



monmouthshire  
*sir fynywy*

**MONMOUTHSHIRE COUNTY COUNCIL**

**BUDGET BOOK 2019/20**

## **BUDGET 2019/20**

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**BUDGET 2019/20**

**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       |

**BUDGET 2019/20**

**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.

<b>Council Fund</b>	<b>At 1 April 2018</b>			<b>In Year Movement</b>	<b>At 31 March 2019</b>		<b>In Year Movement</b>	<b>At 31 March 2020</b>
	<b>£000</b>			<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>
General Revenue Account	<b>7,286</b>			0	<b>7,286</b>		0	<b>7,286</b>
of which:								
School Balances	175			0	175		0	175
Council Fund (Authority)	7,111			0	7,111		0	7,111
<b>Earmarked Reserves</b>	<b>At 1 April 2018</b>	<b>Budgeted Contribution to Reserves</b>	<b>Budgeted Contribution from Reserves</b>	<b>Budgeted Contribution to/from Reserves</b>	<b>Estimated Closing Balance 31 March 2019</b>	<b>Estimated Contribution to Reserves</b>	<b>Estimated Contribution from Reserves</b>	<b>Estimated Closing Balance 31 March 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Invest to Redesign Reserve	1,302	40	(576)	(536)	766	381	(39)	1,108
I.T. Transformation Reserve	735	0	(232)	(232)	502	0	0	502
Insurance and Risk Management Reserve	1,046	0	0	0	1,046	0	0	1,046
Capital Receipt Generation Reserve	347	0	(153)	(153)	194	0	(108)	86
Treasury Equalisation Reserve	990	0	0	0	990	0	0	990
Redundancy & Pension Reserve	497	0	(164)	(164)	333	0	(88)	245
Capital Investment Reserve	648	0	0	0	648	0	(12)	636
Priority Investment Reserve	687	0	(417)	(417)	270	0	(300)	(30)
Museums Acquisitions Reserve	56	0	0	0	56	0	0	56
Elections Reserve	58	25	0	25	83	35	0	118
Grass Routes Buses Reserve	146	5	0	5	151	5	0	156
	<b>6,513</b>	<b>70</b>	<b>(1,543)</b>	<b>(1,473)</b>	<b>5,040</b>	<b>421</b>	<b>(547)</b>	<b>4,914</b>
<b>Restricted Use Reserves</b>								
Building Control Trading Reserve	22	0	0	0	22	0	0	22
Youth Offending Team	249	0	0	0	249	0	0	249
CYP Maternity	0	0	0	0	0	0	0	0
Outdoor Education Centres Trading Reserve	130	0	0	0	130	0	0	130
Plant & Equipment reserve (Highways)	150	0	0	0	150	0	0	150
Solar Farm maintenance & community	23	23	0	23	46	23	0	69
Homeless Prevention Reserve Fund	10	0	0	0	10	0	0	10
Rural Development Plan Reserve	278	0	(86)	(86)	191	0	0	191
	<b>861</b>	<b>23</b>	<b>(86)</b>	<b>(63)</b>	<b>798</b>	<b>23</b>	<b>0</b>	<b>821</b>
<b>Total Useable Revenue Reserves</b>	<b>14,660</b>	<b>93</b>	<b>(1,629)</b>	<b>(1,536)</b>	<b>13,124</b>	<b>444</b>	<b>(547)</b>	<b>13,021</b>

**BUDGET 2019/20**

**SECTION 3**

**CONSOLIDATED REVENUE ACCOUNT**  
**(GENERAL FUND)**

**SUMMARY**

## **BUDGET 2019/20**

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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 2018/23

Subjective Classification	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Original Budget 2019/20 £000's	Indicative Budget 2020/21 £000's	Indicative Budget 2021/22 £000's	Indicative Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Children & Young People	50,164	50,172	50,926	51,920	52,359	52,802
Social Care & Health	45,284	45,698	46,099	46,526	47,077	47,449
Enterprise*	21,944	22,074	22,515	22,780	23,223	23,539
Resources	7,305	7,447	6,688	6,816	6,956	7,070
Chief Executive Management	4,444	4,336	4,619	4,681	4,743	4,810
Corporate Costs & Levies	22,028	21,143	23,104	24,065	26,393	28,919
<b>Net Direct Total</b>	<b>151,169</b>	<b>150,870</b>	<b>153,951</b>	<b>156,788</b>	<b>160,751</b>	<b>164,589</b>
<b>Indirectly Managed Costs</b>						
Children & Young People	7,519	7,519	7,072	7,072	7,072	7,072
Social Care & Health	3,403	3,403	3,519	3,519	3,519	3,519
Enterprise*	8,794	8,794	9,065	9,065	9,065	9,065
Resources	(6,248)	(6,248)	(6,537)	(6,537)	(6,537)	(6,537)
Chief Executive Management	(1,048)	(1,048)	(1,338)	(1,338)	(1,338)	(1,338)
Corporate Costs & Levies	(1,354)	(1,354)	(1,394)	(1,394)	(1,394)	(1,394)
<b>Net Indirect Total</b>	<b>11,066</b>	<b>11,066</b>	<b>10,388</b>	<b>10,388</b>	<b>10,388</b>	<b>10,388</b>
<b>Net Cost of Services</b>	<b>162,236</b>	<b>161,937</b>	<b>164,339</b>	<b>167,176</b>	<b>171,139</b>	<b>174,977</b>
<b>Appropriation Section</b>						
Interest and Investment Income	(60)	(55)	(205)	(206)	(206)	(208)
Interest Payable & Similar Charges	3,385	3,447	3,398	3,585	3,655	3,652
Contributions to/from Earmarked Reserves	(1,140)	(1,147)	(90)	(32)	(155)	(25)
Capital Expenditure Financed from Revenue	0	0	0	0	0	0
Charges required under Regulation	(6,691)	(6,512)	(5,777)	(5,751)	(5,856)	(5,742)
Attributable Costs - Fixed Asset Disposal	81	143	108	0	0	0
<b>Amount to be met from government grants and local taxation</b>	<b>157,812</b>	<b>157,812</b>	<b>161,772</b>	<b>164,771</b>	<b>168,576</b>	<b>172,653</b>
<b>Financing Section</b>						
General Government Grants	(63,091)	(63,091)	(62,548)	(60,826)	(59,731)	(58,656)
Non-Domestic Rate Redistribution	(30,177)	(30,177)	(30,682)	(30,129)	(29,587)	(29,054)
Contributions to/(from) General Fund	0	0	0	0	0	0
Council Tax	(64,544)	(64,544)	(68,542)	(71,491)	(73,921)	(76,443)
<b>Shortfall / (Headroom) Budget</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>2,325</b>	<b>5,337</b>	<b>8,500</b>

\* includes Monlife

## Budget Summary 2019/20

Sheet No:	Appropriation & Financing Service Area	Original Budget 2018/19 £000's	Revised Budget 2019/20 £000's	Original Budget 2019/20 £000's
	<b>Appropriation Section</b>			
CRA1 (a)	Interest and Investment Income	(60)	(55)	(205)
CRA1 (b)	Interest Payable and Similar Charges	3,385	3,447	3,398
CRA1 (c)	Contributions to/from earmarked reserves	(1,140)	(1,147)	(90)
CRA1 (d)	Capital Expenditure Financed from Revenue	0	0	0
CRA1 (e)	Charges required under Regulation	(6,691)	(6,512)	(5,777)
CRA1 (f)	Attributable Costs - Fixed Asset Disposal	81	143	108
	<b>Appropriation Section Total</b>	<b>(4,424)</b>	<b>(4,125)</b>	<b>(2,567)</b>
	<b>Financing Section</b>			
CRA2	General Government Grants	(63,091)	(63,091)	(62,548)
CRA2	Non-Domestic Rate Redistribution	(30,177)	(30,177)	(30,682)
CRA2	Council Tax - Monmouthshire County Council	(56,982)	(56,982)	(60,646)
CRA2	Council Tax - Gwent Police & Crime Commissioner Precept	(10,960)	(10,960)	(11,779)
CRA2	Council Tax - Community Councils Precept	(2,676)	(2,676)	(2,676)
CRA2	Council Tax - Reduction Scheme	6,074	6,074	6,559
CRA2	Contributions to/(from) General Fund	0	0	0
	<b>Financing Total</b>	<b>(157,812)</b>	<b>(157,812)</b>	<b>(161,772)</b>
	<b>Total Appropriation and Financing Service Areas</b>	<b>(162,236)</b>	<b>(161,937)</b>	<b>(164,339)</b>

## STATEMENT OF SERVICE 2018-23

Sheet No: CRA 1 (a)

### Appropriations Section

#### Interest and Investment Income

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Expenditure</b>	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income</b>						
Investment Portfolio Interest	0	0	0	0	0	0
Car Loan Interest	(2)	0	0	0	0	0
Cashflow Management Interest	(58)	(43)	(205)	(206)	(206)	(208)
Other Investment Income	0	(12)	0	0	0	
<b>Total Income</b>	<b>(60)</b>	<b>(55)</b>	<b>(205)</b>	<b>(206)</b>	<b>(206)</b>	<b>(208)</b>
<b>Net Total</b>	<b>(60)</b>	<b>(55)</b>	<b>(205)</b>	<b>(206)</b>	<b>(206)</b>	<b>(208)</b>

<b>Budget Changes 2018/19</b>	(60)	
<b>Virements</b>	4	
<b>Revised Budget 2018/19</b>	<b>(55)</b>	<b>(55)</b>
<b>Variance</b>		(150)
<b>Approved Budget 2019/20</b>		<b>(205)</b>

**STATEMENT OF SERVICE 2018-23**

Sheet No: CRA 1 (b)

**Appropriations Section**

**Interest Payable & Similar Charges**

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b><i>Expenditure</i></b>						
Interest on External Debt held by MCC	3,271	3,364	3,380	3,567	3,637	3,634
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	90	55	0	0	0	0
Interest on Vehicle Acquisition Recharge	20	31	20	20	20	20
Interest on Charitable Trust Fund Balances	10	3	3	3	3	3
Amortised Premium on Redeemed Debt	0	0	0	0	0	0
<b><i>Total Expenditure</i></b>	<b>3,399</b>	<b>3,460</b>	<b>3,410</b>	<b>3,598</b>	<b>3,667</b>	<b>3,664</b>
<b><i>Income</i></b>						
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)	(12)	(12)	(12)	(12)
Amortised Discount on Redeemed Debt	0	0	0	0	0	0
<b><i>Total Income</i></b>	<b>(14)</b>	<b>(12)</b>	<b>(12)</b>	<b>(12)</b>	<b>(12)</b>	<b>(12)</b>
<b>Net Total</b>	<b>3,385</b>	<b>3,447</b>	<b>3,398</b>	<b>3,585</b>	<b>3,655</b>	<b>3,652</b>

<b>Budget Changes 2018/19</b>	<b>3,385</b>	
<b>Virements</b>	63	
<b>Revised Budget 2018/19</b>	<b>3,447</b>	<b>3,447</b>
<b>Variance</b>		(49)
<b>Approved Budget 2019/20</b>		<b>3,398</b>



**STATEMENT OF SERVICE 2018-23**

Sheet No: CRA 1 (c)

**Appropriations Section**

**Contributions to/from Earmarked Reserves**

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b>Expenditure</b>						
<b>Contributions to Earmarked Reserves</b>						
Elections Reserve	25	25	35	35	35	35
Grass Routes Buses Reserve	5	5	5	5	5	5
Solar Farm Maintenance & Comm Fund	23	23	23	23	23	23
Invest to Redesign Reserve	171	40	381	0	0	0
<b>Total Expenditure</b>	<b>224</b>	<b>93</b>	<b>444</b>	<b>63</b>	<b>63</b>	<b>63</b>
<b>Income</b>						
<b>Contributions from Earmarked Reserves</b>						
<b>To Finance Revenue</b>						
Redundancy & Pensions Reserve	(164)	(164)	(88)	(88)	(88)	(88)
Elections Reserve	0	0	0	0	(130)	0
Invest to Redesign Reserve	(373)	(448)	(39)	(7)	0	0
Priority Investment Reserve	(599)	(312)	(300)	0	0	0
Capital Receipt Generation Reserve	(81)	(143)	(108)	0	0	0
Rural Development Plan Reserve	(86)	0	0	0	0	0
Invest to Save	0	0	0	0	0	0
IT Transformation Reserve	(60)	(173)	0	0	0	0
<b>To Finance Capital</b>						
Capital Receipt Generation Reserve	0	0	0	0	0	0
IT Transformation Reserve	0	0	0	0	0	0
Capital Support Reserve	0	0	0	0	0	0
Invest to Redesign Reserve	0	0	0	0	0	0
<b>Total Income</b>	<b>(1,363)</b>	<b>(1,240)</b>	<b>(535)</b>	<b>(95)</b>	<b>(218)</b>	<b>(88)</b>
<b>Net Total</b>	<b>(1,140)</b>	<b>(1,147)</b>	<b>(90)</b>	<b>(32)</b>	<b>(155)</b>	<b>(25)</b>
<b>Budget Changes 2018/19</b>		<b>(1,140)</b>				
<b>Virements</b>		<b>(7)</b>				
<b>Revised Budget 2018/19</b>		<b>(1,147)</b>	<b>(1,147)</b>			
<b>Variance</b>			<b>1,056</b>			
<b>Approved Budget 2019/20</b>			<b>(90)</b>			

**STATEMENT OF SERVICE 2018-23**

Sheet No: CRA 1 (e)

**Appropriations Section**

**Charges required under Regulation**

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b>Expenditure</b>						
Amortised Premium on Redeemed Debt	112	112	112	112	112	112
Minimum Revenue Provision	4,281	4,442	4,499	4,525	4,420	4,534
Amortisation of Government Grants Deferred	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>4,393</b>	<b>4,554</b>	<b>4,611</b>	<b>4,637</b>	<b>4,532</b>	<b>4,646</b>
<b>Income</b>						
Renovation Grant Financing	0	0	0	0	0	0
Depreciation Charge Reversal	(11,066)	(11,066)	(10,388)	(10,388)	(10,388)	(10,388)
Amortised Discount on Redeemed Debt	(17)	0	0	0	0	0
<b>Total Expenditure</b>	<b>(11,083)</b>	<b>(11,066)</b>	<b>(10,388)</b>	<b>(10,388)</b>	<b>(10,388)</b>	<b>(10,388)</b>
<b>Net Total</b>	<b>(6,691)</b>	<b>(6,512)</b>	<b>(5,777)</b>	<b>(5,751)</b>	<b>(5,856)</b>	<b>(5,742)</b>
<b>Budget Changes 2018/19</b>		<b>(6,691)</b>	<b>(6,691)</b>			
<b>Virements</b>		178				
<b>Revised Budget 2018/19</b>		<b>(6,512)</b>	<b>(6,512)</b>			
<b>Variance</b>			735			
<b>Approved Budget 2019/20</b>			<b>(5,777)</b>			

## STATEMENT OF SERVICE 2018-23

Sheet No: CRA 1 (f)

### Appropriations Section

Attributable Costs - Capital Receipts Generation  
- Fixed Asset Disposal Costs

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Expenditure</b>						
Attributable Costs Fixed Asset Disposal - direct	81	143	108	0	0	0
<b>Total Expenditure</b>	<b>81</b>	<b>143</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Total</b>	<b>81</b>	<b>143</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Budget Changes 2018/19</b>		<b>81</b>	<b>81</b>			
<b>Virements</b>		61				
<b>Revised Budget 2018/19</b>		<b>143</b>	<b>143</b>			
<b>Variance</b>			(35)			
<b>Approved Budget 2019/20</b>			<b>108</b>			

**STATEMENT OF SERVICE 2018-23**

Sheet No: CRA 2

**Financing Section**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Income</b>						
<b>General Government Grants</b>						
Revenue Support Grant	(63,091)	(63,091)	(62,548)	(60,826)	(59,731)	(58,656)
	(63,091)	(63,091)	(62,548)	(60,826)	(59,731)	(58,656)
<b>Non-Domestic Rates Redistribution</b>						
	(30,177)	(30,177)	(30,682)	(30,129)	(29,587)	(29,054)
<b>Council Tax Incl. Precepts</b>						
Monmouthshire County Council	(56,982)	(56,982)	(60,646)	(62,999)	(65,488)	(68,074)
Gwent Police & Crime Commission	(10,960)	(10,960)	(11,779)	(11,991)	(12,207)	(12,427)
Community Councils Precepts	(2,676)	(2,676)	(2,676)	(2,676)	(2,676)	(2,676)
Council Tax Reduction Scheme	6,074	6,074	6,559	6,932	7,206	7,490
Projected CT base growth			0	(756)	(756)	(756)
<b>Contribution (to) / from the General Fund</b>						
	0	0	0	0	0	0
<b>Total Income</b>	<b>(157,812)</b>	<b>(157,812)</b>	<b>(161,772)</b>	<b>(162,446)</b>	<b>(163,240)</b>	<b>(164,154)</b>
<b>Net Total</b>	<b>(157,812)</b>	<b>(157,812)</b>	<b>(161,772)</b>	<b>(162,446)</b>	<b>(163,240)</b>	<b>(164,154)</b>
<b>Budget Changes 2018/19</b>						
		(157,812)				
<b>Virements</b>						
		0				
<b>Revised Budget 2018/19</b>						
		(157,812)	(157,812)			
<b>Variance</b>						
			(3,959)			
<b>Approved Budget 2019/20</b>						
			(161,772)			

**BUDGET 2019/20**

**SECTION 4**

**CHILDREN & YOUNG PEOPLE  
SERVICE**

**PORTFOLIO**

# **BUDGET 2019/20**

## **INDEX OF SERVICES**

### **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 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 2019/20

Sheet No:	Children & Young People Service	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Original Budget 2019/20 £000's
	<b>Directly Managed Costs</b>			
CYP 1	Standards	5,112	5,111	5,431
CYP 2	Resources	1,416	1,440	1,215
CYP 3	Individual Schools Budgets	43,635	43,621	44,280
	<b>Net Direct Total</b>	<b>50,164</b>	<b>50,172</b>	<b>50,926</b>
	<b>Indirectly Managed Costs</b>			
CYP 1	Standards	208	208	199
CYP 2	Resources	552	552	496
CYP 3	Individual Schools Budgets	6,759	6,759	6,377
	<b>Net Indirect Total</b>	<b>7,519</b>	<b>7,519</b>	<b>7,072</b>
	<b>Total Children &amp; Young People Service Areas</b>	<b>57,683</b>	<b>57,691</b>	<b>57,998</b>

## STATEMENT OF SERVICE 2018-23

Service:

### CHILDREN & YOUNG PEOPLE SERVICE BUDGET SUMMARY

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	2,077	2,077	2,049	2,483	3,483	3,926
Employee Related Other	817	813	856	856	856	856
Employee Related Savings	(26)	0	(21)	(21)	(22)	(22)
Premises Related	4	4	4	4	4	4
Transport Related	55	55	57	57	57	57
Supplies & Services	3,316	3,316	2,489	2,489	2,489	2,489
Agency & Contracted	51,255	51,242	53,688	54,248	53,688	53,688
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>57,499</b>	<b>57,507</b>	<b>59,122</b>	<b>60,116</b>	<b>60,555</b>	<b>60,998</b>
Grant Income	(6,460)	(6,460)	(5,902)	(5,902)	(5,902)	(5,902)
Discretionary Fees & Charges	(3)	(3)	(3)	(3)	(3)	(3)
Other Income	(871)	(871)	(2,291)	(2,291)	(2,291)	(2,291)
<b><i>Total Direct Income</i></b>	<b>(7,335)</b>	<b>(7,335)</b>	<b>(8,196)</b>	<b>(8,196)</b>	<b>(8,196)</b>	<b>(8,196)</b>
<b><i>Net Direct Total</i></b>	<b>50,164</b>	<b>50,172</b>	<b>50,926</b>	<b>51,920</b>	<b>52,359</b>	<b>52,802</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	48	48	37	37	37	37
Asset Rentals	6,037	6,037	5,660	5,660	5,660	5,660
Grounds Maintenance	0	0	0	0	0	0
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	262	262	262	262	262	262
Internal Insurance Premiums	140	140	138	138	138	138
Support Services Recharges	1,033	1,033	974	974	974	974
<b><i>Total Indirect Expenditure</i></b>	<b>7,519</b>	<b>7,519</b>	<b>7,072</b>	<b>7,072</b>	<b>7,072</b>	<b>7,072</b>
Indirect Income Recharges	0	0	0	0	0	0
<b><i>Net Indirect Total</i></b>	<b>7,519</b>	<b>7,519</b>	<b>7,072</b>	<b>7,072</b>	<b>7,072</b>	<b>7,072</b>
<b>Net Service Total</b>	<b>57,683</b>	<b>57,691</b>	<b>57,998</b>	<b>58,991</b>	<b>59,431</b>	<b>59,874</b>



## STATEMENT OF SERVICE 2018-23

CYP 1

Service:

**Standards**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	1,289	1,289	1,370	1,655	2,316	2,611
Employee Related Other	22	21	94	94	94	94
Employee Related Savings	0	0	0	0	0	0
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	2,997	2,997	2,206	2,206	2,206	2,206
Agency & Contracted	4,253	4,253	4,954	4,954	4,954	4,954
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>8,561</b>	<b>8,560</b>	<b>8,624</b>	<b>8,909</b>	<b>9,570</b>	<b>9,865</b>
Grant Income	(3,341)	(3,341)	(1,728)	(1,728)	(1,728)	(1,728)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(108)	(108)	(1,465)	(1,465)	(1,465)	(1,465)
<b>Total Direct Income</b>	<b>(3,449)</b>	<b>(3,449)</b>	<b>(3,193)</b>	<b>(3,193)</b>	<b>(3,193)</b>	<b>(3,193)</b>
<b>Net Direct Total</b>	<b>5,112</b>	<b>5,111</b>	<b>5,431</b>	<b>5,716</b>	<b>6,377</b>	<b>6,672</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	26	26	25	25	25	25
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	182	182	174	174	174	174
<b>Total Indirect Expenditure</b>	<b>208</b>	<b>208</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>208</b>	<b>208</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
<b>Net Service Total</b>	<b>5,320</b>	<b>5,319</b>	<b>5,630</b>	<b>5,915</b>	<b>6,576</b>	<b>6,871</b>
<b>Original Budget 2018/19</b>						
		5,320				
<b>Virements</b>						
		(1)				
<b>Revised Budget 2018/19</b>						
		<b>5,319</b>	<b>5,319</b>			
<b>Variance</b>						
			311			
<b>Approved Budget 2019/20</b>						
			<b>5,630</b>			

## STATEMENT OF SERVICE 2018-23

CYP 2

Service:

### RESOURCES

CYP Management, School Admissions, Finance  
and Health & safety

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	782	782	672	820	1,155	1,301
Employee Related Other	795	793	762	762	762	762
Employee Related Savings	(26)	0	(21)	(21)	(22)	(22)
Premises Related	0	0	0	0	0	0
Transport Related	55	55	57	57	57	57
Supplies & Services	315	315	280	280	280	280
Agency & Contracted	269	269	320	320	320	320
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>2,190</b>	<b>2,214</b>	<b>2,070</b>	<b>2,217</b>	<b>2,552</b>	<b>2,698</b>
Grant Income	(10)	(10)	(29)	(29)	(29)	(29)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(764)	(764)	(826)	(826)	(826)	(826)
<b><i>Total Direct Income</i></b>	<b>(774)</b>	<b>(774)</b>	<b>(855)</b>	<b>(855)</b>	<b>(855)</b>	<b>(855)</b>
<b><i>Net Direct Total</i></b>	<b>1,416</b>	<b>1,440</b>	<b>1,215</b>	<b>1,362</b>	<b>1,697</b>	<b>1,843</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	22	22	12	12	12	12
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	140	140	138	138	138	138
Support Services Recharges	390	390	345	345	345	345
<b><i>Total Indirect Expenditure</i></b>	<b>552</b>	<b>552</b>	<b>496</b>	<b>496</b>	<b>496</b>	<b>496</b>
Indirect Income Recharges	0	0	0	0	0	0
<b><i>Net Indirect Total</i></b>	<b>552</b>	<b>552</b>	<b>496</b>	<b>496</b>	<b>496</b>	<b>496</b>
<b>Net Service Total</b>	<b>1,968</b>	<b>1,992</b>	<b>1,711</b>	<b>1,858</b>	<b>2,193</b>	<b>2,339</b>

<b>Original Budget 2018/19</b>		1,968	
<b>Virements</b>		23	
<b>Revised Budget 2018/19</b>		<b>1,992</b>	1,992
<b>Variance</b>			(281)
<b>Approved Budget 2019/20</b>			<b>1,711</b>

**STATEMENT OF SERVICE 2018-23**

CYP 3

Service:

**Individual Schools Budgets**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	7	7	7	9	12	14
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	46,734	46,720	48,414	48,974	48,414	48,414
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>46,747</b>	<b>46,734</b>	<b>48,428</b>	<b>48,989</b>	<b>48,433</b>	<b>48,434</b>
Grant Income	(3,109)	(3,109)	(4,145)	(4,145)	(4,145)	(4,145)
Discretionary Fees & Charges	(3)	(3)	(3)	(3)	(3)	(3)
Other Income	0	0	0	0	0	0
<b>Total Direct Income</b>	<b>(3,112)</b>	<b>(3,112)</b>	<b>(4,148)</b>	<b>(4,148)</b>	<b>(4,148)</b>	<b>(4,148)</b>
<b>Net Direct Total</b>	<b>43,635</b>	<b>43,621</b>	<b>44,280</b>	<b>44,841</b>	<b>44,285</b>	<b>44,286</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	0	0	0	0	0	0
Asset Rentals	6,037	6,037	5,660	5,660	5,660	5,660
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	461	461	455	455	455	455
<b>Total Indirect Expenditure</b>	<b>6,759</b>	<b>6,759</b>	<b>6,377</b>	<b>6,377</b>	<b>6,377</b>	<b>6,377</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>6,759</b>	<b>6,759</b>	<b>6,377</b>	<b>6,377</b>	<b>6,377</b>	<b>6,377</b>
<b>Net Service Total</b>	<b>50,394</b>	<b>50,381</b>	<b>50,656</b>	<b>51,218</b>	<b>50,661</b>	<b>50,663</b>

Original Budget 2018/19	50,394	
Virements	(14)	
Revised Budget 2018/19	<b>50,381</b>	50,381
Variance		276
Approved Budget 2019/20		<b>50,656</b>

**BUDGET 2019/20**

**SECTION 5**

**SOCIAL CARE & HEALTH  
SERVICE**

**PORTFOLIO**

# BUDGET 2019/20

## 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 and Performance Management.

#### **Commissioning**

**SCH 6**

The planning and commissioning of 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 2019/20

Sheet No:	Social Care & Health Services	Original Budget 2018/19 £000's	Revised Budget 2019/20 £000's	Original Budget 2019/20 £000's
	<b>Directly Managed Costs</b>			
SCH 1	Adult Services	7,192	7,412	7,341
SCH 2	Community Care	23,039	22,768	22,640
SCH 3	Partner	366	366	418
SCH 4	Children's Services	11,231	11,461	11,937
SCH 5	Resources and Performance Management	408	654	667
SCH 6	Commissioning	1,631	1,627	1,638
SCH 7	Public Protection	1,416	1,410	1,458
	<b>Net Direct Total</b>	<b>45,284</b>	<b>45,698</b>	<b>46,099</b>
	<b>Indirectly Managed Costs</b>			
SCH 1	Adult Services	1,197	1,197	1,219
SCH 2	Community Care	1,204	1,204	1,279
SCH 3	Partner	90	90	93
SCH 4	Children's Services	1,009	1,009	1,083
SCH 5	Resources and Performance Management	(589)	(589)	(667)
SCH 6	Commissioning	187	187	199
SCH 7	Public Protection	306	306	313
	<b>Net Indirect Total</b>	<b>3,403</b>	<b>3,403</b>	<b>3,519</b>
	<b>Total Social Care &amp; Health Service Areas</b>	<b>48,688</b>	<b>49,101</b>	<b>49,619</b>

## STATEMENT OF SERVICE 2018-23

Service:

### SOCIAL CARE & HEALTH SERVICES

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	19,723	20,485	21,566	21,882	21,955	22,216
Employee Related Other	403	379	397	397	397	397
Employee Related Savings	(393)	(403)	(331)	(338)	(345)	(352)
Premises Related	328	328	300	300	300	300
Transport Related	299	246	235	235	235	235
Supplies & Services	1,770	1,997	2,007	2,148	2,007	2,007
Agency & Contracted	32,114	31,633	31,911	32,003	32,628	32,747
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>54,244</b>	<b>54,665</b>	<b>56,085</b>	<b>56,628</b>	<b>57,178</b>	<b>57,551</b>
Grant Income	(4,496)	(4,483)	(4,865)	(4,865)	(4,865)	(4,865)
Discretionary Fees & Charges	(881)	(874)	(889)	(1,005)	(1,005)	(1,005)
Other Income	(3,583)	(3,611)	(4,232)	(4,232)	(4,232)	(4,232)
<b><i>Total Direct Income</i></b>	<b>(8,960)</b>	<b>(8,967)</b>	<b>(9,986)</b>	<b>(10,102)</b>	<b>(10,102)</b>	<b>(10,102)</b>
<b><i>Net Direct Total</i></b>	<b>45,284</b>	<b>45,698</b>	<b>46,099</b>	<b>46,526</b>	<b>47,077</b>	<b>47,449</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	272	272	258	258	258	258
Asset Rentals	274	274	294	294	294	294
Grounds Maintenance	15	15	20	20	20	20
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	68	68	69	69	69	69
Internal Insurance Premiums	9	9	1	1	1	1
Support Services Recharges	3,737	3,737	3,940	3,940	3,940	3,940
<b><i>Total Indirect Expenditure</i></b>	<b>4,375</b>	<b>4,375</b>	<b>4,581</b>	<b>4,581</b>	<b>4,581</b>	<b>4,581</b>
Indirect Income Recharges	(972)	(972)	(1,062)	(1,062)	(1,062)	(1,062)
<b><i>Net Indirect Total</i></b>	<b>3,403</b>	<b>3,403</b>	<b>3,519</b>	<b>3,519</b>	<b>3,519</b>	<b>3,519</b>
<b><i>Net Service Total</i></b>	<b>48,688</b>	<b>49,101</b>	<b>49,619</b>	<b>50,045</b>	<b>50,596</b>	<b>50,969</b>

**STATEMENT OF SERVICE 2018-23**

SCH 1

Service:

**Adult Services**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b>Directly Managed Costs</b>						
Employee Related Pay	7,273	7,546	7,536	7,647	7,672	7,763
Employee Related Other	98	82	81	81	81	81
Employee Related Savings	(140)	(145)	(151)	(154)	(157)	(160)
Premises Related	206	206	188	188	188	188
Transport Related	80	55	55	55	55	55
Supplies & Services	459	456	456	456	456	456
Agency & Contracted	130	124	124	124	124	124
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>8,105</b>	<b>8,324</b>	<b>8,289</b>	<b>8,396</b>	<b>8,419</b>	<b>8,507</b>
Grant Income	(527)	(527)	(563)	(563)	(563)	(563)
Discretionary Fees & Charges	(346)	(346)	(346)	(462)	(462)	(462)
Other Income	(39)	(39)	(39)	(39)	(39)	(39)
<b>Total Direct Income</b>	<b>(912)</b>	<b>(912)</b>	<b>(948)</b>	<b>(1,064)</b>	<b>(1,064)</b>	<b>(1,064)</b>
<b>Net Direct Total</b>	<b>7,192</b>	<b>7,412</b>	<b>7,341</b>	<b>7,332</b>	<b>7,355</b>	<b>7,443</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	6	6	5	5	5	5
Asset Rentals	166	166	189	189	189	189
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	5	5	0	0	0	0
Support Services Recharges	937	937	942	942	942	942
<b>Total Indirect Expenditure</b>	<b>1,197</b>	<b>1,197</b>	<b>1,219</b>	<b>1,219</b>	<b>1,219</b>	<b>1,219</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>1,197</b>	<b>1,197</b>	<b>1,219</b>	<b>1,219</b>	<b>1,219</b>	<b>1,219</b>
<b>Net Service Total</b>	<b>8,389</b>	<b>8,608</b>	<b>8,560</b>	<b>8,552</b>	<b>8,574</b>	<b>8,662</b>

<b>Original Budget 2018/19</b>	8,389	
<b>Virements</b>	219	
<b>Revised Budget 2018/19</b>	<b>8,608</b>	8,608
<b>Variance</b>		(48)
<b>Approved Budget 2019/20</b>		<b>8,560</b>



**STATEMENT OF SERVICE 2018-23**

SCH 2

Service:

**Community Care**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b>Directly Managed Costs</b>						
Employee Related Pay	4,148	4,148	4,306	4,369	4,383	4,435
Employee Related Other	112	108	108	108	108	108
Employee Related Savings	(83)	(83)	(86)	(87)	(89)	(91)
Premises Related	0	0	0	0	0	0
Transport Related	28	28	28	28	28	28
Supplies & Services	28	116	38	38	38	38
Agency & Contracted	23,026	22,562	22,908	23,000	23,625	23,744
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>27,260</b>	<b>26,879</b>	<b>27,301</b>	<b>27,454</b>	<b>28,092</b>	<b>28,261</b>
Grant Income	(910)	(801)	(801)	(801)	(801)	(801)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(3,311)	(3,311)	(3,860)	(3,860)	(3,860)	(3,860)
<b>Total Direct Income</b>	<b>(4,221)</b>	<b>(4,112)</b>	<b>(4,661)</b>	<b>(4,661)</b>	<b>(4,661)</b>	<b>(4,661)</b>
<b>Net Direct Total</b>	<b>23,039</b>	<b>22,768</b>	<b>22,640</b>	<b>22,794</b>	<b>23,432</b>	<b>23,601</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	30	30	30	30	30	30
Asset Rentals	45	45	54	54	54	54
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	1,128	1,128	1,195	1,195	1,195	1,195
<b>Total Indirect Expenditure</b>	<b>1,204</b>	<b>1,204</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>1,204</b>	<b>1,204</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>
<b>Net Service Total</b>	<b>24,243</b>	<b>23,972</b>	<b>23,919</b>	<b>24,073</b>	<b>24,711</b>	<b>24,880</b>

<b>Original Budget 2018/19</b>	24,243	
<b>Virements</b>	(272)	
<b>Revised Budget 2018/19</b>	<b>23,972</b>	<b>23,972</b>
<b>Variance</b>		(52)
<b>Approved Budget 2019/20</b>		<b>23,919</b>

**STATEMENT OF SERVICE 2018-23**

SCH 3

Service: **Partner**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	1,224	1,224	1,252	1,271	1,275	1,290
Employee Related Other	47	47	47	47	47	47
Employee Related Savings	(24)	(24)	(25)	(25)	(26)	(26)
Premises Related	54	54	54	54	54	54
Transport Related	1	1	1	1	1	1
Supplies & Services	107	107	106	106	106	106
Agency & Contracted	40	40	40	40	40	40
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>1,448</b>	<b>1,448</b>	<b>1,475</b>	<b>1,493</b>	<b>1,497</b>	<b>1,511</b>
Grant Income	(1,000)	(1,000)	(1,057)	(1,057)	(1,057)	(1,057)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(82)	(82)	0	0	0	0
<b>Total Direct Income</b>	<b>(1,082)</b>	<b>(1,082)</b>	<b>(1,057)</b>	<b>(1,057)</b>	<b>(1,057)</b>	<b>(1,057)</b>
<b>Net Direct Total</b>	<b>366</b>	<b>366</b>	<b>418</b>	<b>436</b>	<b>440</b>	<b>455</b>
<b>Indirectly Managed Costs</b>						
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	90	90	93	93	93	93
<b>Total Indirect Expenditure</b>	<b>90</b>	<b>90</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>90</b>	<b>90</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Net Service Total</b>	<b>456</b>	<b>456</b>	<b>511</b>	<b>529</b>	<b>533</b>	<b>547</b>

Original Budget 2018/19	456	
Virements	0	
Revised Budget 2018/19	<b>456</b>	456
Variance		55
Approved Budget 2019/20		<b>511</b>

**STATEMENT OF SERVICE 2018-23**

SCH 4

Service: **Children's Services**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	4,541	4,759	5,521	5,601	5,620	5,687
Employee Related Other	105	104	126	126	126	126
Employee Related Savings	(91)	(95)	(11)	(12)	(12)	(12)
Premises Related	63	63	53	53	53	53
Transport Related	3	3	3	3	3	3
Supplies & Services	918	1,060	1,150	1,291	1,150	1,150
Agency & Contracted	5,853	5,842	5,777	5,777	5,777	5,777
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>11,393</b>	<b>11,735</b>	<b>12,617</b>	<b>12,839</b>	<b>12,717</b>	<b>12,783</b>
Grant Income	(20)	(116)	(405)	(405)	(405)	(405)
Discretionary Fees & Charges	0	0	0	0	0	0
Other Income	(143)	(159)	(275)	(275)	(275)	(275)
<b>Total Direct Income</b>	<b>(163)</b>	<b>(275)</b>	<b>(680)</b>	<b>(680)</b>	<b>(680)</b>	<b>(680)</b>
<b>Net Direct Total</b>	<b>11,231</b>	<b>11,461</b>	<b>11,937</b>	<b>12,159</b>	<b>12,037</b>	<b>12,103</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	144	144	133	133	133	133
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	3	3	0	0	0	0
Support Services Recharges	861	861	950	950	950	950
<b>Total Indirect Expenditure</b>	<b>1,009</b>	<b>1,009</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>1,009</b>	<b>1,009</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>
<b>Net Service Total</b>	<b>12,239</b>	<b>12,469</b>	<b>13,021</b>	<b>13,242</b>	<b>13,120</b>	<b>13,186</b>

Original Budget 2018/19	12,239	
Virements	230	
Revised Budget 2018/19	<b>12,469</b>	12,469
Variance		551
Approved Budget 2019/20		<b>13,021</b>

## STATEMENT OF SERVICE 2018-23

SCH 5

Service: **Resources & Performance Management**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	238	506	526	534	535	542
Employee Related Other	5	5	3	3	3	3
Employee Related Savings	(10)	(10)	(10)	(11)	(11)	(11)
Premises Related	0	0	0	0	0	0
Transport Related	130	108	94	94	94	94
Supplies & Services	13	13	22	22	22	22
Agency & Contracted	32	32	32	32	32	32
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>408</b>	<b>654</b>	<b>667</b>	<b>674</b>	<b>676</b>	<b>682</b>
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
<b><i>Total Direct Income</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Net Direct Total</i></b>	<b>408</b>	<b>654</b>	<b>667</b>	<b>674</b>	<b>676</b>	<b>682</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	16	16	12	12	12	12
Asset Rentals	62	62	51	51	51	51
Grounds Maintenance	0	0	5	5	5	5
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	0	0	1	1	1	1
Internal Insurance Premiums	1	1	1	1	1	1
Support Services Recharges	208	208	220	220	220	220
<b><i>Total Indirect Expenditure</i></b>	<b>287</b>	<b>287</b>	<b>289</b>	<b>289</b>	<b>289</b>	<b>289</b>
Indirect Income Recharges	(876)	(876)	(956)	(956)	(956)	(956)
<b><i>Net Indirect Total</i></b>	<b>(589)</b>	<b>(589)</b>	<b>(667)</b>	<b>(667)</b>	<b>(667)</b>	<b>(667)</b>
<b>Net Service Total</b>	<b>(181)</b>	<b>65</b>	<b>0</b>	<b>8</b>	<b>9</b>	<b>15</b>

<b>Original Budget 2018/19</b>	(181)	
<b>Virements</b>	246	
<b>Revised Budget 2018/19</b>	<b>65</b>	<b>65</b>
<b>Variance</b>		<b>(65)</b>
<b>Approved Budget 2019/20</b>		<b>0</b>

**STATEMENT OF SERVICE 2018-23**

SCH 6

Service: **Commissioning**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	508	508	530	538	540	546
Employee Related Other	12	11	11	11	11	11
Employee Related Savings	(10)	(10)	(11)	(11)	(11)	(11)
Premises Related	5	5	5	5	5	5
Transport Related	21	18	21	21	21	21
Supplies & Services	103	103	103	103	103	103
Agency & Contracted	3,032	3,032	3,029	3,029	3,029	3,029
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>3,670</b>	<b>3,666</b>	<b>3,688</b>	<b>3,696</b>	<b>3,698</b>	<b>3,704</b>
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	(11)	(11)	(11)	(11)
<b>Total Direct Income</b>	<b>(2,039)</b>	<b>(2,039)</b>	<b>(2,050)</b>	<b>(2,050)</b>	<b>(2,050)</b>	<b>(2,050)</b>
<b>Net Direct Total</b>	<b>1,631</b>	<b>1,627</b>	<b>1,638</b>	<b>1,646</b>	<b>1,647</b>	<b>1,654</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	21	21	17	17	17	17
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	166	166	183	183	183	183
<b>Total Indirect Expenditure</b>	<b>187</b>	<b>187</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>187</b>	<b>187</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
<b>Net Service Total</b>	<b>1,818</b>	<b>1,814</b>	<b>1,837</b>	<b>1,845</b>	<b>1,847</b>	<b>1,853</b>

Original Budget 2018/19	1,818	
Virements	(4)	
Revised Budget 2018/19	<b>1,814</b>	1,814
Variance		23
Approved Budget 2019/20		<b>1,837</b>

**STATEMENT OF SERVICE 2018-23**

SCH 7

Service: **Public Protection**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	1,791	1,793	1,895	1,923	1,929	1,952
Employee Related Other	24	23	23	23	23	23
Employee Related Savings	(35)	(35)	(37)	(38)	(39)	(40)
Premises Related	2	2	2	2	2	2
Transport Related	36	33	33	33	33	33
Supplies & Services	142	142	133	133	133	133
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>1,960</b>	<b>1,958</b>	<b>2,048</b>	<b>2,075</b>	<b>2,081</b>	<b>2,103</b>
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(535)	(528)	(544)	(544)	(544)	(544)
Other Income	(8)	(20)	(47)	(47)	(47)	(47)
<b>Total Direct Income</b>	<b>(543)</b>	<b>(548)</b>	<b>(590)</b>	<b>(590)</b>	<b>(590)</b>	<b>(590)</b>
<b>Net Direct Total</b>	<b>1,416</b>	<b>1,410</b>	<b>1,458</b>	<b>1,485</b>	<b>1,490</b>	<b>1,512</b>
<b>Indirectly Managed Costs</b>						
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	0	0	0	0	0	0
Support Services Recharges	346	346	358	358	358	358
<b>Total Indirect Expenditure</b>	<b>401</b>	<b>401</b>	<b>418</b>	<b>418</b>	<b>418</b>	<b>418</b>
Indirect Income Recharges	(96)	(96)	(106)	(106)	(106)	(106)
<b>Net Indirect Total</b>	<b>306</b>	<b>306</b>	<b>313</b>	<b>313</b>	<b>313</b>	<b>313</b>
<b>Net Service Total</b>	<b>1,722</b>	<b>1,716</b>	<b>1,770</b>	<b>1,797</b>	<b>1,803</b>	<b>1,825</b>

Original Budget 2018/19	1,722	
Virements	(6)	
Revised Budget 2018/19	<b>1,716</b>	<b>1,716</b>
Variance		54
Approved Budget 2019/20		<b>1,770</b>

**BUDGET 2019/20**

**SECTION 6**

**ENTERPRISE**

**PORTFOLIO**

# BUDGET 2019/20

## 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 (Monlife)**

**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.

#### **Operations**

**ENT 4**

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 2019/20

Sheet No:	Enterprise	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Original Budget 2019/20 £000's
	<b>Directly Managed Costs</b>			
ENT 1	Business Growth and Enterprise	1,436	1,368	5,217
ENT 2	MONLIFE Tourism, Leisure & Culture	3,407	3,445	0
ENT 3	Planning & Housing	2,090	1,727	2,069
ENT 4	Operations	15,011	15,534	15,228
	<b>Net Direct Total</b>	<b>21,944</b>	<b>22,074</b>	<b>22,515</b>
	<b>Indirectly Managed Costs</b>			
ENT 1	Business Growth and Enterprise	(319)	(319)	141
ENT 2	MONLIFE Tourism, Leisure & Culture	2,812	2,812	2,679
ENT 3	Planning & Housing	655	655	625
ENT 4	Operations	5,646	5,646	5,620
	<b>Net Indirect Total</b>	<b>8,794</b>	<b>8,794</b>	<b>9,065</b>
	<b>Total Enterprise Service Areas</b>	<b>30,738</b>	<b>30,868</b>	<b>31,580</b>

## STATEMENT OF SERVICE 2018-23

Service:

### ENTERPRISE SERVICE AREA BUDGET SUMMARY

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	24,072	24,486	20,012	20,260	20,713	21,214
Employee Related Other	309	302	385	385	385	385
Employee Related Savings	(480)	(432)	(359)	(366)	(373)	(381)
Premises Related	2,215	2,576	1,786	1,786	1,786	1,786
Transport Related	12,169	12,561	11,968	12,043	12,030	11,968
Supplies & Services	7,055	6,117	20,499	20,603	20,614	20,498
Agency & Contracted	5,553	5,487	5,170	5,170	5,170	5,170
Transfer Payments	0	0	0	0	0	0
Capital Financing	(38)	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>50,854</b>	<b>51,097</b>	<b>59,461</b>	<b>59,882</b>	<b>60,325</b>	<b>60,641</b>
Grant Income	(4,748)	(4,958)	(16,459)	(16,459)	(16,459)	(16,459)
Discretionary Fees & Charges	(11,157)	(10,725)	(6,782)	(6,938)	(6,938)	(6,938)
Other Income	(13,005)	(13,341)	(13,705)	(13,705)	(13,705)	(13,705)
<b><i>Total Direct Income</i></b>	<b>(28,911)</b>	<b>(29,023)</b>	<b>(36,946)</b>	<b>(37,102)</b>	<b>(37,102)</b>	<b>(37,102)</b>
<b><i>Net Direct Total</i></b>	<b>21,944</b>	<b>22,074</b>	<b>22,515</b>	<b>22,780</b>	<b>23,223</b>	<b>23,539</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	310	310	279	279	279	279
Asset Rentals	3,761	3,761	3,633	3,633	3,633	3,633
Grounds Maintenance	1,204	1,204	358	358	358	358
Contract Cleaning	56	56	57	57	57	57
Building Maintenance	260	260	260	260	260	260
Internal Insurance Premiums	809	809	856	856	856	856
Support Services Recharges	4,991	4,991	4,921	4,921	4,921	4,921
<b><i>Total Indirect Expenditure</i></b>	<b>11,391</b>	<b>11,391</b>	<b>10,364</b>	<b>10,364</b>	<b>10,364</b>	<b>10,364</b>
Indirect Income Recharges	(2,597)	(2,597)	(1,299)	(1,299)	(1,299)	(1,299)
<b><i>Net Indirect Total</i></b>	<b>8,794</b>	<b>8,794</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>	<b>9,065</b>
<b><i>Net Service Total</i></b>	<b>30,738</b>	<b>30,868</b>	<b>31,580</b>	<b>31,845</b>	<b>32,289</b>	<b>32,604</b>

**STATEMENT OF SERVICE 2018-23**

ENT 1

Service:

**Business Growth & Enterprise**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	2,068	2,037	2,132	2,159	2,207	2,277
Employee Related Other	22	27	32	32	32	32
Employee Related Savings	(38)	(38)	(40)	(41)	(42)	(43)
Premises Related	1	8	5	5	5	5
Transport Related	0	7	7	7	7	7
Supplies & Services	842	898	4,805	4,805	4,805	4,805
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>2,895</b>	<b>2,939</b>	<b>6,942</b>	<b>6,967</b>	<b>7,015</b>	<b>7,084</b>
Grant Income	(1,317)	(1,272)	(1,437)	(1,437)	(1,437)	(1,437)
Discretionary Fees & Charges	0	(231)	(250)	(250)	(250)	(250)
Other Income	(141)	(68)	(37)	(37)	(37)	(37)
<b>Total Direct Income</b>	<b>(1,458)</b>	<b>(1,572)</b>	<b>(1,724)</b>	<b>(1,724)</b>	<b>(1,724)</b>	<b>(1,724)</b>
<b>Net Direct Total</b>	<b>1,436</b>	<b>1,368</b>	<b>5,217</b>	<b>5,243</b>	<b>5,291</b>	<b>5,360</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	49	49	45	45	45	45
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	2	2	2	2	2	2
Internal Insurance Premiums	2	2	2	2	2	2
Support Services Recharges	618	618	619	619	619	619
<b>Total Indirect Expenditure</b>	<b>671</b>	<b>671</b>	<b>668</b>	<b>668</b>	<b>668</b>	<b>668</b>
Indirect Income Recharges	(990)	(990)	(527)	(527)	(527)	(527)
<b>Net Indirect Total</b>	<b>(319)</b>	<b>(319)</b>	<b>141</b>	<b>141</b>	<b>141</b>	<b>141</b>
<b>Net Service Total</b>	<b>1,117</b>	<b>1,049</b>	<b>5,358</b>	<b>5,384</b>	<b>5,432</b>	<b>5,501</b>

<b>Original Budget 2018/19</b>	1,117	
<b>Virements</b>	(68)	
<b>Revised Budget 2018/19</b>	<b>1,049</b>	1,049
<b>Variance</b>		<b>4,310</b>
<b>Approved Budget 2019/20</b>		<b>5,358</b>

**STATEMENT OF SERVICE 2018-23**

ENT 2

Service: **Tourism Life & Culture (Monlife)**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	5,791	5,704	0	0	0	0
Employee Related Other	50	47	0	0	0	0
Employee Related Savings	(116)	(112)	0	0	0	0
Premises Related	882	882	0	0	0	0
Transport Related	96	93	0	0	0	0
Supplies & Services	1,183	1,220	0	5	16	0
Agency & Contracted	216	216	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>8,102</b>	<b>8,051</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>0</b>
Grant Income	(581)	(505)	0	0	0	0
Discretionary Fees & Charges	(3,632)	(3,632)	0	0	0	0
Other Income	(482)	(468)	0	0	0	0
<b><i>Total Direct Income</i></b>	<b>(4,695)</b>	<b>(4,606)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Net Direct Total</i></b>	<b>3,407</b>	<b>3,445</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>0</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	33	33	29	29	29	29
Asset Rentals	1,150	1,150	1,148	1,148	1,148	1,148
Grounds Maintenance	14	14	15	15	15	15
Contract Cleaning	29	29	30	30	30	30
Building Maintenance	212	212	212	212	212	212
Internal Insurance Premiums	24	24	20	20	20	20
Support Services Recharges	1,351	1,351	1,226	1,226	1,226	1,226
<b><i>Total Indirect Expenditure</i></b>	<b>2,812</b>	<b>2,812</b>	<b>2,679</b>	<b>2,679</b>	<b>2,679</b>	<b>2,679</b>
Indirect Income Recharges	0	0	0	0	0	0
<b><i>Net Indirect Total</i></b>	<b>2,812</b>	<b>2,812</b>	<b>2,679</b>	<b>2,679</b>	<b>2,679</b>	<b>2,679</b>
<b>Net Service Total</b>	<b>6,219</b>	<b>6,257</b>	<b>2,679</b>	<b>2,684</b>	<b>2,695</b>	<b>2,679</b>

<b>Original Budget 2018/19</b>	6,219	
<b>Virements</b>	38	
<b>Revised Budget 2018/19</b>	<b>6,257</b>	6,257
<b>Variance</b>		(3,578)
<b>Approved Budget 2019/20</b>		<b>2,679</b>

**STATEMENT OF SERVICE 2018-23**

ENT 3

Service:

**PLANNING & HOUSING**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	2,441	2,603	2,671	2,704	2,764	2,852
Employee Related Other	34	32	32	32	32	32
Employee Related Savings	(49)	(49)	(53)	(54)	(56)	(57)
Premises Related	303	641	642	642	642	642
Transport Related	20	20	20	20	20	20
Supplies & Services	1,268	549	868	918	918	868
Agency & Contracted	74	141	137	137	137	137
Transfer Payments	0	0	0	0	0	0
Capital Financing	(38)	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>4,052</b>	<b>3,937</b>	<b>4,317</b>	<b>4,399</b>	<b>4,458</b>	<b>4,495</b>
Grant Income	(385)	(633)	(633)	(633)	(633)	(633)
Discretionary Fees & Charges	(1,347)	(718)	(740)	(740)	(740)	(740)
Other Income	(231)	(860)	(874)	(874)	(874)	(874)
<b>Total Direct Income</b>	<b>(1,963)</b>	<b>(2,211)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>
<b>Net Direct Total</b>	<b>2,090</b>	<b>1,727</b>	<b>2,069</b>	<b>2,151</b>	<b>2,211</b>	<b>2,247</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	85	85	76	76	76	76
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	2	2	0	0	0	0
Support Services Recharges*	557	557	538	538	538	538
<b>Total Indirect Expenditure</b>	<b>655</b>	<b>655</b>	<b>625</b>	<b>625</b>	<b>625</b>	<b>625</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>655</b>	<b>655</b>	<b>625</b>	<b>625</b>	<b>625</b>	<b>625</b>
<b>Net Service Total</b>	<b>2,745</b>	<b>2,382</b>	<b>2,695</b>	<b>2,777</b>	<b>2,836</b>	<b>2,873</b>

Original Budget 2018/19	2,745	
Virements	(363)	
Revised Budget 2018/19	<b>2,382</b>	<b>2,382</b>
Variance		313
Approved Budget 2019/20		<b>2,695</b>

**STATEMENT OF SERVICE 2018-23**

ENT 4

Service:

**Operations**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	13,772	14,142	15,209	15,397	15,742	16,085
Employee Related Other	203	195	321	321	321	321
Employee Related Savings	(277)	(233)	(265)	(270)	(276)	(281)
Premises Related	1,030	1,045	1,139	1,139	1,139	1,139
Transport Related	12,053	12,441	11,941	12,016	12,003	11,941
Supplies & Services	3,763	3,450	14,825	14,875	14,875	14,825
Agency & Contracted	5,263	5,129	5,033	5,033	5,033	5,033
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>35,805</b>	<b>36,169</b>	<b>48,202</b>	<b>48,511</b>	<b>48,837</b>	<b>49,062</b>
Grant Income	(2,464)	(2,547)	(14,388)	(14,388)	(14,388)	(14,388)
Discretionary Fees & Charges	(6,178)	(6,143)	(5,791)	(5,947)	(5,947)	(5,947)
Other Income	(12,152)	(11,945)	(12,795)	(12,795)	(12,795)	(12,795)
<b><i>Total Direct Income</i></b>	<b>(20,794)</b>	<b>(20,635)</b>	<b>(32,975)</b>	<b>(33,131)</b>	<b>(33,131)</b>	<b>(33,131)</b>
<b><i>Net Direct Total</i></b>	<b>15,011</b>	<b>15,534</b>	<b>15,228</b>	<b>15,380</b>	<b>15,706</b>	<b>15,931</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	144	144	129	129	129	129
Asset Rentals	2,600	2,600	2,474	2,474	2,474	2,474
Grounds Maintenance	1,189	1,189	344	344	344	344
Contract Cleaning	27	27	27	27	27	27
Building Maintenance	46	46	46	46	46	46
Internal Insurance Premiums	782	782	834	834	834	834
Support Services Recharges*	2,465	2,465	2,538	2,538	2,538	2,538
<b><i>Total Indirect Expenditure</i></b>	<b>7,253</b>	<b>7,253</b>	<b>6,392</b>	<b>6,392</b>	<b>6,392</b>	<b>6,392</b>
Indirect Income Recharges	(1,607)	(1,607)	(772)	(772)	(772)	(772)
<b><i>Net Indirect Total</i></b>	<b>5,646</b>	<b>5,646</b>	<b>5,620</b>	<b>5,620</b>	<b>5,620</b>	<b>5,620</b>
<b>Net Service Total</b>	<b>20,658</b>	<b>21,181</b>	<b>20,848</b>	<b>21,000</b>	<b>21,326</b>	<b>21,551</b>

<b>Original Budget 2018/19</b>	20,658	
<b>Virements</b>	523	
<b>Revised Budget 2018/19</b>	<b>21,181</b>	21,181
<b>Variance</b>		(333)
<b>Approved Budget 2019/20</b>		<b>20,848</b>

**BUDGET 2019/20**

**SECTION 7**

**RESOURCES**

**PORTFOLIO**

# **BUDGET 2019/20**

## **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 Payroll Services and Senior Leadership Support and Future Monmouthshire

#### **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) and thus, enabling the appropriate quality, variety and affordability of housing (Housing Strategy).



## Budget Summary 2019/20

Sheet No:	<b>RESOURCES</b>	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2019/20 £000's</b>	<b>Original Budget 2019/20 £000's</b>
	<b>Directly Managed Costs</b>			
RES1	Finance	2,211	2,441	2,559
RES 2	Information Communication Technology	2,549	2,695	2,591
RES 3	People	1,702	1,746	1,677
RES 4	Commercial, Corporate & Landlord Services	844	565	(138)
	<b>Net Direct Total</b>	<b>7,305</b>	<b>7,447</b>	<b>6,688</b>
	<b>Indirectly Managed Costs</b>			
RES1	Finance	(1,236)	(1,236)	(1,296)
RES 2	Information Communication Technology	(2,566)	(2,566)	(2,594)
RES 3	People	(1,403)	(1,403)	(1,426)
RES 4	Commercial, Corporate & Landlord Services	(1,043)	(1,043)	(1,221)
	<b>Net Indirect Total</b>	<b>(6,248)</b>	<b>(6,248)</b>	<b>(6,537)</b>
	<b>Total Resources Service Areas</b>	<b>1,057</b>	<b>1,199</b>	<b>152</b>

**STATEMENT OF SERVICE 2018-23**

Service:

**RESOURCES  
BUDGET SUMMARY**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Employee Related Pay	6,159	6,209	5,383	5,503	5,657	5,784
Employee Related Other	135	131	218	218	218	218
Employee Related Savings	(123)	(123)	(110)	(112)	(115)	(117)
Premises Related	1,802	2,608	1,796	1,796	1,796	1,796
Transport Related	37	37	28	28	28	28
Supplies & Services	1,912	2,350	2,075	2,134	2,135	2,137
Agency & Contracted	2,229	2,283	2,190	2,190	2,190	2,190
Transfer Payments	21,663	21,663	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>33,814</b>	<b>35,158</b>	<b>11,581</b>	<b>11,757</b>	<b>11,910</b>	<b>12,037</b>
Grant Income	(22,213)	(22,213)	0	0	0	0
Discretionary Fees & Charges	(1,808)	(3,014)	(3,482)	(3,482)	(3,482)	(3,482)
Other Income	(2,488)	(2,484)	(1,410)	(1,460)	(1,472)	(1,485)
<b>Total Direct Income</b>	<b>(26,509)</b>	<b>(27,711)</b>	<b>(4,892)</b>	<b>(4,942)</b>	<b>(4,954)</b>	<b>(4,967)</b>
<b>Net Direct Total</b>	<b>7,305</b>	<b>7,447</b>	<b>6,688</b>	<b>6,815</b>	<b>6,956</b>	<b>7,070</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	235	235	186	186	186	186
Asset Rentals	824	824	614	614	614	614
Grounds Maintenance	327	327	331	331	331	331
Contract Cleaning	2	2	2	2	2	2
Building Maintenance	47	47	46	46	46	46
Internal Insurance Premiums	396	396	401	401	401	401
Support Services Recharges	2,697	2,697	2,680	2,680	2,680	2,680
<b>Total Indirect Expenditure</b>	<b>4,528</b>	<b>4,528</b>	<b>4,260</b>	<b>4,260</b>	<b>4,260</b>	<b>4,260</b>
Indirect Income Recharges	(10,776)	(10,776)	(10,796)	(10,796)	(10,796)	(10,796)
<b>Net Indirect Total</b>	<b>(6,248)</b>	<b>(6,248)</b>	<b>(6,537)</b>	<b>(6,537)</b>	<b>(6,537)</b>	<b>(6,537)</b>
<b>Net Service Total</b>	<b>1,057</b>	<b>1,199</b>	<b>152</b>	<b>279</b>	<b>419</b>	<b>533</b>

## STATEMENT OF SERVICE 2018-23

RES 1

Service:

**Finance**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	2,036	2,057	1,053	1,076	1,106	1,131
Employee Related Other	76	73	77	77	77	77
Employee Related Savings	(41)	(41)	(24)	(25)	(25)	(26)
Premises Related	6	6	0	0	0	0
Transport Related	10	10	0	0	0	0
Supplies & Services	882	1,093	1,464	1,464	1,464	1,464
Agency & Contracted	0	1	0	0	0	0
Transfer Payments	21,663	21,663	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>24,632</b>	<b>24,862</b>	<b>2,570</b>	<b>2,593</b>	<b>2,622</b>	<b>2,646</b>
Grant Income	(22,213)	(22,213)	0	0	0	0
Discretionary Fees & Charges	0	(4)	0	0	0	0
Other Income	(207)	(204)	(11)	(11)	(11)	(11)
<b><i>Total Direct Income</i></b>	<b>(22,421)</b>	<b>(22,421)</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>
<b><i>Net Direct Total</i></b>	<b>2,211</b>	<b>2,441</b>	<b>2,559</b>	<b>2,582</b>	<b>2,611</b>	<b>2,636</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	83	83	65	65	65	65
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	9	9	10	10	10	10
Support Services Recharges*	1,205	1,205	1,249	1,249	1,249	1,249
<b><i>Total Indirect Expenditure</i></b>	<b>1,298</b>	<b>1,298</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>
Indirect Income Recharges	(2,533)	(2,533)	(2,620)	(2,620)	(2,620)	(2,620)
<b><i>Net Indirect Total</i></b>	<b>(1,236)</b>	<b>(1,236)</b>	<b>(1,296)</b>	<b>(1,296)</b>	<b>(1,296)</b>	<b>(1,296)</b>
<b>Net Service Total</b>	<b>976</b>	<b>1,205</b>	<b>1,263</b>	<b>1,286</b>	<b>1,315</b>	<b>1,340</b>

Original Budget 2018/19	976	
Virements	230	
Revised Budget 2018/19	<b>1,205</b>	1,205
Variance		58
Approved Budget 2019/20		<b>1,263</b>

## STATEMENT OF SERVICE 2018-23

RES 2

Service:

**Information Communication Technology**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	283	312	326	333	343	351
Employee Related Other	1	1	7	7	7	7
Employee Related Savings	(5)	(6)	(7)	(7)	(7)	(7)
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	56	131	88	88	88	88
Agency & Contracted	2,214	2,257	2,176	2,176	2,176	2,176
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>2,549</b>	<b>2,695</b>	<b>2,591</b>	<b>2,598</b>	<b>2,608</b>	<b>2,615</b>
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
<b>Total Direct Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Direct Total</b>	<b>2,549</b>	<b>2,695</b>	<b>2,591</b>	<b>2,598</b>	<b>2,608</b>	<b>2,615</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	5	5	5	5	5	5
Asset Rentals	378	378	324	324	324	324
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*	144	144	142	142	142	142
<b>Total Indirect Expenditure</b>	<b>528</b>	<b>528</b>	<b>470</b>	<b>470</b>	<b>470</b>	<b>470</b>
Indirect Income Recharges	(3,094)	(3,094)	(3,064)	(3,064)	(3,064)	(3,064)
<b>Net Indirect Total</b>	<b>(2,566)</b>	<b>(2,566)</b>	<b>(2,594)</b>	<b>(2,594)</b>	<b>(2,594)</b>	<b>(2,594)</b>
<b>Net Service Total</b>	<b>(17)</b>	<b>129</b>	<b>(3)</b>	<b>4</b>	<b>14</b>	<b>21</b>

<b>Original Budget 2018/19</b>	(17)	
<b>Virements</b>	146	
<b>Revised Budget 2018/19</b>	<b>129</b>	<b>129</b>
<b>Variance</b>		<b>(133)</b>
<b>Approved Budget 2019/20</b>		<b>(3)</b>

**STATEMENT OF SERVICE 2018-23**

RES 3

Service:

**PEOPLE**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	1,843	1,820	1,825	1,865	1,917	1,961
Employee Related Other	32	30	106	106	106	106
Employee Related Savings	(36)	(36)	(36)	(37)	(37)	(38)
Premises Related	0	0	0	0	0	0
Transport Related	0	1	1	1	1	1
Supplies & Services	179	247	255	255	255	255
Agency & Contracted	5	5	4	4	4	4
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>2,021</b>	<b>2,065</b>	<b>2,155</b>	<b>2,195</b>	<b>2,246</b>	<b>2,289</b>
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(64)	(64)	(155)	(155)	(155)	(155)
Other Income	(256)	(256)	(323)	(323)	(323)	(323)
<b><i>Total Direct Income</i></b>	<b>(320)</b>	<b>(320)</b>	<b>(478)</b>	<b>(478)</b>	<b>(478)</b>	<b>(478)</b>
<b><i>Net Direct Total</i></b>	<b>1,702</b>	<b>1,746</b>	<b>1,677</b>	<b>1,717</b>	<b>1,768</b>	<b>1,811</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	60	60	48	48	48	48
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	3	3	4	4	4	4
Support Services Recharges*	434	434	431	431	431	431
<b><i>Total Indirect Expenditure</i></b>	<b>496</b>	<b>496</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>483</b>
Indirect Income Recharges	(1,900)	(1,900)	(1,909)	(1,909)	(1,909)	(1,909)
<b><i>Net Indirect Total</i></b>	<b>(1,403)</b>	<b>(1,403)</b>	<b>(1,426)</b>	<b>(1,426)</b>	<b>(1,426)</b>	<b>(1,426)</b>
<b><i>Net Service Total</i></b>	<b>298</b>	<b>342</b>	<b>251</b>	<b>291</b>	<b>342</b>	<b>384</b>
<b>Original Budget 2018/19</b>		298				
<b>Virements</b>		44				
<b>Revised Budget 2018/19</b>		<b>342</b>	342			
<b>Variance</b>			(92)			
<b>Approved Budget 2019/20</b>			<b>251</b>			

## STATEMENT OF SERVICE 2018-23

RES 4

Service: **Commercial, Corporate and Landlord Services**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	1,997	2,021	2,179	2,228	2,290	2,342
Employee Related Other	27	26	27	27	27	27
Employee Related Savings	(41)	(40)	(44)	(44)	(45)	(46)
Premises Related	1,796	2,602	1,796	1,796	1,796	1,796
Transport Related	27	27	27	27	27	27
Supplies & Services	795	879	268	327	328	330
Agency & Contracted	10	20	10	10	10	10
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>4,612</b>	<b>5,536</b>	<b>4,265</b>	<b>4,372</b>	<b>4,434</b>	<b>4,487</b>
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(1,744)	(2,946)	(3,327)	(3,327)	(3,327)	(3,327)
Other Income	(2,025)	(2,025)	(1,077)	(1,127)	(1,139)	(1,152)
<b><i>Total Direct Income</i></b>	<b>(3,769)</b>	<b>(4,971)</b>	<b>(4,404)</b>	<b>(4,454)</b>	<b>(4,466)</b>	<b>(4,479)</b>
<b><i>Net Direct Total</i></b>	<b>844</b>	<b>565</b>	<b>(138)</b>	<b>(82)</b>	<b>(31)</b>	<b>8</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	87	87	68	68	68	68
Asset Rentals	446	446	290	290	290	290
Grounds Maintenance	327	327	331	331	331	331
Contract Cleaning	2	2	2	2	2	2
Building Maintenance	47	47	46	46	46	46
Internal Insurance Premiums	384	384	387	387	387	387
Support Services Recharges*	913	913	858	858	858	858
<b><i>Total Indirect Expenditure</i></b>	<b>2,206</b>	<b>2,206</b>	<b>1,982</b>	<b>1,982</b>	<b>1,982</b>	<b>1,982</b>
Indirect Income Recharges	(3,249)	(3,249)	(3,203)	(3,203)	(3,203)	(3,203)
<b><i>Net Indirect Total</i></b>	<b>(1,043)</b>	<b>(1,043)</b>	<b>(1,221)</b>	<b>(1,221)</b>	<b>(1,221)</b>	<b>(1,221)</b>
<b>Net Service Total</b>	<b>(200)</b>	<b>(478)</b>	<b>(1,359)</b>	<b>(1,303)</b>	<b>(1,252)</b>	<b>(1,212)</b>

Original Budget 2018/19	(200)	
Virements	(279)	
Revised Budget 2018/19	<b>(478)</b>	<b>(478)</b>
Variance		(881)
Approved Budget 2019/20		<b>(1,359)</b>

**BUDGET 2019/20**

**SECTION 8**

**CHIEF EXECUTIVE MANAGEMENT**

**PORTFOLIO**

# **BUDGET 2019/20**

## **INDEX OF SERVICES**

### **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

#### **Governance, Democracy & Support**

**CEO 2**

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 and integrated community service provision (Community Hubs).



## Budget Summary 2019/20

Sheet No:	Chief Executive Management	Original Budget 2018/19 £000's	Revised Budget 2019/20 £000's	Original Budget 2019/20 £000's
	<b>Directly Managed Costs</b>			
CEO 1	Monitoring : Legal & Land Charges	451	457	697
CEO 2	Governance, Democracy & Support	3,993	3,880	3,922
	<b>Net Direct Total</b>	<b>4,444</b>	<b>4,336</b>	<b>4,619</b>
	<b>Indirectly Managed Costs</b>			
CEO 1	Monitoring : Legal & Land Charges	(479)	(479)	(690)
CEO 2	Governance, Democracy & Support	(570)	(570)	(648)
	<b>Net Indirect Total</b>	<b>(1,048)</b>	<b>(1,048)</b>	<b>(1,338)</b>
	<b>Total Chief Executive Management</b>	<b>3,395</b>	<b>3,288</b>	<b>3,281</b>

## STATEMENT OF SERVICE 2018-23

Service:

**CHIEF EXECUTIVE MANAGEMENT**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	4,017	3,947	4,307	4,373	4,440	4,509
Employee Related Other	46	41	45	45	45	45
Employee Related Savings	(81)	(79)	(82)	(84)	(85)	(87)
Premises Related	107	107	108	108	108	108
Transport Related	15	15	11	11	11	11
Supplies & Services	663	641	547	547	547	547
Agency & Contracted	0	0	(1)	(1)	(1)	(1)
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>4,767</b>	<b>4,672</b>	<b>4,936</b>	<b>5,000</b>	<b>5,065</b>	<b>5,133</b>
Grant Income	0	(5)	(5)	(5)	(5)	(5)
Discretionary Fees & Charges	(248)	(105)	(111)	(114)	(117)	(117)
Other Income	(75)	(225)	(200)	(200)	(200)	(200)
<b><i>Total Direct Income</i></b>	<b>(323)</b>	<b>(336)</b>	<b>(316)</b>	<b>(319)</b>	<b>(322)</b>	<b>(322)</b>
<b><i>Net Direct Total</i></b>	<b>4,444</b>	<b>4,336</b>	<b>4,619</b>	<b>4,681</b>	<b>4,743</b>	<b>4,810</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	139	139	129	129	129	129
Asset Rentals	171	171	188	188	188	188
Grounds Maintenance	3	3	3	3	3	3
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	77	77	77	77	77	77
Internal Insurance Premiums	3	3	3	3	3	3
Support Services Recharges	1,079	1,079	1,067	1,067	1,067	1,067
<b><i>Total Indirect Expenditure</i></b>	<b>1,472</b>	<b>1,472</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>
Indirect Income Recharges	(2,520)	(2,520)	(2,804)	(2,804)	(2,804)	(2,804)
<b><i>Net Indirect Total</i></b>	<b>(1,048)</b>	<b>(1,048)</b>	<b>(1,338)</b>	<b>(1,338)</b>	<b>(1,338)</b>	<b>(1,338)</b>
<b>Net Service Total</b>	<b>3,395</b>	<b>3,288</b>	<b>3,281</b>	<b>3,343</b>	<b>3,405</b>	<b>3,472</b>

## STATEMENT OF SERVICE 2018-23

CEO 1

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

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	571	578	801	826	860	894
Employee Related Other	3	3	6	6	6	6
Employee Related Savings	(11)	(11)	(12)	(12)	(12)	(13)
Premises Related	0	0	0	0	0	0
Transport Related	0	0	0	0	0	0
Supplies & Services	70	70	83	83	83	83
Agency & Contracted	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>634</b>	<b>640</b>	<b>879</b>	<b>904</b>	<b>937</b>	<b>971</b>
Grant Income	0	0	0	0	0	0
Discretionary Fees & Charges	(182)	(32)	(57)	(57)	(57)	(57)
Other Income	0	(151)	(124)	(124)	(124)	(124)
<b><i>Total Direct Income</i></b>	<b>(182)</b>	<b>(183)</b>	<b>(181)</b>	<b>(181)</b>	<b>(181)</b>	<b>(181)</b>
<b><i>Net Direct Total</i></b>	<b>451</b>	<b>457</b>	<b>697</b>	<b>723</b>	<b>756</b>	<b>790</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	27	27	24	24	24	24
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	54	54	54	54
<b><i>Total Indirect Expenditure</i></b>	<b>79</b>	<b>79</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>
Indirect Income Recharges	(557)	(557)	(768)	(768)	(768)	(768)
<b><i>Net Indirect Total</i></b>	<b>(479)</b>	<b>(479)</b>	<b>(690)</b>	<b>(690)</b>	<b>(690)</b>	<b>(690)</b>
<b><i>Net Service Total</i></b>	<b>(27)</b>	<b>(22)</b>	<b>7</b>	<b>33</b>	<b>66</b>	<b>100</b>

Original Budget 2018/19	(27)	
Virements	5	
Revised Budget 2018/19	(22)	(22)
Variance		29
Approved Budget 2019/20		7

**STATEMENT OF SERVICE 2018-23**

CEO 2

Service: **Governance, Democracy & Support**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b><i>Directly Managed Costs</i></b>						
Employee Related Pay	3,446	3,369	3,506	3,547	3,579	3,615
Employee Related Other	42	38	39	39	39	39
Employee Related Savings	(69)	(67)	(70)	(72)	(73)	(74)
Premises Related	107	107	108	108	108	108
Transport Related	15	15	11	11	11	11
Supplies & Services	593	570	464	464	464	464
Agency & Contracted	0	0	(1)	(1)	(1)	(1)
Transfer Payments	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
<b><i>Total Direct Expenditure</i></b>	<b>4,133</b>	<b>4,032</b>	<b>4,057</b>	<b>4,097</b>	<b>4,128</b>	<b>4,162</b>
Grant Income	0	(5)	(5)	(5)	(5)	(5)
Discretionary Fees & Charges	(66)	(73)	(55)	(58)	(61)	(61)
Other Income	(75)	(75)	(76)	(76)	(76)	(76)
<b><i>Total Direct Income</i></b>	<b>(141)</b>	<b>(153)</b>	<b>(135)</b>	<b>(138)</b>	<b>(141)</b>	<b>(141)</b>
<b><i>Net Direct Total</i></b>	<b>3,993</b>	<b>3,880</b>	<b>3,922</b>	<b>3,958</b>	<b>3,987</b>	<b>4,020</b>
<b><i>Indirectly Managed Costs</i></b>						
Accommodation Charges	112	112	105	105	105	105
Asset Rentals	171	171	188	188	188	188
Grounds Maintenance	3	3	3	3	3	3
Contract Cleaning	0	0	0	0	0	0
Building Maintenance	77	77	77	77	77	77
Internal Insurance Premiums	3	3	3	3	3	3
Support Services Recharges	1,027	1,027	1,013	1,013	1,013	1,013
<b><i>Total Indirect Expenditure</i></b>	<b>1,393</b>	<b>1,393</b>	<b>1,388</b>	<b>1,388</b>	<b>1,388</b>	<b>1,388</b>
Indirect Income Recharges	(1,963)	(1,963)	(2,036)	(2,036)	(2,036)	(2,036)
<b><i>Net Indirect Total</i></b>	<b>(570)</b>	<b>(570)</b>	<b>(648)</b>	<b>(648)</b>	<b>(648)</b>	<b>(648)</b>
<b>Net Service Total</b>	<b>3,423</b>	<b>3,310</b>	<b>3,274</b>	<b>3,311</b>	<b>3,339</b>	<b>3,373</b>

<b>Original Budget 2018/19</b>	3,423	
<b>Virements</b>	(113)	
<b>Revised Budget 2018/19</b>	<b>3,310</b>	<b>3,310</b>
<b>Variance</b>		(36)
<b>Approved Budget 2019/20</b>		<b>3,274</b>

**BUDGET 2019/20**

**SECTION 9**

**CORPORATE COSTS & LEVIES**

**PORTFOLIO**

# BUDGET 2019/20

## INDEX OF SERVICES

### 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 2019/20

Sheet No:	Corporate Costs & Levies Service Area	Original Budget 2018/19 £000's	Revised Budget 2019/20 £000's	Original Budget 2019/20 £000's
	<b>Directly Managed Costs</b>			
COL 1	Corporate Management (CM)	1,534	675	1,594
COL 2	Non Distributed Costs (NDC)	669	669	595
COL 3	Precepts & Levies	18,467	18,467	19,517
COL 4	Internal Insurance Account	1,359	1,333	1,398
	<b>Net Direct Total</b>	<b>22,028</b>	<b>21,143</b>	<b>23,104</b>
	<b>Indirectly Managed Costs</b>			
COL 1	Corporate Management (CM)	0	0	0
COL 2	Non Distributed Costs (NDC)	0	0	0
COL 3	Precepts & Levies	0	0	0
COL 4	Internal Insurance Account	(1,354)	(1,354)	(1,394)
	<b>Net Indirect Total</b>	<b>(1,354)</b>	<b>(1,354)</b>	<b>(1,394)</b>
	<b>Total Corporate Costs &amp; Levies Service Areas</b>	<b>20,674</b>	<b>19,789</b>	<b>21,710</b>

**STATEMENT OF SERVICE 2018-23**

Service:

**CORPORATE SUMMARY**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
County Hall Accommodation Charge	-	0	0	0	0	0
External Audit Fees	330	330	330	330	330	330
Living Wage Allowance	142	0	9	9	9	9
NNDR Revaluations	0	0	0	0	0	0
Apprenticeship Levy	0	0	0	0	0	0
Redundancy Provision	450	399	400	400	400	400
Treasury & Bank Charges	76	76	76	76	76	76
Agile Working Furniture & Equipment	797	0	1,027	0	0	0
Unallocated Contingency MTFP	-	0	0	1,988	4,316	6,842
Other Expenditure	8	8	8	8	8	8
Retirement Pensions: Ex GCC/MBC	370	370	370	370	370	370
Pensions Recurring (Enhancements)	294	294	220	220	220	220
Pension Administration Fees	5	5	5	5	5	5
Precepts & levies	18,467	18,467	19,517	19,517	19,517	19,517
Internal Insurance Account	1,366	1,340	1,405	1,405	1,405	1,405
<b>Total Direct Expenditure</b>	<b>22,304</b>	<b>21,288</b>	<b>23,366</b>	<b>24,327</b>	<b>26,655</b>	<b>29,181</b>
Indirect Revenue Gains	0	0	0	0	0	0
R&R Fund Reimbursements	(131)	0	(117)	(117)	(117)	(117)
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
<b>Total Direct Income</b>	<b>(275)</b>	<b>(145)</b>	<b>(262)</b>	<b>(262)</b>	<b>(262)</b>	<b>(262)</b>
<b>Net Direct Total</b>	<b>22,028</b>	<b>21,143</b>	<b>23,104</b>	<b>24,065</b>	<b>26,393</b>	<b>28,919</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	4	4	3	3	3	3
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	1	1	1	1	1	1
<b>Total Indirect Expenditure</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Indirect Income Recharges	(1,359)	(1,359)	(1,398)	(1,398)	(1,398)	(1,398)
<b>Net Indirect Total</b>	<b>(1,354)</b>	<b>(1,354)</b>	<b>(1,394)</b>	<b>(1,394)</b>	<b>(1,394)</b>	<b>(1,394)</b>
<b>Net Service Total</b>	<b>20,674</b>	<b>19,789</b>	<b>21,710</b>	<b>22,671</b>	<b>24,999</b>	<b>27,525</b>
<b>Original Budget 2018/19</b>		20,674				
<b>Virements</b>		(885)				
<b>Revised Budget 2018/19</b>		<b>19,789</b>	<b>19,789</b>			
<b>Variance</b>			1,921			
<b>Approved Budget 2019/20</b>			<b>21,710</b>			



**STATEMENT OF SERVICE 2018-23**

Sheet: COL 1

Service:

**Corporate Management**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
County Hall Accommodation Charge	0	0	0	0	0	0
External Audit Fees	330	330	330	330	330	330
NDR Revaluations	0	0	0	0	0	0
Apprenticeship Levy	0	0	0	0	0	0
Living Wage Allowance	142	0	9	9	9	9
Redundancy Provision	450	399	400	400	400	400
Treasury & Bank Charges	76	76	76	76	76	76
Pay Spine Provision	797	0	1,027	0	0	0
Unallocated Contingency MTFP	0	0	0	1,988	4,316	6,842
Other Expenditure	8	8	8	8	8	8
<b>Total Direct Expenditure</b>	<b>1,803</b>	<b>813</b>	<b>1,850</b>	<b>2,811</b>	<b>5,139</b>	<b>7,665</b>
Indirect Revenue Gains	0	0	0	0	0	0
R&R Fund Reimbursements	(131)	0	(117)	(117)	(117)	(117)
Crematorium Dividend	(138)	(138)	(138)	(138)	(138)	(138)
Other Income	0	0	0	0	0	0
<b>Total Direct Income</b>	<b>(269)</b>	<b>(138)</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>
<b>Net Direct Total</b>	<b>1,534</b>	<b>675</b>	<b>1,594</b>	<b>2,555</b>	<b>4,883</b>	<b>7,409</b>
<b>Indirectly Managed Costs</b>						
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
<b>Total Indirect Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Service Total</b>	<b>1,534</b>	<b>675</b>	<b>1,594</b>	<b>2,555</b>	<b>4,883</b>	<b>7,409</b>

<b>Original Budget 2018/19</b>	1,534	
<b>Virements</b>	(859)	
<b>Revised Budget 2018/19</b>	<b>675</b>	<b>675</b>
<b>Variance</b>		919
<b>Approved Budget 2019/20</b>		<b>1,594</b>

## STATEMENT OF SERVICE 2018-23

Sheet: COL 2

Service:

### Non-Distributed Costs

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Retirement Pensions: Ex GCC/MBC	370	370	370	370	370	370
Pensions Recurring (Enhancements)	294	294	220	220	220	220
Pension Administration Fees	5	5	5	5	5	5
<b>Total Direct Expenditure</b>	<b>669</b>	<b>669</b>	<b>595</b>	<b>595</b>	<b>595</b>	<b>595</b>
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
<b>Total Direct Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Direct Total</b>	<b>669</b>	<b>669</b>	<b>595</b>	<b>595</b>	<b>595</b>	<b>595</b>
<b>Indirectly Managed Costs</b>						
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
<b>Total Indirect Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Service Total</b>	<b>669</b>	<b>669</b>	<b>595</b>	<b>595</b>	<b>595</b>	<b>595</b>

Original Budget 2018/19	669	
Virements	0	
Revised Budget 2018/19	<b>669</b>	<b>669</b>
Variance		(74)
Approved Budget 2019/20		<b>595</b>

**STATEMENT OF SERVICE 2018-23**

Sheet: COL 3

Service:

**Precepts and Levies**

Revenue Cost Plan:

	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Year 1 Budget 2019/20 £000's</b>	<b>Year 2 Budget 2012/21 £000's</b>	<b>Year 3 Budget 2021/22 £000's</b>	<b>Year 4 Budget 2022/23 £000's</b>
<b>Precepts &amp; Levies</b>						
South Wales Fire Authority Levy	4,351	4,351	4,565	4,565	4,565	4,565
Joint Services: Coroner Service	100	100	117	117	117	117
Gwent Archives Levy	182	182	182	182	182	182
Internal Drainage Board Levies	94	94	94	94	94	94
Brecon Beacons National Park	103	103	103	103	103	103
Community Council Precepts	2,676	2,676	2,676	2,676	2,676	2,676
Gwent Police & Crime Commissioner Precept	10,960	10,960	11,779	11,779	11,779	11,779
<b>Total Direct Expenditure</b>	<b>18,467</b>	<b>18,467</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>
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
<b>Total Direct Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Direct Total</b>	<b>18,467</b>	<b>18,467</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>
<b>Indirectly Managed Costs</b>						
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
<b>Total Indirect Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indirect Income Recharges	0	0	0	0	0	0
<b>Net Indirect Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Service Total</b>	<b>18,467</b>	<b>18,467</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>	<b>19,517</b>

<b>Original Budget 2018/19</b>	18,467	
<b>Virements</b>	0	
<b>Revised Budget 2018/19</b>	<b>18,467</b>	<b>18,467</b>
<b>Variance</b>		1,050
<b>Approved Budget 2019/20</b>		<b>19,517</b>

**STATEMENT OF SERVICE 2018-23**

Sheet: COL 4

Service: **Internal Insurance Account**

Revenue Cost Plan:

	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Year 1 Budget 2019/20 £000's	Year 2 Budget 2012/21 £000's	Year 3 Budget 2021/22 £000's	Year 4 Budget 2022/23 £000's
<b>Directly Managed Costs</b>						
Insurance Premium	835	835	900	900	900	900
Self Insured Cost Estimate	370	370	370	370	370	370
Employee Related Expenditure	116	90	98	98	98	98
Other Expenditure	13	13	11	11	11	11
Professional Fees	32	32	26	26	26	26
Leasehold Flats Policy Payment	0	0	0	0	0	0
<b>Total Direct Expenditure</b>	<b>1,366</b>	<b>1,340</b>	<b>1,405</b>	<b>1,405</b>	<b>1,405</b>	<b>1,405</b>
Grant Income	0	0	0	0	0	0
External Insurance Premium Recharges	(7)	(7)	(7)	(7)	(7)	(7)
<b>Total Direct Income</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>
<b>Net Direct Total</b>	<b>1,359</b>	<b>1,333</b>	<b>1,398</b>	<b>1,398</b>	<b>1,398</b>	<b>1,398</b>
<b>Indirectly Managed Costs</b>						
Accommodation Charges	4	4	3	3	3	3
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	1	1	1	1	1	1
<b>Total Indirect Expenditure</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Indirect Income Recharges	(1,359)	(1,359)	(1,398)	(1,398)	(1,398)	(1,398)
<b>Net Indirect Total</b>	<b>(1,354)</b>	<b>(1,354)</b>	<b>(1,394)</b>	<b>(1,394)</b>	<b>(1,394)</b>	<b>(1,394)</b>
<b>Net Service Total</b>	<b>5</b>	<b>(21)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

<b>Original Budget 2018/19</b>	5	
<b>Virements</b>	(26)	
<b>Revised Budget 2018/19</b>	<b>(21)</b>	<b>(21)</b>
<b>Variance</b>		25
<b>Approved Budget 2019/20</b>		<b>4</b>

**BUDGET 2018/23**

**SECTION 10**

**CAPITAL**  
**PROGRAMME**

**Including prudential code indicators**

**BUDGET 2018/23**

**INDEX OF SCHEMES**

**Capital Programme Portfolio**

<b>Capital Scheme Type</b>	<b>Reference No.</b>
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
<b>PRUDENTIAL CODE INDICATORS</b>	Cap 9

**General Fund Capital Programme  
Budget Summary 2018/23**

<b>Scheme Type</b>	<b>Original Budget 2018/19 £000's</b>	<b>Proposed Slippage 2018/19 £000's</b>	<b>Budget Revisions 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>
Asset Management Schemes	5,115	0	16,741	21,855
Regeneration Schemes	209	(75)	1,818	1,952
School Development Schemes	450	0	0	450
Future Schools Schemes	13,222	0	8,151	21,373
IT Transformation Schemes	0	0	191	191
Infrastructure & Transport Schemes	2,338	0	1,962	4,301
County Farms Schemes	301	0	75	376
Inclusion Schemes	1,150	0	82	1,232
Sustainability Schemes	0	0	0	0
Other Schemes	20	0	829	849
<b>Total Capital Programme</b>	<b>22,805</b>	<b>(75)</b>	<b>29,850</b>	<b>52,580</b>

<b>Funding Stream</b>	<b>Original Budget 2018/19 £000's</b>	<b>Proposed Slippage 2018/19 £000's</b>	<b>Budget Revisions 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>
Supported Borrowing	(2,410)	0	0	(2,410)
Unsupported Borrowing	(9,136)	0	(18,389)	(27,525)
General Capital Grant	(1,467)	0	0	(1,467)
Other Grants and Contributions	(3,489)	0	(5,435)	(8,924)
S106 Developers Contributions	(126)	75	(799)	(850)
Capital Receipts	(6,172)	0	(5,058)	(11,230)
Revenue Contribution - IT Transformation Reserve	0	0	(17)	(17)
Revenue Contribution - Capital Investment Reserve	(5)	0	0	(5)
Revenue Contribution - Invest to Redesign Reserve	0	0	(153)	(153)
Revenue Contribution - Grass Routes Reserve	0	0	0	0
Revenue Contribution	0	0	0	0
Capital Receipt Generation Reserve	0	0	0	0
Low Cost Home Ownership	0	0	0	0
<b>Total Capital Funding</b>	<b>(22,805)</b>	<b>75</b>	<b>(29,850)</b>	<b>(52,580)</b>

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

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

**General Fund Capital Programme  
Budget Summary 2018/23**

<b>Scheme Type</b>	<b>Utilised Budget 2018/19 £000's</b>	<b>Proposed Slippage 2018/19 £000's</b>	<b>Indicative Budget 2019/20 £000's</b>	<b>Indicative Budget 2020/21 £000's</b>	<b>Indicative Budget 2021/22 £000's</b>	<b>Indicative Budget 2022/23 £000's</b>
Asset Management Schemes	21,855	0	18,971	18,596	1,929	1,929
Regeneration Schemes	1,952	75	386	310	489	489
School Development Schemes	450	0	50	50	50	50
Future Schools Schemes	21,373	0	750	0	0	0
Infrastructure & Transport Schemes	4,301	600	4,453	2,241	2,241	2,241
County Farms Schemes	376	0	301	301	301	301
Inclusion Schemes	1,232	0	1,150	850	850	850
Other Schemes	849	0	86	70	70	70
<b>Total Capital Expenditure</b>	<b>52,580</b>	<b>675</b>	<b>26,146</b>	<b>22,418</b>	<b>5,930</b>	<b>5,930</b>

<b>Capital Funding Streams</b>	<b>Utilised Budget 2018/19 £000's</b>	<b>Proposed Slippage 2018/19 £000's</b>	<b>Indicative Budget 2019/20 £000's</b>	<b>Indicative Budget 2020/21 £000's</b>	<b>Indicative Budget 2021/22 £000's</b>	<b>Indicative Budget 2022/23 £000's</b>
Supported Borrowing	(2,410)	0	(2,403)	(2,403)	(2,403)	(2,403)
Unsupported Borrowing	(27,525)	0	(18,852)	(17,977)	(1,489)	(1,489)
General Capital Grant	(1,467)	0	(2,275)	(1,463)	(1,463)	(1,463)
Other Grants and Contributions	(8,924)	(600)	(1,575)	0	0	0
S106 Developers Contributions	(850)	(75)	(75)	0	0	0
Capital Receipts	(11,230)	0	(950)	(559)	(559)	(559)
Revenue Contribution - Capital Investment Reserve	(5)	0	(16)	(16)	(16)	(16)
<b>Total Capital Funding</b>	<b>(52,580)</b>	<b>(675)</b>	<b>(26,146)</b>	<b>(22,418)</b>	<b>(5,930)</b>	<b>(5,930)</b>

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

	<b>Utilised Budget 2018/19 £000's</b>	<b>Proposed Slippage 2018/19 £000's</b>	<b>Indicative Budget 2019/20 £000's</b>	<b>Indicative Budget 2020/21 £000's</b>	<b>Indicative Budget 2021/22 £000's</b>	<b>Indicative Budget 2022/23 £000's</b>
<b>Expenditure:</b>						
Vehicle Replacement - Purchase	1,500	0	1,500	1,500	1,500	1,500
<b>Financed by:</b>						
Vehicle Replacement - Sale and Leaseback	(1,500)	0	(1,500)	(1,500)	(1,500)	(1,500)



**STATEMENT OF SCHEMES 2018-23**

**Budget Detail:**

**Scheme Type:**

**Asset Management Schemes**

**CAP 1**

	Indicative Budget 2019/20 £	Scheme Description
<b>Scheme Name</b>		
Asset Investment Fund	16,666,667	Asset Investment Portfolio
Property Maintenance	1,889,552	Maintenance cost to the fabric and infrastructure of the Authority's buildings as identified in stock condition surveys including fees.
Severn View Care Home Replacement	300,000	Adult Care Home Replacement
Health & Safety survey work	75,000	
School Kitchens	39,725	To improve kitchen facilities in schools in line with Welsh Assembly Government guidelines
<b>Total Budget</b>	<b>18,970,944</b>	

**Scheme Type:**

**Regeneration Schemes**

**CAP 2**

	Indicative Budget 2019/20 £	Scheme Description
<b>Scheme Name</b>		
Capital Region City Deal	310,500	Capital Investment in Cardiff Capital Region City Deal
Section 106 Schemes	75,441	Community Improvement Schemes
<b>Total Budget</b>	<b>385,941</b>	

**Scheme Type:**

**School Development and Future Schools Schemes**

**CAP 3**

	Indicative Budget 2019/20 £	Scheme Description
<b>Scheme Name</b>		
<b>Future Schools Schemes</b>		
21st Century School - Monmouth Comp	750,000	Investment in key priority 21st Century Schools
<b>School development Schemes</b>	<b>750,000</b>	
Access For All	50,000	Minor access improvements at various primary and secondary schools.
<b>Total Budget</b>	<b>800,000</b>	

**STATEMENT OF SCHEMES 2018-23**

Scheme Type:

Infrastructure & Transport Schemes

Budget Detail:

CAP 4

	Indicative Budget 2019/20 £	Scheme Description
<b>Scheme Name</b>		
<b>Footway Reconstruction</b> Footway works	190,453	Reconstruct and make safe footways in order to prevent & reduce the number of accidents
<b>Street Lighting</b> Street Lighting - Defective Column Programme	171,408	Replace dangerous columns and cables to improve the safety of street lights and reduce maintenance required
<b>Structures</b> 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.
<b>Safety Fences</b> 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
<b>Carriageway Resurfacing</b> 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
Highways Refurbishment	2,012,000	Capitalisation highways refurbishment
<b>Infrastructure - Other</b> 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
Sewage Treatment Station Replacement Shirenewton	100,000	Implementation and review of Traffic regulation orders
Sewage Treatment Station Replacement Penyrhiw	100,000	Various parking studies
<b>Total Budget</b>	<b>4,452,740</b>	

**STATEMENT OF SCHEMES 2018-23**

**Scheme Type:** County Farms Schemes

**Budget Detail:**

**CAP 5**

	<b>Indicative Budget 2019/20 £</b>	<b>Scheme Description</b>
<b><i>Scheme Name</i></b> County Farms Maintenance	300,773	Repair and maintenance to County Farms to enable continued use and release capital assets for investment

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

**Budget Detail:**

**CAP 6**

	<b>Indicative Budget 2019/20 £</b>	<b>Scheme Description</b>
<b><i>Scheme Name</i></b> 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)

<b><i>Total Budget</i></b>	<b>1,150,000</b>
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**STATEMENT OF SCHEMES 2018-23**

**Scheme Type:** Other Schemes

**Budget Detail:** CAP 7

	<b>Indicative Budget 2019/20 £</b>	<b>Scheme Description</b>
<b><i>Scheme Name</i></b>		
Area Management	20,000	To be responsive to the needs of the communities by carrying out small environmental projects in the areas
Fixed Asset Disposal Costs	65,892	Costs associated with disposing of surplus Council assets

<b><i>Total Budget</i></b>	<b>85,892</b>
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**Scheme Type:** Vehicle Replacement - Purchase

**Budget Detail:** CAP 8

	<b>Indicative Budget 2019/20 £</b>	<b>Scheme Description</b>
<b><i>Scheme Name</i></b>		
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.

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

CAP 9

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
<b>Capital Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	48.1	64.2	26.1	22.4	5.9	5.9
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
	4.6	5.1	5.6	5.7	5.6	5.6
<b>Capital Financing Requirement</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	146.1	179.8	196.8	212.1	210.9	209.5
<b>Authorised Limit</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Long Term Liabilities	3.4	4.5	4.5	4.5	4.5	4.5
Borrowing	174.6	203.7	220	229.8	227.8	227.4
<b>Operational Boundary</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Long Term Liabilities	1.8	3	3	3	3	3
Borrowing	144.4	173.5	189.7	199.5	197.6	197.2
<b>TREASURY MANAGEMENT INDICATORS</b>						
<b>Interest Rate Exposure 2019/20</b>	<b>Maximum</b>	<b>Minimum</b>				
	%	%				
Net Variable Rate	50	NA				
<b>Debt Maturity Structure - Fixed Rate for 2019/20</b>	<b>Lower Limit</b>	<b>Upper Limit</b>				
	%	%				
Under 12 Months	0	60				
1 to 2 Years	0	20				
2 to 5 Years	0	40				
5 to 10 Years	0	30				
Over 10 Years	0	100				

**BUDGET 2018/23**

**SECTION 11**

**Treasury Management Strategy  
& Annual Investment Strategy 2019/20**

## **TREASURY MANAGEMENT POLICY STATEMENT 2019/20**

### **1 INTRODUCTION AND BACKGROUND**

- 1.1 The Council is required by law to have regard to CIPFA's Treasury Management in the Public Services: Code of Practice 2017 (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 revised code allows the Audit Committee to approve the treasury strategy providing the Authority produces a capital strategy, while being clear that overall responsibility remains with full council. Full Council is required to approve the investment strategy which is currently included in the same document as the treasury policy and treasury strategy so the combined document will continue to be approved by full Council in the current year.
- 1.4 The Council delegates responsibility for the implementation, monitoring and scrutiny of its treasury management policy, strategy 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 As a minimum, the Audit Committee will receive reports on its treasury management policies, practices and activities including, an annual strategy and plan in advance of the year, and a semi-annual report, mid year and an annual report after its close.

### **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, borrowing 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, refinancing risk and budgetary 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 treasury & prudential indicators and limits.

### **4. MRP Policy Statement 2019/20**

- 4.1 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.
- 4.2 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 2019/20:**

- 4.3 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).
- 4.4 The MRP Statement will be submitted to Council before the start of the 2019/20 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**

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

### **MRP on Unsupported Borrowing funded Expenditure**

- 4.6 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**

- 4.7 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 2019/20 budget proposals reflect these 3 positions.

# Treasury Management Strategy Statement 2019/20

## 1. Introduction

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code). Providing full Council has approved a Capital Strategy, the CIPFA code allows a delegated Audit Committee 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's full Council to approve an investment strategy before the start of each financial year. By being scrutinised by Audit Committee and then approved by full Council, 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.
- 1.3 **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.

## 2. External Context

- 2.1 **Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.
- 2.2 UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.
- 2.3 The rise in quarterly GDP growth to 0.6% in Q3 from 0.4% in the previous quarter was due to weather-related factors boosting overall household consumption and construction activity over the summer following the weather-related weakness in Q1. At 1.5%, annual GDP growth continues to remain below trend. Looking ahead, the BoE, in its November Inflation Report, expects GDP growth to average around

1.75% over the forecast horizon, providing the UK's exit from the EU is relatively smooth.

- 2.4** Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.
- 2.5** While US growth has slowed over 2018, the economy continues to perform robustly. The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the current 2%-2.25% in September. Markets continued to expect one more rate rise in December, but expectations are fading that the further hikes previously expected in 2019 will materialise as concerns over trade wars drag on economic activity.
- 2.6** **Credit outlook:** The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.
- 2.7** The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.
- 2.8** European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.
- 2.9** **Interest rate forecast:** Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.
- 2.10** The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging

outlook as it exits the European Union and Eurozone growth softens. Whilst assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a “no deal” Brexit still hangs over economic activity (*at the time of writing this commentary in January*). As such, the risks to the interest rate forecast are considered firmly to the downside.

- 2.11 Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose’s interest rate projections, due to the strength of the US economy and the ECB’s forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 3.

- 2.12 For the purpose of setting the 2019/20 budget, it has been assumed that new investments will attract an average rate of interest of 1.30%, that new short term loans will be borrowed at an average of 1.08% and as an example of long term rates, a new 20 year PWLB annuity loan would be borrowed at 1.92%.

### **3. Local Context**

- 3.1 On 31<sup>st</sup> December 2018, the Authority held £159.8m of borrowing and £16.7m of investments. This is set out in further detail at Appendix 4. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.
- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the 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.

Table 1: Balance sheet summary and forecast

	<b>31.3.18 Actual £m</b>	<b>31.3.19 Estimate £m</b>	<b>31.3.20 Forecast £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>
<b>General Fund CFR</b>	146.1	175.8	196.8	202.1	210.9	209.5
Less: Other debt liabilities *	-1.8	-2.5	-2.5	-2.5	-2.5	-2.5
<b>Loans CFR</b>	<b>144.3</b>	<b>173.3</b>	<b>194.3</b>	<b>209.7</b>	<b>208.4</b>	<b>207.1</b>
Less: Existing External borrowing undertaken (debt)**	-129.0	-111.4	-89.7	-70.2	-62.3	-60.6
<b>Internal borrowing requirement</b>	<b>15.3</b>	<b>61.9</b>	<b>104.6</b>	<b>139.5</b>	<b>146.1</b>	<b>146.5</b>
Less: Usable reserves	-18.2	-16.4	-20.9	-26.7	-27.3	-27.1
Less: Working capital	-14.2	-14.2	-14.2	-14.2	-14.2	-14.2
<b>Net New External borrowing requirement/ (Investments)</b>	<b>(17.1)</b>	<b>31.4</b>	<b>69.5</b>	<b>98.6</b>	<b>104.6</b>	<b>105.2</b>

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

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

3.3 The Authority will be required to borrow up to £105m over the forecast period above due to the rising CFR and also due to maturing debt. The Authority has an increasing CFR due to annual capital programmes, including £50m of Property Investments (which whilst increasing CFR is expected to be afforded by additional income). £52m of short term loans held at 31<sup>st</sup> March 2018 will need to be refinanced as well as other current loans maturing later in the forecast period.

Table 2: Summary Comparison of Capital Financing Requirement against Borrowing Anticipation

<b>Loans CFR</b>	<b>144.3</b>	<b>173.3</b>	<b>194.3</b>	<b>209.7</b>	<b>208.4</b>	<b>207.1</b>
<b>Anticipated debt levels (existing external borrowing levels +net new external borrowing requirement)</b>	<b>111.9</b>	<b>142.8</b>	<b>159.2</b>	<b>168.8</b>	<b>166.9</b>	<b>165.8</b>

3.4 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 2 shows that the Authority expects to comply with this recommendation during 2019/20.

benchmark has been calculated showing the lowest level of borrowing required to meet the capital programme. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept at £10m at each year-end to comply with the requirements of a professional investor under Mifid (Markets in Financial Instruments Directive) II.

**Table 3: Liability benchmark**

	<b>31.3.18 Actual £m</b>	<b>31.3.19 Estimate £m</b>	<b>31.3.20 Forecast £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>
CFR	144.3	173.3	194.3	209.7	208.4	207.1
Less: Usable reserves	-18.2	-16.4	-20.9	-26.7	-27.3	-27.1
Less: Working capital	-14.2	-14.2	-14.2	-14.2	-14.2	-14.2
Plus: Actual/Target level of Investments	17.1	10.0	10.0	10.0	10.0	10.0
<b>Liability Benchmark</b>	<b>129.0</b>	<b>152.8</b>	<b>169.2</b>	<b>178.8</b>	<b>176.9</b>	<b>175.8</b>

#### **4 Borrowing Strategy**

- 4.1 As mentioned in para 3.1, the Authority held £159.8 million of loans at 31<sup>st</sup> December 2018, an increase of £30.8 million from 31<sup>st</sup> March 2018, as part of its strategy for funding previous years' capital programmes. Table 2 shows that the Authority expects its gross borrowing level to fall to £152.8m at 31<sup>st</sup> March 2019 and then rise again to £169.2m by 31<sup>st</sup> March 2019 to allow £10m of investments to be maintained.
- 4.2 The balance sheet forecast in table 1 shows that the Authority anticipates needing £69.5m of loans at 31<sup>st</sup> March 2020 that it did not hold at the 31<sup>st</sup> March 2018. Some of this amount relates to existing short term loans which may need to be replaced more than once during that 2 year period. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £224.4 million.
- 4.3 **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.
- 4.4 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to aim for a balance between addressing the key issue of affordability and compromising the longer-term stability of the debt portfolio. With short-term interest rates remain 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. A roughly equal

balance to maintain sufficient long term stability.

- 4.5 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring long term 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 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.6 Alternatively, the Authority may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.7 In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.
- 4.8 Appropriate 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)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - 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
  - CSC Foundry Ltd
- 4.9 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:
- leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
  
  - the MIMs (Mutual Investment Model) being developed by Welsh Government
- 4.10 The Authority has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.
- 4.11 **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

2019/20, 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 borrowing would be taken out as an interim solution, followed by a long term solution in line with the borrowing strategy above.

**4.12 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 interest rate exposure limits in the treasury management indicators below.

**4.13 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.

## **5 Investment Strategy**

**5.1** The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. From 1<sup>st</sup> April to 31<sup>st</sup> December 2018, the Authority's average investment balance was £18m, ranging between £7 and £35 million. The Authority is committed to holding a minimum of £10m as mentioned above due to the Mifid II regulation. Fluctuations above that, from a monthly cycle of + £10m/- £0m and unexpected income are difficult to avoid increasing investment levels. The treasury team aim to keep balances above £20m to a minimum. This is sometimes difficult to avoid if borrowing is taken out to coincide with a specific project or to take advantage of a good rates. When balances do go above £20m, longer term investments are sort to minimise the impact on the bottom line.

**5.2 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.

**5.3 Negative interest rates:** If the UK enters into a recession in 2019/20, 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.

**5.4 Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to continue to diversify into higher yielding asset classes during 2019/20 by using pooled funds. This is especially the case for



the estimated £10m that is available for longer-term investment due to the Mifid II regulations. The remainder of the Authority's surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit, with other Local Authorities, the Debt Management Office and money market funds. This diversification builds on the changes started in Q4 of 2018/19.

**5.5 Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from the majority of its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost with the income appearing as a credit in the Surplus or Deficit on Provision of Services (SDPS). The newer pooled fund investments will be held on balance sheet at Fair Value. The movements in Fair Value as well as dividend income are most likely to be seen as a credit or debit to the SDPS. An alternative treatment option is being assessed.

**5.6 Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 4 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 supersede the limits set below. Any Investments with a maturity of more than one year are classed in WG Guidance as "Non Specified" so explicit approval must be obtained from the S151 Officer or Deputy or more senior line manager and also the Authority's treasury advisors, before being made.

Table 4: Approved investment counterparties and limits

Counterparty / Instrument	Instrument Limit of Portfolio	Counterparty Limit of Portfolio	Country Limit	Other Limits	Maturity Limit
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
'Unsecured' investments with Banks, Building Societies, Other Organisations and Securities whose lowest published rating from Fitch, Moody's and S&P's is (A-) As above but (A) As above but (A+)	75% of total investments at the time of deposit For Non-UK 50% of total investment at the time of deposit	Upper limit of £2m. An additional £1m can be held in the Authority's bank current account to cover the total of credit balances	£4m per foreign country	Limit for negotiable instruments held in Brokers nominee accounts: the lower of 50% or £10m per broker	6 months 13 months 2 years

<p>Secured Investments with Banks, Building Societies, Other Organisations and Securities, (including Repo's) whose lowest published rating from Fitch, Moody's and S&amp;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) 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 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 investments rounded up to 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 &amp; Real Estate Investment Trusts (REITS) without credit ratings which are not classed as capital expenditure - if assessed by our Treasury advisers as a suitable investment for a L. A. and as being managed in a way which is consistent with the objectives of the fund</p>	<p>£6m total investment at the time of deposit</p>	<p>£2m per fund</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

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
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\* unless advised against lending by our Treasury Advisors

- 5.7 Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. 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.
- 5.8 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.
- 5.9 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.
- 5.10 Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years. For other Government entities, see table 4.
- 5.11 Corporates:** (See Secured and Unsecured investments in Table 4). 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 either following an external credit assessment or to a maximum of £1,000,000 per company as part of a diversified pool in order to spread the risk widely.
- 5.12 Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

- 5.13 Pooled funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares, property and some minority holdings such as derivatives. 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. Where more than one fund is managed by the same organisation, the limits per counterparty will be applied to all investments in that organisation's funds unless advice is obtained to support an adequate degree of differentiation in approach between funds to reduce correlation between those funds to a similar level as funds in different organisations.
- 5.14 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.
- 5.15 Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 5.16 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.
- 5.17 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.

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, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

5.19 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.

**5.20 Investment limits:** The Authority's revenue reserves available to cover investment losses are forecast to be £13.3 million on 31<sup>st</sup> March 2019. In order that no more than 31% 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. (See Table 4) A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits have also been placed on investments in brokers' nominee accounts and countries. 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.

**5.21 Liquidity management:** The Authority is a net borrower and does not have an overdraft set up due to the high cost to do so. The Authority therefore uses a detailed excel cash flow forecasting spreadsheet for the current financial year to determine the maximum period for which funds may prudently be invested and the time at which the Authority will need to borrow either long or short term in order to have sufficient liquid cash to make the payments required. This is backed up by a second excel cashflow model showing the net cashflow movements expected per year based on the medium term financial plan. The aim of short term liquidity management is to borrow only when the need arises and therefore to minimise net borrowing costs while still having sufficient free cash to fund required payments. The amount of investments, with duration over one day, held at any one time is a balance between increased returns and the time taken/ dealing costs of identifying and implementing those investments.

5.22 The revised Treasury Management Code requires the Authority to put in place an Investment Strategy for the management and control of the risks associated with non Treasury investments in addition to the Treasury investments described above.

Authority built a solar farm in 2017/18 and purchased Castlegate business park in 2018/19 in addition to the portfolio of investment properties which the Authority has held for a number of decades.

## 6 **Treasury Management Indicators**

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

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

Credit risk indicator	Target
Portfolio average credit rating / score	A- / 5.0

6.3 **Interest rate exposures:** The new treasury management code allows the Authority to define its own Interest rate exposure management process and limits. A sensitivity analysis is provided in the Authority's accounts which shows the revenue impact of a 1% rise/fall in interest rates at year end. The indicator below similarly provides the anticipated effect of a 1% rise/fall in interest rates on the revenue account for a year starting 21<sup>st</sup> Jan 2019 (time of writing). This provides information to the reader about the potential impact of movements in interest rates.

Interest rate risk indicator	
Forecast impact on revenue over the next 12 months of a 1% <u>rise</u> in interest rates	£241,000
Forecast impact on revenue over the next 12 months of a 1% <u>fall</u> in interest rates	-£241,000

6.3 In the medium term financial plan, forecast increases in interest rates have already been taken into account in setting future years' budgets. The sensitivity analysis above indicates the possible value of overspends resulting from further rises in interest rates. As has been previously stated in this report, the Authority aims to strike a balance between saving costs in this/next year and achieving cost certainty in future years by taking out more long term debt. At the time of writing, the medium term forecasts for interest on 3-12 month debt are no higher than the current interest rates on 10-20 year debt so it seems reasonably prudent and cost effective to continue with utilising short term debt. To supplement this prudence, the Treasury team also set a proportionate on net variable rate debt as a percentage of total net debt. As a useful clarification whilst PWLB variable rate debt is 'variable' but 'long term' and LOBO loans can be called in under one year, neither represent an interest rate risk as their rates are above current PWLB maturity loan rates available. Hence they are treated as 'fixed' for the proportionate limit calculation.

Limit on net variable rate debt as a % of total net debt	Forecast £m		Limit £m
	31 <sup>st</sup> Mar 2019	31 <sup>st</sup> Mar 2020	
Variable rate debt	64.2	64.1	
Variable rate investments #	10.0	10.0	
Net variable rate debt	54.2	54.1	
Fixed rate debt	84.9	95.9	
Fixed rate investments	0.0	0.0	
Net fixed rate debt	84.9	95.9	
% net variable rate debt to total net debt	39.0%	36.1%	50%

# Investments in pooled funds are excluded as they are only partially interest rate driven.

- 6.4 The % of net variable rate debt to total net debt is forecast to fall from close to 50% in previous years due to the long term debt taken out/forecast to be taken out to cover the new Property Investments budgeted and also the waste vehicles budgeted.
- 6.5 **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 borrowing will be:

Refinancing risk indicator	Forecast 31 <sup>st</sup> Mar 2019	Lower limit	Upper limit
Under 12 months – LOBO loans	9.1%	0%	60%
Under 12 months – short term loans	32.9%		
Under 12 months – maturing LT loans	1.2%		
12 months and within 24 months – variable rate LT loans	9.1%	0%	20%
12 months and within 24 months – other	3.8%		
24 months and within 5 years	8.1%	0%	40%
5 years and within 10 years	16.0%	0%	30%
10 years and above	20.0%	0%	100%

N.B. Time periods start on the first day of each financial year or the trade date for new loans. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 6.7 **Principal sums invested for periods longer than a year:** 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 principal sums invested for more than one year to final maturity dates in each financial year will be:

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£6m	£6m	£3m

This excludes Pooled funds which although intended to be held for 3 – 5 years can be redeemed at 6 month notice or less, typically, depending on the fund.

## 7. **Related Matters**

7.1 The CIPFA Code requires the Authority to include explicitly the following in its treasury management strategy.

- **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.
- **Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority’s treasury management activities, the Section 151 officer or deputy believes this to be the most appropriate status.

7.2 A Council must also have regard for any Government Guidance provided. To date Welsh Government has provided the following directions,

**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”.

Relatedly, 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 treasury investments denominated in foreign currencies nor any defined as capital expenditure. 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 and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 5 below.

Table 5: Non-specified investment limits

	Cash limit
Total long-term investments excluding pooled funds	£6m
Total shares in pooled funds excluding Money Market Funds	£6m
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

N.B. Money market funds are no longer non-specified investments as they are no longer capital expenditure since the 2018 amendment regulations.

**7.3 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.

**7.4 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.

**7.5 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 £224.4 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.

N.B. This is slightly higher than the highest CFR over the next 3 years £211m. The CFR is lower due to the MRP which is taken off the amounts budgeted to be funded by borrowing to arrive at this figure. The authorised borrowing limit contains contingency to cover such things as unpredictable fluctuations in cash, new projects not in MTFP, capital receipts not materialising, vehicles budgeted to be leased – funded by borrowing

## **8. Financial Implications**

- 8.1 The budget for investment income in 2019/20 is £205,000, based on an average investment portfolio of £15.8 million at an interest rate of 1.3%. The budget for debt interest paid in 2019/20 is £3.4 million, based on an average debt portfolio of £129.7 million at an average interest rate of 2.6%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

## **9 Other Options Considered**

- 9.1 The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The S151 Officer or Deputy, having consulted the Audit Committee, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategic approaches are considered in the following table, together with their financial and risk management implications.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties 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 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 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 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

## **Arlingclose Economic & Interest Rate Forecast December 2018**

### **Underlying assumptions:**

- Our central interest rate forecasts are predicated on there being a transitional period following the UK's official exit from the EU.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider that: 1) tight labour markets will prompt inflationary pressure in the future, 2) ultra-low interest rates result in other economic problems, and 3) higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.
- Both our projected outlook and the increase in the magnitude of political and economic risks facing the UK economy means we maintain the significant downside risks to our forecasts, despite the potential for slightly stronger growth next year as business investment rebounds should the EU Withdrawal Agreement be approved. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. We expect the Bank of England to hold at or reduce interest rates from current levels if Brexit risks materialise.
- The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in the middle quarters of 2018, but more recent data suggests the economy slowed markedly in Q4. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures are easing but inflation is forecast to remain above the Bank's 2% target through most of the forecast period. Lower oil prices have reduced inflationary pressure, but the tight labour market and decline in the value of sterling means inflation may remain above target for longer than expected.
- Global economic growth is slowing. Despite slower growth, the European Central Bank is conditioning markets for the end of QE, the timing of the first rate hike (2019) and their path thereafter. More recent US data has placed pressure on the Federal Reserve to reduce the pace of monetary tightening – previous hikes and heightened expectations will, however, slow economic growth.
- Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

### **Forecast:**

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon, but recent events around Brexit have dampened interest rate expectations. Our central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. The risks are weighted to the downside.
- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our central case that the UK will enter a transitional period

following its EU exit in 2019. However, our projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
<b>Official Bank Rate</b>														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.13
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.85
<b>3-mth money market rate</b>														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.17
Arlingclose Central Case	0.90	0.95	1.10	1.30	1.40	1.40	1.40	1.35	1.35	1.35	1.35	1.35	1.35	1.27
Downside risk	-0.20	-0.45	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.76
<b>1-yr money market rate</b>														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.33
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.70	1.60	1.50	1.40	1.35	1.35	1.35	1.35	1.35	1.40
Downside risk	-0.35	-0.50	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.77
<b>5-yr gilt yield</b>														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.50	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.33
Downside risk	-0.50	-0.60	-0.65	-0.80	-0.80	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.66
<b>10-yr gilt yield</b>														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.50	1.65	1.70	1.80	1.80	1.75	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Downside risk	-0.55	-0.70	-0.70	-0.80	-0.80	-0.75	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.71
<b>20-yr gilt yield</b>														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	2.00	2.10	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.18
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
<b>50-yr gilt yield</b>														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.90	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Upside and downside risk is a common convention when reporting investments, returns and interest rate changes being different than predicted. So an upside risk equates to the extent to which/likelihood that the forecasting assumption will be beneficially outperformed by reality. The opposite is true for a downside risk.

## Existing Investment & Debt Portfolio Position

	<b>31<sup>st</sup> Dec 2018 Actual Portfolio £m</b>	<b>Average Rate %</b>
<b>External borrowing:</b>		
Public Works Loan Board – Fixed rate		
Public Works Loan Board – Variable rate	54.6	4.40
LOBO loans from banks	13.5	0.77
Welsh Government Loans	13.6	4.80
Local authority & other LT Loans	5.2	0.00
Local authority & other ST Loans	5.9	1.10
<b>Total external borrowing</b>	<b>67.0</b>	<b>0.69</b>
	<b>159.8</b>	<b>2.31</b>
<b>Other long-term liabilities:</b>	<b>2.5</b>	NA
<b>Total gross external debt</b>	<b>162.3</b>	NA
<b>Treasury investments:</b>		
Banks & building societies (unsecured)	4.7	
Government (incl. local authorities) Money	8.6	
Market Funds	3.4	
<b>Total treasury investments</b>	<b>16.7</b>	<b>0.60</b>
<b>Net debt</b>	<b>145.6</b>	