total</i>	1,578	1,577	1,602	1,633	1,665	1,682
<i>Indirectly Managed Costs</i>						
Accommodation Charges	55	55	60	60	60	60
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	4	4	3	3	3	3
Support Services Recharges*	376	376	390	390	390	390
<i>Total Indirect Expenditure</i>	435	435	453	453	453	453
Indirect Income Recharges	(1,690)	(1,690)	(1,826)	(1,826)	(1,826)	(1,826)
<i>Net Indirect Total</i>	(1,254)	(1,254)	(1,374)	(1,374)	(1,374)	(1,374)
Net Service Total	324	323	228	260	292	308

Original Budget 2017/18	324	
Virements	(1)	
Revised Budget 2017/18	323	323
Variance		(95)
Approved Budget 2018/19		228

STATEMENT OF SERVICE 2017-22

RES 4

Service: Commercial, Corporate and Landlord Services

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	2,148	2,092	1,997	2,037	2,077	2,098
Employee Related Other	44	44	27	27	27	27
Employee Related Savings	(43)	(43)	(41)	(41)	(42)	(43)
Premises Related	1,813	1,879	1,796	1,796	1,796	1,796
Transport Related	36	36	27	27	27	27
Supplies & Services	831	891	795	795	795	795
Agency & Contracted	12	12	10	10	10	10
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	4,841	4,911	4,612	4,651	4,691	4,711
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(1,745)	(1,745)	(1,744)	(1,744)	(1,744)	(1,744)
Other Income	(1,634)	(2,031)	(2,025)	(2,025)	(2,025)	(2,025)
<i>Total Direct Income</i>	(3,379)	(3,776)	(3,769)	(3,769)	(3,769)	(3,769)
<i>Net Direct Total</i>	1,461	1,135	844	883	923	943
<i>Indirectly Managed Costs</i>						
Accommodation Charges	75	75	87	87	87	87
Asset Rentals	383	383	446	446	446	446
Grounds Maintenance	315	315	323	323	323	323
Contract Cleaning	2	2	2	2	2	2
Building Maintenance	46	46	46	46	46	46
Internal Insurance Premiums	323	323	384	384	384	384
Support Services Recharges*	808	808	888	888	888	888
<i>Total Indirect Expenditure</i>	1,953	1,953	2,176	2,176	2,176	2,176
Indirect Income Recharges	(3,288)	(3,288)	(3,249)	(3,249)	(3,249)	(3,249)
<i>Net Indirect Total</i>	(1,335)	(1,335)	(1,074)	(1,074)	(1,074)	(1,074)
Net Service Total	126	(200)	(230)	(191)	(151)	(131)

Original Budget 2017/18		126	
Virements		(327)	
Revised Budget 2017/18		(200)	(200)
Variance			(30)
Approved Budget 2018/19			(230)

BUDGET 2018/19

SECTION 8

CHIEF EXECUTIVE MANAGEMENT

PORTFOLIO

BUDGET 2018/19

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CHIEF EXECUTIVE MANAGEMENT Services Portfolio

MONITORING (Legal & Land Charges)

CEO 1

Provides the Legal and Local Land Charges Services. This area incorporates the Statuary Monitoring Officer of the Authority

Operations

CEO 2

Provides a range of services for: waste and recycling collections, street cleansing and local environmental cleanliness, grounds maintenance and provision of operational training. Other services including Highways Maintenance, Street Lighting, Traffic Management, Transport Policy and Land Drainage. Provides school and community transport, vehicle hire facilities for external organisations and community groups.

Budget Summary 2018/19

Sheet No:	Chief Executive Management	Original Budget 2017/18 £000's	Revised Budget 2018/19 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
CEO 1	Monitoring : Legal & Land Charges	444	446	451
CEO 2	Operations	14,524	14,511	14,964
	Net Direct Total	14,968	14,957	15,415
	Indirectly Managed Costs			
CEO 1	Monitoring : Legal & Land Charges	(466)	(466)	(479)
CEO 2	Operations	5,710	5,752	5,676
	Net Indirect Total	5,245	5,287	5,198
	Total Chief Executive Management	20,212	20,244	20,613

STATEMENT OF SERVICE 2017-22

Service:

CHIEF EXECUTIVE MANAGEMENT

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	13,809	13,858	14,414	14,702	14,996	15,146
Employee Related Other	120	188	208	208	208	208
Employee Related Savings	(274)	(231)	(289)	(295)	(301)	(307)
Premises Related	897	1,022	1,030	1,030	1,030	1,030
Transport Related	11,941	11,800	12,053	11,925	11,988	11,975
Supplies & Services	3,820	4,402	3,803	3,743	3,743	3,754
Agency & Contracted	5,947	5,551	5,332	5,132	5,183	5,183
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	36,261	36,590	36,550	36,445	36,847	36,989
Grant Income	(3,439)	(3,714)	(2,464)	(2,464)	(2,464)	(2,464)
Discretionary Fees & Charges	(5,767)	(5,904)	(6,410)	(6,410)	(6,410)	(6,410)
Other Income	(12,086)	(12,014)	(12,262)	(12,262)	(12,262)	(12,262)
<i>Total Direct Income</i>	(21,293)	(21,633)	(21,135)	(21,135)	(21,135)	(21,135)
<i>Net Direct Total</i>	14,968	14,957	15,415	15,309	15,712	15,853
<i>Indirectly Managed Costs</i>						
Accommodation Charges	161	161	171	171	171	171
Asset Rentals	2,587	2,629	2,600	2,600	2,600	2,600
Grounds Maintenance	1,160	1,160	1,189	1,189	1,189	1,189
Contract Cleaning	25	26	27	27	27	27
Building Maintenance	48	46	46	46	46	46
Internal Insurance Premiums	742	742	782	782	782	782
Support Services Recharges	2,629	2,629	2,547	2,547	2,547	2,547
<i>Total Indirect Expenditure</i>	7,352	7,394	7,362	7,362	7,362	7,362
Indirect Income Recharges	(2,107)	(2,107)	(2,164)	(2,164)	(2,164)	(2,164)
<i>Net Indirect Total</i>	5,245	5,287	5,198	5,198	5,198	5,198
<i>Net Service Total</i>	20,212	20,244	20,613	20,507	20,909	21,051

STATEMENT OF SERVICE 2017-22

CEO 1

Service: **MONITORING (Legal & Land Charges)**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
Employee Related Pay	560	561	571	583	594	600
Employee Related Other	3	3	3	3	3	3
Employee Related Savings	(11)	(11)	(11)	(12)	(12)	(12)
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	70	70	70	70	70	70
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Total Direct Expenditure	622	624	634	645	656	662
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(178)	(178)	(182)	(182)	(182)	(182)
Other Income	0	0	0	0	0	0
Total Direct Income	(178)	(178)	(182)	(182)	(182)	(182)
Net Direct Total	444	446	451	462	474	480
Indirectly Managed Costs						
Accommodation Charges	25	25	27	27	27	27
Asset Rentals	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	51	51	51	51	51	51
Total Indirect Expenditure	75	75	79	79	79	79
Indirect Income Recharges	(541)	(541)	(557)	(557)	(557)	(557)
Net Indirect Total	(466)	(466)	(479)	(479)	(479)	(479)
Net Service Total	(21)	(20)	(27)	(16)	(5)	1

Original Budget 2017/18	(21)	
Virements	2	
Revised Budget 2017/18	(20)	(20)
Variance		(8)
Approved Budget 2018/19		(27)

STATEMENT OF SERVICE 2017-22

CEO 2

Service:

Operations

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Employee Related Pay	13,249	13,296	13,843	14,120	14,402	14,546
Employee Related Other	117	185	204	204	204	204
Employee Related Savings	(263)	(220)	(278)	(284)	(289)	(295)
Premises Related	897	1,022	1,030	1,030	1,030	1,030
Transport Related	11,941	11,800	12,053	11,925	11,988	11,975
Supplies & Services	3,750	4,332	3,733	3,673	3,673	3,684
Agency & Contracted	5,947	5,551	5,332	5,132	5,183	5,183
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<i>Total Direct Expenditure</i>	35,639	35,966	35,917	35,800	36,191	36,327
Grant Income	(3,439)	(3,714)	(2,464)	(2,464)	(2,464)	(2,464)
Discretionary Fees & Charges	(5,589)	(5,726)	(6,227)	(6,227)	(6,227)	(6,227)
Other Income	(12,086)	(12,014)	(12,262)	(12,262)	(12,262)	(12,262)
<i>Total Direct Income</i>	(21,115)	(21,455)	(20,953)	(20,953)	(20,953)	(20,953)
<i>Net Direct Total</i>	14,524	14,511	14,964	14,847	15,238	15,374
<i>Indirectly Managed Costs</i>						
Accommodation Charges	136	136	144	144	144	144
Asset Rentals	2,587	2,629	2,600	2,600	2,600	2,600
Grounds Maintenance	1,160	1,160	1,189	1,189	1,189	1,189
Contract Cleaning	25	26	27	27	27	27
Building Maintenance	48	46	46	46	46	46
Internal Insurance Premiums	742	742	782	782	782	782
Support Services Recharges*	2,578	2,578	2,495	2,495	2,495	2,495
<i>Total Indirect Expenditure</i>	7,276	7,319	7,283	7,283	7,283	7,283
Indirect Income Recharges	(1,566)	(1,566)	(1,607)	(1,607)	(1,607)	(1,607)
<i>Net Indirect Total</i>	5,710	5,752	5,676	5,676	5,676	5,676
Net Service Total	20,234	20,263	20,640	20,523	20,914	21,050

Original Budget 2017/18	20,234	
Virements	30	
Revised Budget 2017/18	20,263	20,263
Variance		377
Approved Budget 2018/19		20,640

BUDGET 2018/19

SECTION 9

CORPORATE COSTS & LEVIES

PORTFOLIO

BUDGET 2018/19

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Corporate Costs & Levies Portfolio

Corporate Management (CM)

COL 1

Provide for a range of financial services supporting the council, including External Audit Fees, Bank Charges, Corporate Management Costs and Statutory duties.

Non Distributed Costs (NDC)

COL 2

Provision for past service costs, curtailments, settlements and the share of unused long term unrealisable assets

Precepts & Levies

COL 3

Community Council and Gwent Police Precepts, Levies for the Fire Service, Coroner, Drainage Boards and Gwent Archives Service

Internal Insurance Account

COL 4

Insurance provision for the County and Council

Budget Summary 2018/19

Sheet No:	Corporate Costs & Levies Service Area	Original Budget 2017/18 £000's	Revised Budget 2018/19 £000's	Original Budget 2018/19 £000's
	Directly Managed Costs			
COL 1	Corporate Management (CM)	1,182	619	1,534
COL 2	Non Distributed Costs (NDC)	733	733	669
COL 3	Precepts & Levies	17,357	17,687	18,467
COL 4	Internal Insurance Account	1,264	1,234	1,359
	Net Direct Total	20,536	20,273	22,028
	Indirectly Managed Costs			
COL 1	Corporate Management (CM)	0	0	5
COL 2	Non Distributed Costs (NDC)	0	0	0
COL 3	Precepts & Levies	0	0	0
COL 4	Internal Insurance Account	(1,258)	(1,258)	(1,359)
	Net Indirect Total	(1,258)	(1,258)	(1,354)
	Total Corporate Costs & Levies Service Areas	19,278	19,015	20,674

STATEMENT OF SERVICE 2017-22

Service:

CORPORATE SUMMARY

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
County Hall Accommodation Charge	-	0	0	0	0	0
External Audit Fees	330	330	330	330	330	330
Living Wage Allowance	204	0	142	171	142	142
NNDR Revaluations	174	0	0	0	0	0
Apprenticeship Levy	173	0	0	0	0	0
Redundancy Provision	450	450	450	450	450	450
Treasury & Bank Charges	76	76	76	76	76	76
Agile Working Furniture & Equipment	-	0	797	797	797	797
Unallocated Contingency MTFP	-	0	0	2,178	4,873	7,304
Other Expenditure	8	8	8	8	8	8
Retirement Pensions: Ex GCC/MBC	370	370	370	370	370	370
Pensions Recurring (Enhancements)	358	358	294	294	294	294
Pension Administration Fees	5	5	5	5	5	5
Precepts & levies	17,357	17,687	18,467	18,467	18,467	18,467
Internal Insurance Account	1,270	1,241	1,366	1,366	1,366	1,366
Total Direct Expenditure	20,775	20,525	22,304	24,511	27,177	29,608
Indirect Revenue Gains	0	0	0	0	0	0
R&R Fund Reimbursements	(95)	(108)	(131)	(131)	(131)	(131)
Crematorium Dividend	(138)	(138)	(138)	(138)	(138)	(138)
External Insurance Premium Recharges	(7)	(7)	(7)	(7)	(7)	(7)
Other Income	0	0	0	0	0	0
Total Direct Income	(240)	(252)	(275)	(275)	(275)	(275)
Net Direct Total	20,536	20,273	22,028	24,235	26,901	29,332
Indirectly Managed Costs						
Accommodation Charges	0	0	4	0	0	0
Depreciation	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	5	0	1	0	0	0
Total Indirect Expenditure	5	0	5	0	0	0
Indirect Income Recharges	(1,263)	(1,258)	(1,359)	(1,359)	(1,359)	(1,359)
Net Indirect Total	(1,258)	(1,258)	(1,354)	(1,359)	(1,359)	(1,359)
Net Service Total	19,278	19,015	20,674	22,876	25,542	27,973
Original Budget 2017/18		19,278				
Virements		(263)				
Revised Budget 2017/18		19,015	19,015			
Variance			1,660			
Approved Budget 2018/19			20,674			

STATEMENT OF SERVICE 2017-22

Sheet: COL 1

Service:

Corporate Management

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
County Hall Accommodation Charge	0	0	0	0	0	0
External Audit Fees	330	330	330	330	330	330
NNDR Revaluations	174	0	0	0	0	0
Apprenticeship Levy	173	0	0	0	0	0
Living Wage Allowance	204	0	142	171	142	142
Redundancy Provision	450	450	450	450	450	450
Treasury & Bank Charges	76	76	76	76	76	76
1% Pay Award Provision	0	0	797	797	797	797
Unallocated Contingency MTFP	0	0	0	2,178	4,873	7,304
Other Expenditure	8	8	8	8	8	8
Total Direct Expenditure	1,415	864	1,803	4,010	6,676	9,107
Indirect Revenue Gains	0	0	0	0	0	0
R&R Fund Reimbursements	(95)	(108)	(131)	(131)	(131)	(131)
Crematorium Dividend	(138)	(138)	(138)	(138)	(138)	(138)
Other Income	0	0	0	0	0	0
Total Direct Income	(233)	(246)	(269)	(269)	(269)	(269)
Net Direct Total	1,182	619	1,534	3,741	6,407	8,838
Indirectly Managed Costs						
Accommodation Charges	0	0	4	0	0	0
Depreciation	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	0	0	1	0	0	0
Total Indirect Expenditure	0	0	5	0	0	0
Indirect Income Recharges	0	0	0	0	0	0
Net Indirect Total	0	0	5	0	0	0
Net Service Total	1,182	619	1,539	3,741	6,407	8,838

Original Budget 2017/18	1,182	
Virements	(563)	
Revised Budget 2017/18	619	619
Variance		920
Approved Budget 2018/19		1,539

STATEMENT OF SERVICE 2017-22

Sheet: COL 2

Service:

Non-Distributed Costs

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Directly Managed Costs</i>						
Retirement Pensions: Ex GCC/MBC	370	370	370	370	370	370
Pensions Recurring (Enhancements)	358	358	294	294	294	294
Pension Administration Fees	5	5	5	5	5	5
<i>Total Direct Expenditure</i>	733	733	669	669	669	669
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	0	0	0	0	0	0
<i>Net Direct Total</i>	733	733	669	669	669	669
<i>Indirectly Managed Costs</i>						
Accommodation Charges	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	0	0	0	0	0	0
<i>Total Indirect Expenditure</i>	0	0	0	0	0	0
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	0	0	0	0	0	0
Net Service Total	733	733	669	669	669	669

Original Budget 2017/18	733	
Virements	0	
Revised Budget 2017/18	733	733
Variance		(64)
Approved Budget 2018/19		669

STATEMENT OF SERVICE 2017-22

Sheet: COL 3

Service:

Precepts and Levies

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
<i>Precepts & Levies</i>						
South Wales Fire Authority Levy	4,301	4,301	4,351	4,351	4,351	4,351
Joint Services: Coroner Service	100	100	100	100	100	100
Gwent Archives Levy	182	182	182	182	182	182
Internal Drainage Board Levies	98	98	94	94	94	94
Brecon Beacons National Park	106	106	103	103	103	103
Community Council Precepts	2,150	2,480	2,676	2,676	2,676	2,676
Gwent Police & Crime Commissioner Precept	10,421	10,421	10,960	10,960	10,960	10,960
<i>Total Direct Expenditure</i>	17,357	17,687	18,467	18,467	18,467	18,467
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
<i>Total Direct Income</i>	0	0	0	0	0	0
<i>Net Direct Total</i>	17,357	17,687	18,467	18,467	18,467	18,467
<i>Indirectly Managed Costs</i>						
Accommodation Charges	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	0	0	0	0	0	0
<i>Total Indirect Expenditure</i>	0	0	0	0	0	0
Indirect Income Recharges	0	0	0	0	0	0
<i>Net Indirect Total</i>	0	0	0	0	0	0
Net Service Total	17,357	17,687	18,467	18,467	18,467	18,467

Original Budget 2017/18	17,357	
Virements	330	
Revised Budget 2017/18	17,687	17,687
Variance		779
Approved Budget 2018/19		18,467

STATEMENT OF SERVICE 2017-22

Sheet: COL 4

Service: **Internal Insurance Account**

Revenue Cost Plan:

	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Year 1 Budget 2018/19 £000's	Year 2 Budget 2019/20 £000's	Year 3 Budget 2012/21 £000's	Year 4 Budget 2021/22 £000's
Directly Managed Costs						
Insurance Premium	781	711	835	835	835	835
Self Insured Cost Estimate	371	370	370	370	370	370
Employee Related Expenditure	115	118	116	116	116	116
Other Expenditure	3	10	13	13	13	13
Professional Fees	0	32	32	32	32	32
Leasehold Flats Policy Payment	0	0	0	0	0	0
Total Direct Expenditure	1,270	1,241	1,366	1,366	1,366	1,366
Grant Income	0	0	0	0	0	0
External Insurance Premium Recharges	(7)	(7)	(7)	(7)	(7)	(7)
Total Direct Income	(7)	(7)	(7)	(7)	(7)	(7)
Net Direct Total	1,264	1,234	1,359	1,359	1,359	1,359
Indirectly Managed Costs						
Accommodation Charges	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	0	0	0	0
Internal Insurance Premiums	0	0	0	0	0	0
Support Services Recharges	5	0	0	0	0	0
Total Indirect Expenditure	5	0	0	0	0	0
Indirect Income Recharges	(1,263)	(1,258)	(1,359)	(1,359)	(1,359)	(1,359)
Net Indirect Total	(1,258)	(1,258)	(1,359)	(1,359)	(1,359)	(1,359)
Net Service Total	5	(25)	0	0	0	0

Original Budget 2017/18	5	
Virements	(30)	
Revised Budget 2017/18	(25)	(25)
Variance		25
Approved Budget 2018/19		-

BUDGET 2017/22

SECTION 10

CAPITAL
PROGRAMME

Including prudential code indicators

BUDGET 2017/22

INDEX OF SCHEMES

Capital Programme Portfolio

Capital Scheme Type	Reference No.
Asset Management Schemes	Cap 1
Regeneration Schemes	Cap 2
Future Schools & School Development Schemes	Cap 3
Infrastructure & Transport Schemes	Cap 4
County Farms Schemes	Cap 5
Inclusion Schemes	Cap 6
Other Schemes	Cap 7
Vehicle Replacement - Purchase	Cap 8
PRUDENTIAL CODE INDICATORS	Cap 9

**General Fund Capital Programme
Budget Summary 2017/22**

Scheme Type	Original Budget 2017/18 £000's	Proposed Slippage 2017/18 £000's	Budget Revisions 2017/18 £000's	Revised Budget 2017/18 £000's
Asset Management Schemes	2,646	0	(7)	2,640
Regeneration Schemes	757	0	778	1,535
School Development Schemes	50	0	0	50
Future Schools Schemes	43,117	(6,000)	265	37,382
IT Transformation Schemes	374	0	0	374
Infrastructure & Transport Schemes	2,585	0	1,059	3,643
County Farms Schemes	331	0	0	331
Inclusion Schemes	1,150	0	0	1,150
Sustainability Schemes	0	0	0	0
Other Schemes	1,041	0	0	1,041
Total Capital Programme	52,051	(6,000)	2,094	48,145

Funding Stream	Original Budget 2017/18 £000's	Proposed Slippage 2017/18 £000's	Budget Revisions 2017/18 £000's	Revised Budget 2017/18 £000's
Supported Borrowing	(2,402)	0	0	(2,402)
Unsupported Borrowing	(9,524)	0	(982)	(10,506)
General Capital Grant	(1,462)	0	0	(1,462)
Other Grants and Contributions	(15,185)	0	(596)	(15,782)
S106 Developers Contributions	(522)	0	(778)	(1,300)
Capital Receipts	(22,635)	6,000	300	(16,335)
Revenue Contribution - IT Transformation Reserve	(23)	0	0	(23)
Revenue Contribution - Capital Investment Reserve	(145)	0	0	(145)
Revenue Contribution - Invest to Redesign Reserve	(152)	0	0	(152)
Revenue Contribution - Grass Routes Reserve	0	0	(38)	(38)
Revenue Contribution	0	0	0	0
Capital Receipt Generation Reserve	0	0	0	0
Low Cost Home Ownership	0	0	0	0
Total Capital Funding	(52,051)	6,000	(2,094)	(48,145)

Lease Financed Expenditure: (Vehicles purchased through Purchase, Sale and Leaseback arrangements)

	Original Budget 2017/18 £000's	Approved Slippage 2017/18 £000's	Budget Revisions 2017/18 £000's	Revised Budget 2017/18 £000's
Expenditure:				
Vehicle Replacement - Purchase	1,500	0	0	1,500
Financed by:				
Vehicle Replacement - Sale and Leaseback	(1,500)	0	0	(1,500)

**General Fund Capital Programme
Budget Summary 2017/22**

Scheme Type	Utilised Budget 2017/18 £000's	Proposed Slippage 2017/18 £000's	Indicative Budget 2018/19 £000's	Indicative Budget 2019/20 £000's	Indicative Budget 2020/21 £000's	Indicative Budget 2021/22 £000's
Asset Management Schemes	2,640	0	5,212	1,929	1,929	1,929
Regeneration Schemes	1,535	0	209	482	472	729
School Development Schemes	50	0	450	50	50	50
Future Schools Schemes	37,382	6,000	13,222	750	0	0
IT Transformation Schemes	374	0	0	0	0	0
Infrastructure & Transport Schemes	3,643	0	2,241	2,241	2,241	2,241
County Farms Schemes	331	0	301	301	301	301
Inclusion Schemes	1,150	0	1,150	850	850	850
Sustainability Schemes	0	0	0	0	0	0
Other Schemes	1,041	0	20	20	20	20
Total Capital Expenditure	48,145	6,000	22,805	6,623	5,863	6,120

Capital Funding Streams	Utilised Budget 2017/18 £000's	Proposed Slippage 2017/18 £000's	Indicative Budget 2018/19 £000's	Indicative Budget 2019/20 £000's	Indicative Budget 2020/21 £000's	Indicative Budget 2021/22 £000's
Supported Borrowing	(2,402)	0	(2,410)	(2,410)	(2,410)	(2,410)
Unsupported Borrowing	(10,506)	0	(9,136)	(1,857)	(1,472)	(1,729)
General Capital Grant	(1,462)	0	(1,467)	(1,467)	(1,467)	(1,467)
Other Grants and Contributions	(15,782)	0	(3,615)	(375)	0	0
S106 Developers Contributions	(1,300)	0	0	0	0	0
Capital Receipts	(16,335)	(6,000)	(6,172)	(509)	(509)	(509)
Revenue Contribution - IT Transformation Reserve	(23)	0	0	0	0	0
Revenue Contribution - Capital Investment Reserve	(145)	0	(5)	(5)	(5)	(5)
Revenue Contribution - Invest to Redesign Reserve	(152)	0	0	0	0	0
Revenue Contribution - Grass Routes Reserve	(38)	0	0	0	0	0
Revenue Contribution	0	0	0	0	0	0
Capital Receipt Generation Reserve	0	0	0	0	0	0
Low Cost Home Ownership	0	0	0	0	0	0
Total Capital Funding	(48,145)	(6,000)	(22,805)	(6,623)	(5,863)	(6,120)

(Surplus) / Deficit	0	0	0	0	0	0
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Lease Financed Expenditure: (Vehicles purchased through Purchase, Sale and Leaseback arrangements)

	Utilised Budget 2017/18 £000's	Proposed Slippage 2017/18 £000's	Indicative Budget 2018/19 £000's	Indicative Budget 2019/20 £000's	Indicative Budget 2020/21 £000's	Indicative Budget 2021/22 £000's
Expenditure:						
Vehicle Replacement - Purchase	1,500	0	1,500	1,500	1,500	1,500
Financed by:						
Vehicle Replacement - Sale and Leaseback	(1,500)	0	(1,500)	(1,500)	(1,500)	(1,500)

STATEMENT OF SCHEMES 2017-22

Budget Detail:

Scheme Type: Asset Management Schemes

CAP 1

	Indicative Budget 2018/19 £	Scheme Description
Scheme Name		
Property Maintenance	5,212,277	Maintenance to the fabric and infrastructure of the Authority's buildings as identified in stock condition surveys.
Total Budget	5,212,277	

Scheme Type: Regeneration Schemes

CAP 2

	Indicative Budget 2018/19 £	Scheme Description
Scheme Name		
Capital Region City Deal Section 106 Schemes	83,000 126,237	Community Improvement Schemes
Total Budget	209,237	

Scheme Type: School Development and Future Schools Schemes

CAP 3

	Indicative Budget 2018/19 £	Scheme Description
Scheme Name		
Future Schools Schemes		
21st Century School - Monmouth Comp	6,345,133	Investment in key priority 21st Century Schools
21st Century School - Caldicot Comp	2,164,911	Investment in key priority 21st Century Schools
Monmouth Pool	4,711,945	Investment in key priority 21st Century Schools
	13,221,989	
School development Schemes		
Information Technology Room Developments	400,000	Monmouth and Caldicot Comprehensive IT Upgrades
Access For All	50,000	Minor access improvements at various primary and secondary schools.
Total Budget	13,671,989	

STATEMENT OF SCHEMES 2017-22

Scheme Type:

Infrastructure & Transport Schemes

Budget Detail:

CAP 4

	Indicative Budget 2018/19 £	Scheme Description
Scheme Name		
Footway Reconstruction Footway works	190,453	Reconstruct and make safe footways in order to prevent & reduce the number of accidents
Street Lighting Street Lighting - Defective Column Programme	171,408	Replace dangerous columns and cables to improve the safety of street lights and reduce maintenance required
Structures Reconstruction of Bridges and Retaining Walls	449,041	Required to comply with statutory obligations to ensure that bridges are safe for use
Structural Repairs PROW	38,091	Repairs to structures which constitute public rights of way.
Safety Fences Safety Fence Upgrade	76,181	New fences and repairs to safety fences to comply with recommended guidelines and increase the safety of activities near fencing
Carriageway Resurfacing Resurfacing - Various	1,136,540	Work to restore the condition of worn carriageways in order to make them safe and in some cases to extend their useful economic lives
Infrastructure - Other Signing Upgrades and disabled facilities	38,091	Various upgrades to improve signing & disabled facilities
Flood Alleviation Schemes	11,427	To provide match funding to compliment WAG contribution for the provision of flood alleviation studies and schemes
Road Safety and Traffic Management Programme	129,508	Various road safety strategies
Total Budget	2,240,740	

STATEMENT OF SCHEMES 2017-22

Scheme Type: County Farms Schemes

Budget Detail:

CAP 5

	Indicative Budget 2018/19 £	Scheme Description
<i>Scheme Name</i> County Farms Maintenance	300,773	Repair and maintenance to County Farms to enable continued use and release capital assets for investment

<i>Total Budget</i>	300,773
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Scheme Type: Inclusion Schemes

Budget Detail:

CAP 6

	Indicative Budget 2018/19 £	Scheme Description
<i>Scheme Name</i> Access for All	250,000	To ensure that the Authority's operational buildings that are delivering front line services are enabled for equal access to all of the community.
Renovation Grants	900,000	To Deliver the Authority's Statutory obligation to People with disabilities (DFG)

<i>Total Budget</i>	1,150,000
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STATEMENT OF SCHEMES 2017-22

Scheme Type: Other Schemes

Budget Detail:

CAP 7

	Indicative Budget 2018/19 £	Scheme Description
<i>Scheme Name</i> Area Management	20,000	To be responsive to the needs of the communities by carrying out small environmental projects in the areas

<i>Total Budget</i>	20,000
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Scheme Type: Vehicle Replacement - Purchase

Budget Detail:

CAP 8

	Indicative Budget 2018/19 £	Scheme Description
<i>Scheme Name</i> Leasing - To be allocated	1,500,000	For the purchase of vehicles under the Authority's vehicle replacement programme. Vehicle purchases are initially made in the capital programme, following a financial appraisal exercise they are financed by either leasing (sale and leaseback) or by Authority borrowing.

<i>Total Budget</i>	1,500,000
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PRUDENTIAL CODE INDICATORS

CAP 9

	2014/15 Actual	2015/16	2016/17	2017/18	2018/19	2019/20
Capital Expenditure	£m	£m	£m	£m	£m	£m
	13.7	24.7	42.2	29.5	8.1	5.3
Ratio of financing costs to net revenue stream	%	%	%	%	%	%
	6.2	6.5	4.8	6.3	6.5	6.5
Incremental Impact on Council Tax	£	£	£	£	£	£
Unsupported Borrowing	12.2	0.0	35.8	1.7	-0.3	1.9
Total Impact on Council Tax	12.2	0.0	35.8	1.7	-0.3	1.9
Capital Financing Requirement	£m	£m	£m	£m	£m	£m
	122.9	113.3	124.8	121.1	118.0	116.0
Authorised Limit	£m	£m	£m	£m	£m	£m
Long Term Liabilities	2.6	2.6	2.6	2.6	2.5	2.5
Borrowing	134.6	137.1	134.0	145.3	147.0	139.0
Operational Boundary	£m	£m	£m	£m	£m	£m
Long Term Liabilities	1.1	1.1	1.1	1.1	1.0	1.0
Borrowing	113.6	120.2	113.0	124.3	126.0	118.0
TREASURY MANAGEMENT INDICATORS						
Interest Rate Exposure 2016/17	Maximum	Minimum				
	£m	£m				
Net Variable Rate	50	NA				
Fixed Rate	100	NA				
Debt Maturity Structure - Fixed Rate for 2016/17	Lower Limit	Upper Limit				
	%	%				
Under 12 Months	0	50				
1 to 2 Years	0	40				
2 to 5 Years	0	45				
5 to 10 Years	0	30				
Over 10 Years	0	100				

BUDGET 2017/22

SECTION 11

**Treasury Management Strategy
& Annual Investment Strategy 2018/19**

TREASURY MANAGEMENT POLICY STATEMENT 2018/19

1 INTRODUCTION AND BACKGROUND

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, and a semi-annual report and an annual report after its close.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Audit Committee and for the execution and administration of treasury management decisions to the Head of Finance (S151 officer), who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies and they will receive the mid-year report on Treasury Management activities.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- 2.1 The Council defines its treasury management activities as:

“The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

As CIPFA states the policy statement should also include the Council’s high level policies for borrowing and investments:

- 2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- 2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

3. Approach to Risk Management

- 3.1 This section identifies the risks that the Council faces as a result of it undertaking treasury management activities.

Liquidity risk
Credit (or counterparty) risk
Interest rate risk
Inflation rate risk
Exchange rate risk
Market risk
Refinancing risk
Procedural risk
Legal and regulatory risk

The Council manages these down to an acceptable level within the regulatory framework through the consideration and application of its Treasury Strategy and appropriate monitoring against agreed prudential indicators and limits.

Treasury Management Strategy Statement 2018/19

(Based on a template provided by the Councils Treasury Advisors - Arlingclose)

Introduction

In March 2005 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Revised strategy: In accordance with the WG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance.

This Strategy covers the requirements of the 2010 Welsh Government Investment Guidance and the 2011 CIPFA TM Code of Practice, including the Treasury Management Indicators. The Prudential Indicators in Appendix 3 meet the requirements of the CIPFA Prudential code. CIPFA consulted on changes to both these Codes in 2017 but has yet to publish revised versions. The DCLG (Department for Communities and Local Government) will be revising its Investment Guidance and its MRP guidance for local authorities in England for 2018/19 but there have been no discussions with the Wales yet. This Strategy therefore does not reflect any of these proposed changes. The Authority will review the final versions when they are issued and if necessary recommend revisions to this strategy at that time to avoid pre-empting the final changes and their timing.

External Context

Economic background: The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Annex A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.15%, and that new long-term loans will be borrowed at an average rate of **2.37%**.

Local Context

On 30th November 2017, the Authority held £113.2m of borrowing and £6.4m of investments. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
General Fund CFR *	134.6	143.2	155.4	159.3	157.8
Less: Other debt liabilities **	(1.0)	(1.0)	(0.8)	(0.6)	(0.4)
Borrowing CFR	133.6	142.2	154.6	158.7	157.4
Less: External borrowing committed to ***	(89.3)	(98.2)	(75.2)	(73.5)	(54.3)
Borrowing requirement	44.2	44.0	79.4	85.2	103.0
Less: Usable reserves	(35.2)	(19.0)	(14.3)	(19.6)	(22.3)
Less: Working capital	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)
New external borrowing requirement	0.0	16.0	56.1	56.6	71.7

* the CFR at 31.3.18 and 31.3.19 has been set £5m and £10m higher than currently required, to allow for Capital expenditure which is being considered for approval. This does not constitute approval but allows for it in the Treasury Strategy should it gain Member approval.

** finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

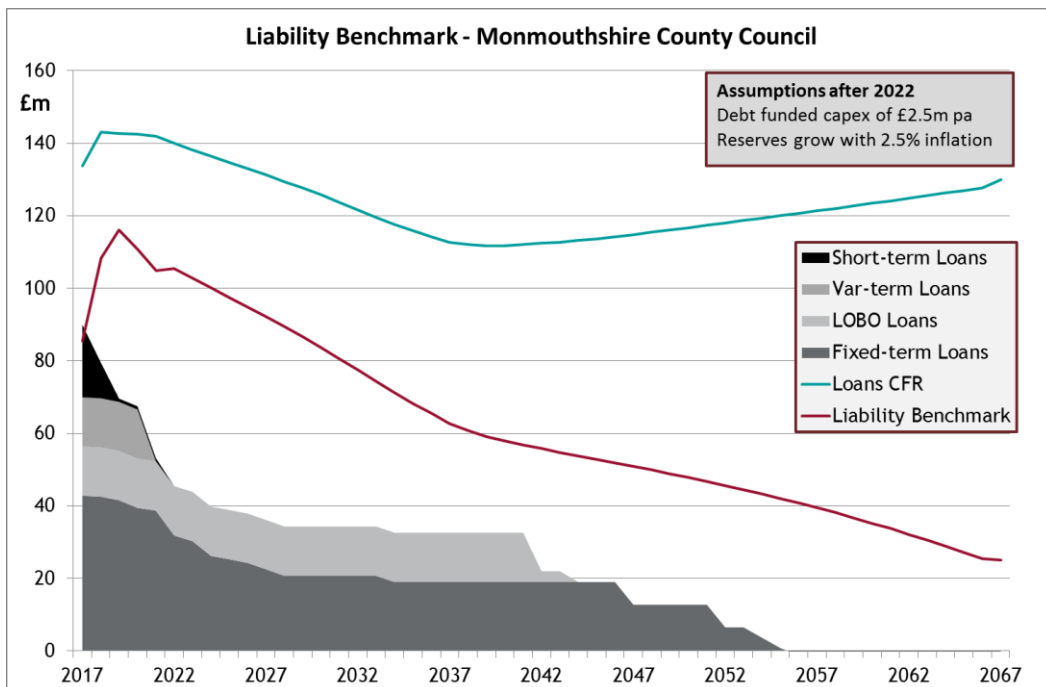
*** shows only loans to which the Authority is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The Authority has an increasing CFR due to the capital programme, but low levels of investments and will therefore be required to borrow up to £72m over the forecast period, should all the projected capital expenditure be incurred. Short term and variable rate PWLB borrowing at 30th November 2017 was £42m & £13.5m which will both need to be replaced in the forecast window. These make up the majority of the £72m.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2018/19 as existing debt of £75m will still be in place at 31st March 2019 and new debt of £56m is anticipated as required. The combination of £131m is less than the CFR of £155m. The difference is due to internal borrowing

To assist with its long-term treasury management strategy, the Authority and its advisers have created a liability benchmark, which forecasts the Authority's need to borrow over a 50 year period. Following on from the medium-term forecasts in table 1 above, the benchmark assumes:

- capital expenditure funded by borrowing of £2.4m in 2021/22 increasing by 2.5% per year
- minimum revenue provision on capital expenditure, funded by unsupported borrowing, based on asset life and using an annuity profile
- minimum revenue provision on new capital expenditure funded by supported borrowing based on a 50 year asset life and a straight line profile
- income, expenditure and reserves all increase by 2.5% inflation a year after 2021/22



The Liability Benchmark line (red) represents the minimum Debt that Monmouthshire needs to hold over time in order to have sufficient cash to operate. The shaded area is the total debt which we hold today, reducing as the various types of debt mature. The gap between the two is the amount of debt which the Authority is expected to need to take out over time which is aligned with Table 1 in the first few years.

Borrowing Strategy

The Authority held £113 million of loans at 30th November 2017, an increase of £24 million from 31st March 2017, as part of its strategy for funding previous years’ capital programmes. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £131 million by the end of 2018/19. The Authority may borrow additional sums, providing this does not exceed the authorised limit for borrowing of £194 million.

Objectives: The Authority’s chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority’s long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority’s borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits in the short term of internal / short-term will be monitored regularly against the potential for incurring additional costs in the future by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this ‘cost of carry’ and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

It is anticipated during 2018/19, that the Authority will continue to rely heavily on short term loans to reduce interest costs, rather than filling the long term gap on the Liability Benchmark graph with more expensive long term loans which would be more costly. Approximately £6m of longer term debt is expected to be taken out to reduce interest rate risk in the medium term. Approval to lend for longer than one year is required from the S151 officer, Deputy or a more senior line manager of theirs in their absence.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- other public bodies
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Greater Gwent Pension Fund)
- capital market bond investors
- special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

In previous years, the Authority raised the majority of its long-term borrowing from the PWLB but has this year taken £5.9m of 3-5 year loans from other local Authorities. It continues to investigate other sources of finance, such as bank loans, that may be available at more favourable rates.

LOBOs: The Authority holds £13.6m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2018/19, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Since 1st April 2017, the Authority's investment balance has ranged between £2 and £22 million.

As a result of the implementation of the Markets in Financial Instruments Directive (MiFID II), on the 3rd January 2018, the Authority has put in a request to the financial institutions, with which it deals, to elect up from Retail to Professional Status. This is in order to maintain access to regulated financial services firms including banks, brokers, advisers, fund managers and custodians with whom we have dealings regarding regulated investment products. This does mean that we have to be able to demonstrate that we have an investment balance of at least £10 million. To that end, the Authority will maintain an average of at least £10 million over each financial year and maintain a balance of £10 million on at least 85% of working days during the year, only allowing balances to fall below £10 million due to cyclical influences which are disproportionately onerous to work around. This also has the benefit of reducing the risk of having insufficient liquidity to continue normal operations. This will be reviewed quarterly to ensure that the Authority is staying within the spirit of the regulation which does not specify how this limit should be met.

Objectives: Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will continually reassess the need to diversify into more secure and/or higher yielding asset classes during 2018/19. This is especially the case for the estimated £5m that is available for longer-term investment. The remainder of the Authority's surplus cash remains invested in short-term unsecured bank & building society deposits, certificates of deposit, money market funds, T-bills and the DMO.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown. Any formal recommendations received from the Authority's treasury advisors which places additional restrictions on certain counterparties in terms of eligibility or duration of Investments will supercede the limits set below. Investments classified as Non Specified must obtain further approval from the S151 Officer or Deputy or more senior line manager and also the Authority's treasury advisors before being made.

Table 2: Approved investment counterparties and limits

Counterparty / Instrument	Instrument Limit of Portfolio	Counterparty Limit of Portfolio	Country Limit	Other Limits	Time Limit (Over 1 Year = Non Specified)
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UK Central Government including Debt Mgt deposit facility, Gilts and T Bills.	100%	100%	N/A	N/A	50 Years
Any investment with UK Local Authorities (irrespective of credit rating)	75%	The higher of £2m or 10% of total investments (at the time of deposit)	N/A	NA	2 Years
<p>‘Unsecured’ investments with Banks, Building Societies, Other Organisations and Securities whose lowest published rating from Fitch, Moody’s and S&P’s is (A-)</p> <p>As above but (A)</p> <p>As above but (A+)</p>	<p>75% of total investments at the time of deposit</p> <p>For Non-UK 50% of total investment at the time of deposit</p>	<p>Upper limit of £2m.</p> <p>An additional £1m can be held in the Authority’s bank current account to cover the total of credit balances.</p>	£4m per foreign country	<p>Limit for negotiable instruments held in Brokers nominee accounts: the lower of 50% or £10m per Broker</p>	<p>6 months</p> <p>13 months</p> <p>2 years</p>

<p>Secured Investments with Banks, Building Societies, Other Organisations and Securities, (including Re-po's) whose lowest published rating from Fitch, Moody's and S&P's is (A-)</p> <p>As above but (A) or (A+)</p>	<p>75% of total investments at the time of deposit (both secured and unsecured)</p> <p>For Non-UK 50% of total investments at the time of deposit (both secured and unsecured)</p>	<p>£4m per counterparty (both secured and unsecured)</p>	<p>£4m per foreign country for all investment types</p>	<p>N/A</p>	<p>13 months</p> <p>2 years</p>
<p>Deposits with unrated UK Building Societies which have been assessed by our Treasury advisers as comparable with the Building Societies that have an A- credit rating or higher</p>	<p>25% of total investments</p>	<p>£1m per Counterparty</p>	<p>UK only</p>	<p>N/A</p>	<p>6 months</p>
<p>Money Market Funds with a Constant Net Asset Value (CNAV) or Variable NAV or Low Volatility NAV if assessed by our Treasury advisers as being of high credit worthiness</p>	<p>50% of total investments at the time of deposit increased to 75% if total investments is £10m or less</p>	<p>The lower of £2m and 10% of total investments rounded up to the next £0.5m; not exceeding 0.50% of MMF size or 2% for Government MMFs</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>Pooled funds without credit ratings which are not classed as capital expenditure - if assessed by our Treasury advisers as</p>	<p>£4m total investment at the time of deposit</p>	<p>£2m per issuer</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

being of high credit worthiness					
Investments with UK Registered Providers (e.g. Housing Associations) where the lowest published credit rating is A- or higher	£4m of total investments at the time of deposit.	£2m per issuer	N/A	N/A	5 years

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. This includes police and fire authorities, district councils, transport authorities and combined authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment or as part of a diversified pool in order to spread the risk widely.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an

alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £50,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified investments: The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,

- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, pooled funds that are defined as capital expenditure and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash limit
Total long-term investments	£6m
Total shares in pooled funds excluding Money Market Funds	£4m
Total investments without credit ratings or rated below [A-] (except the UK Government and UK local authorities)	£3m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below [A-]	£0m
Total non-specified investments	£11m

Investment limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £14 million on 31st March 2018. In order that no more than 30% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) is £4.0 million for secured investments or £2.0 million for unsecured investments to banks & building societies. These levels are considered prudent. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts and foreign countries as in Table 2 above. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Liquidity management: The Authority uses an excel based cash flow forecasting tool to determine the maximum period for which funds may prudently be committed. Amounts are held on an ongoing basis in instant access accounts to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium term financial plan and cash flow forecast.

Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Authority may also purchase property for investment purposes and may also make loans and investments for service purposes, for example to shared service entities, to landlords, or as equity investments or loans to the Authority’s subsidiaries.

Such loans and investments are not subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy. As mentioned in the Introduction section above, when the Revised Treasury Management and Prudential codes are issued (anticipated December 2017), they will be reviewed and if necessary a revision to this strategy will be proposed.

The Authority's existing non-treasury investments are listed in Annex B.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating/score of its investment portfolio. The credit score 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.

	Target
Portfolio average credit rating/score	A- / 5.0

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed will be:

	2018/19	2019/20	2020/21
Upper limit on net fixed interest rate exposure	£110m	£110m	£110m
Upper limit on net variable interest rate exposure	£78m	£78m	£78m

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate. The Upper limit on net variable interest rate exposure is at level which maintains the % of net variable interest rate exposure at 50% of total net debt.

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing (excluding variable rate and short term borrowing) will be:

	Levels anticipated as at 1 Apr 2018 £m / %	Lower Limit for 2018/19 %	Upper Limit for 2018/19 %
Under 12 months - LOBO's	£13.7m / 28%	0	50
Under 12 months - other		0	
12 months and within 24 months	£1.5m / 3%	0	25
24 months and within 5 years	£8.6m / 17%	0	45
5 years and within 10 years	£7.8m / 15%	0	30
10 years and above	£19.3m / 37%	0	100
TOTAL	£51.8m / 100%		

Maturity is measured as the outstanding duration of loans on the 1st day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

Principal sums invested for periods longer than 364 days: 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 limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end *	£6m	£6m	£6m

** meaning for longer than 1 year*

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or WG to include in its Treasury Management Strategy.

Policy on the use of financial derivatives: In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

Investment training: The needs of the Authority’s treasury management staff for training in investment management are assessed on an ongoing basis as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

Investment advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is assessed at the contract tender stage by comparing to other market leaders and their historical track record. It is then monitored by on-going interaction with treasury personnel. The Authority maintains the quality of the service from its advisors by holding quarterly meetings and tendering periodically.

Investment of money borrowed in advance of need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority’s overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £191 million. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2018/19 is £8,000, based on an average investment portfolio of £5 million at an interest rate of 0.15%. The budget for debt interest paid in 2018/19 is £3.3 million, based on an average debt portfolio of £119.8 million at an average interest rate of 2.8% resulting from a mixture of short and long term debt. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance, having consulted the Audit Committee, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties of higher credit worthiness and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties, some with lower credit worthiness and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be fully offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow higher percentage of short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A - Arlingclose Economic & Interest Rate Forecast November 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Annex B - Existing Investment & Debt Portfolio Position

	30 Nov 17 Actual Portfolio £m	30 Nov 17 Average Rate %
External borrowing:		
Public Works Loan Board - Fixed	38.3	5.3
Public Works Loan Board - Variable	13.5	0.6
Local authorities	42.9	0.3
LOBO loans from banks	13.6	4.8
Other loans	4.9	0.0
Total external borrowing	113.2	
Other long-term liabilities:		
Private Finance Initiative	0.8	
Other	0.4	
Total other long-term liabilities	1.2	
Total gross external debt	114.4	
Treasury investments:		
Banks & building societies (unsecured)	0.0	
Government (incl. local authorities)	3.7	
Money Market Funds		
Total treasury investments	6.4	0.2
Net debt	108.0	

	31 Mar 17 £m	Annualised Return %
Non-treasury investments:		
Investment property	41.9	1%
Investment assets classed as L&B	4.4	6% *
Shares in subsidiaries	0.0	-
Loans to subsidiaries	0.0	-
Loans to local companies	0.0	-
Total non-treasury investments	46.3	

* This % return excludes MRP or repayments of borrowed capital

Annex C – MRP Policy Statement 2017/18

The Welsh Government's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Welsh Ministers and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

Authorities are permitted discretion in terms of the charge levied, albeit within certain parameters. A "prudent" period of time for debt repayment is defined as being one which reflects the period over which the associated capital expenditure provides benefits.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

Note: This does not preclude other prudent methods.

MRP in 2018/19:

Options 1 and 2 can only be used for supported Non-HRA capital expenditure funded from borrowing (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government). Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses).

The MRP Statement will be submitted to Council before the start of the 2018/19 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

MRP on Supported Borrowing funded Expenditure

The Authority's policy is to apply Option 3 in respect of supported capital expenditure funded from borrowing. A report received by Council on 17th November 2016 approved this change to 2% straight line, asset life basis.

MRP on Unsupported Borrowing funded Expenditure

The Authority's policy is to apply Option 3 in respect of unsupported capital expenditure funded from borrowing. The MRP is calculated on an annuity basis within the asset life method, whereby the MRP element increases over time to reflect a consistent charge over the assets life taking into account the real value of money.

MRP in respect of leases and PFI

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the CIPFA Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

The 2018/19 budget proposals reflect these 3 positions.

DRAFT PRUDENTIAL INDICATORS for Programme Proposals 2018/22

Local Authorities determine their own programmes for capital investment in fixed assets. The Prudential Code is the code of practice supporting local authorities in taking decisions and underpins the system of capital finance. The key objectives of the Prudential Code are to ensure, within the Prudential Framework, that capital investment plans of the Authority are affordable, prudent and sustainable.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. These indicators are reported below based on actual, current and planned capital budget proposals as in the proposed 2018/2019 capital medium term financial plan.

Importantly, it should be noted that the proposed supported and unsupported borrowing results from the current and future capital budget proposals:

Borrowing budgeted in the capital budget proposals 2018/19 to 2021/22 is as follows: The 2018/19 figures are inclusive of £6,000,000 of slippage from 2017/18 as estimated in the draft 2018/19 MTFP on which these indicators are based.

- General Unsupported borrowing of £1,000,000 2018/19 to 2021/22.
- 21st Century Schools – budgeted unsupported borrowing of £7,547,000 and £4,070,000 (adjusted for slippage) in 2017/18 and 2018/19.
- Other budgeted unsupported borrowing of £1,658,000 in 2017/18 including £506,000 for the Solar Farm and £550,000 for carparks. And in 2018/19, £2,283,000 for the Abergavenny Community Hub and £1,400,000 for the refurbishment of J block at County Hall, Usk
- £2,402,000 of supported borrowing in 2017/18 and £2,410,000 in 2018/19 to 2021/22 which assists in financing the core capital programme and is funded through Revenue Support grant from the Welsh Government.

Capital Expenditure

The actual capital expenditure and financing (excluding vehicle leasing) that was incurred in 2016/17 and the estimates of capital expenditure and financing for the current year and future years that are recommended for approval are:

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Capital Expenditure	41,684	48,645	28,805	6,623	5,863	6,120

The estimate of capital expenditure for the 2017/18 and 2018/19 financial years includes allowance for estimated slippage of expenditure from the 2017/18 capital programme.

As stated in the Capital programme budget proposals the medium term programme has been drafted, and a programme constructed for the next four years. There will be opportunity for the programme to be reviewed annually.

Ratio of financing costs to net revenue stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2014/15 are:

	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
Ratio of financing costs to net revenue stream	4.33	4.79	5.18	5.13	5.19	5.10

The estimates of financing costs include current commitments and the proposals in this budget report and are based on the actual and anticipated borrowing, net of investments.

Capital Financing Requirement

Estimates of the end of year Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2017 are:

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Capital Financing Requirement	134,588	143,219	155,484	159,345	157,820	156,553

The Capital Financing Requirement measures the authority's underlying need to borrow for capital purposes. In accordance with best professional practice, Monmouthshire County Council does not associate borrowing with particular items or types of expenditure, other than under its current policy for determining its Minimum Revenue Provision. The authority has an integrated treasury management strategy (last approved on 9th March 2017 by Council) and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

The Council manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be drawn between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the authority's underlying need to borrow for a capital purpose.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes a key indicator of prudence where Gross External Borrowing does not, except in the short term exceed the total of Capital Financing Requirement. This is the case for the preceding year plus the estimates of any Capital Financing Requirement for the current and next two financial years.

Net external borrowing is the borrowing budgeted to finance the capital programme (Gross External borrowing) offset by the levels of cash and investments.

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Net External borrowing	84,904	119,597	135,110	133,207	127,449	127,081
Gross External borrowing	89,329	125,305	140,289	139,046	132,897	133,090
Capital Financing Requirement	134,588	143,219	155,484	159,345	157,820	156,553

The Head of Finance, as the Authority's S151 officer, reports that the Authority had no difficulty meeting this requirement in 2016/17, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Borrowing

In respect of external debt, it is recommended that the Council approves the following Authorised Limit for its total external debt gross of investments for the next four financial years.

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2020/21 Estimate £000
Borrowing	123,529	170,917	191,489	190,246	184,097	184,290
Other long term liabilities	2,707	2,543	2,843	2,643	2,443	2,368
Total	126,236	173,460	194,332	192,889	186,540	186,658

These limits separately identify borrowing from other long-term liabilities. The Council is asked to approve these limits and to delegate authority to the Head of Finance, within the total limit for any year, to effect movement between the separately agreed limits of borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Audit Committee or Council at the next opportunity following the change.

These limits are consistent with the authority's current commitments, existing plans and draft budget proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely, prudent but not worse case scenario, with sufficient headroom over and above this to allow for operational management, for example unusual cash movements.

Operational Boundary for External Debt

The Council is also asked to approve the following Operational Boundary for external debt for the same period.

	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Borrowing	103,329	140,717	161,289	160,046	153,897	154,090
Other long term	1,207	1,043	1,343	1,143	943	868

liabilities						
	104,536	141,760	162,632	161,189	154,840	154,958

The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the Authorised Limit to allow, for example, for unusual cash movements and equates to the maximum of external debt projected by this estimate.

The Operational Boundary represents a key management tool for in-year monitoring by the Head of Finance. Within the Operational Boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is asked to delegate authority to the Head of Finance, within the total Operational Boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the Authorised Limit. Any such changes will be reported to the Audit Committee or Council at the next opportunity following the change.

The Council's actual external debt at 31 March 2017 was £90.5 million, comprising £89.3 million borrowing and £1.2 million other long-term liabilities. It should be noted that the actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on the 2018/19 budget report, the Council is asked to note that the Authorised Limit determined for 2018/19 would be the statutory limit determined under section 3(1) of the local Government Act 2003.

Incremental impact of new capital investment decisions on Council Tax

A key measure of affordability is the incremental impact on the Council Tax, and the Council should consider different options for its capital investment programme in relation to their differential impact on the Council Tax.

The incremental impact works on the basis that supported borrowing is funded through Revenue Support Grant. The calculation is therefore determined by establishing the revenue impact of:

- Unsupported borrowing – in terms of interest payments and the statutory Minimum Revenue Provision (MRP)
- Any revenue savings or costs that have been identified and that will result from capital schemes being delivered

The current capital budget proposals, using current information available, would have the following impact:

	2016/17 Actual £ p	2017/18 Estimate £ p	2018/19 Estimate £ p	2019/20 Estimate £ p	2020/21 Estimate £ p	2021/22 Estimate £ p
Effect on Band D Council Tax	40.50	17.19	15.27	3.10	2.46	2.89

The incremental impact is reducing with time as the amount of Capital expenditure on the 21 Century schools is coming to an end.

Joy Robson
Responsible Financial Officer